MONASH University

“Export sustainability: the application of innovation theory in the study of small and medium sized exporters”

By

Murray Rees

B. Bus. (General Insurance)

G. Dip. Management

M.Bus. (Marketing)

A thesis submitted for the degree of Doctor of Philosophy

at

Monash University

Department of Management

Faculty of Business & Economics

in 2015

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Abstract

This thesis investigates activities before and subsequent to the initial export by Victorian small to medium enterprises (SMEs) and identifies key organizational roles for the maintenance of that export strategy, arguing that this constitutes a process of innovation.

Research by AUSTRADE has revealed that Australian SMEs lack export sustainability, that is, most first-time exporters do not export in the year following their first export, thus they do not fulfill the accepted measure of regular export. If their export activities were to be sustained, this could aid SMEs' growth and survival.

A range of international business theories has been developed to explain the internationalisation of firms, all starting with export initiation. However, the phenomenon of subsequent export, if achieved, is assumed to require no additional explanation. Research has also revealed that regular exporters sustain export through personal contacts, skills and knowledge, that are mainly associated with traits of key decision-makers rather than the firms themselves. Analysis at this level is also central to innovation adoption behaviour. Accordingly, this study uses innovation-decision process theory to examine the issue of export sustainability. Existing theory has identified innovation roles of decision-makers in organisational innovation. However, the categorisation of the roles and associated activities of decision-makers involved in export initiation as an innovation is a new contribution of this study. Hence, innovation roles are used to examine the initiation and maintenance of exporting by decision-makers in SMEs.

This concurrent mixed methods longitudinal study is based on case studies in 12 Victorian SMEs that initiated export in 2006-9. The results revealed that activities associated with the roles specified under innovation theory such as "champions", "gatekeepers", "sponsors" and "boundary spanners" were evident in the case material. The findings from the case studies were triangulated using non-parametric

statistical methods. These methods supported the finding that most of the innovation roles were present in export initiation.

Previous studies have revealed that when a decision-maker reacts to an export opportunity, for example, the receipt of an “unsolicited order”, the firm is more likely to be a sporadic exporter. A key finding of this study is that when innovation actors behave proactively the firm is more likely to sustain its exporting.

This study also found some overlap between roles and interdependencies not identified previously. Specifically, owner-managers were found to perform activities associated with all four innovation roles, a unique finding. Conversely, middle managers performed championing, gatekeeping and boundary spanning activities but then deferred to owner-managers who performed sponsoring activities.

Other novel findings identified that: i) innovation roles are more likely in knowledge-based rather than traditional manufacturing SMEs in regular export ii) perceptions of a stimulus to export, are important to export initiation and its sustainability and iii) a subsequent export to a new customer or market in the following year can be a surrogate term for regular export.

Finally, focusing on the innovation roles located in the decision to export offers new insights into how the export initiation decision takes place, how export begins and how it is sustained.

Declaration

This thesis contains no material that has been accepted for the award of any other degree or diploma in any university or other institution, and to the best of my knowledge, contains no material previously published or written by another person, except where due reference is made in the text of this thesis.

Publications during enrolment

Rees, M. 2008. The innovation roles and personal characteristics of those involved in export initiation - a conceptual model. In D. Buttigieg & N. O. Ndubisi, (Ed/s), SME - Entrepreneurship Global Conference - Creating sustainable entrepreneurship eco-system and high performance SMEs. Melbourne, Australia: Monash University, Clayton, Australia

Rees, M. & Edwards, R. W. 2010. Innovation roles in SME Internationalisation. In Monash University, Harbin University, & State University of Management, (Ed/s), 17th International conference on Management Science & Engineering. Monash University Caulfield: IEEE.

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Rees, M. & Edwards, R. W. 2011. Innovation champions in internationalisation approaches in SME first exporters. In C. J. Zhu, (Ed/s). Proceedings of ANZIBA - Challenges for international business in a turbulent global environment, 28-30 April 2011, Monash University, Caulfield, Australia.

Rees, M. 2013, Is export initiation a radical or incremental innovation? In ISPIM (Ed/s), Proceedings of 6th ISPIM Innovation Symposium – Innovation in the Asian Century. 8-11 December, Melbourne, Australia.

Acknowledgements

Firstly to Jillian, Mathew, Simon and Vanessa, my long suffering family without your unfailing support I would not have completed this work.

A special thanks to my wife Jillian for supporting me in this endeavour. Having to listen to my never ending comments about the thesis, transcribing my interviews and reading the thesis. Her sacrifice is hard to measure. You have been with me through all four awards and at last you are now a Doctor's wife!

Special thanks also to my daughter Vanessa, who at the last minute spent time editing my grammar when she should have been working on her own PhD.

My supervisors, present and past for their continual feedback and support:
Professor Ron Edwards for being with me from day one and having belief in me, even with my poor English expression,
Dr Wendy Smith for your positive feedback and encouragement in spite of your own personal trials,
Associate Professor Daniel Prajogo for stepping in at the last minute,
Associate Professor Andrew Pirola-Merlo for your insights and suggestions,
Professor Helen De Cieri for your suggestions and belief in me in the beginning.

Other scholars whose help during my candidature I really appreciated:
Dr Harch Thandi for your kind suggestions and continued support,
Dr Ross Donahue for your teaching, insights and support,
Dr Brian Cooper for your teaching, advice and methodological support,
Mr Colin Crotty for your assistance in identifying firms to contact,
Mr David Hudson for your English editing skills,
Dr Prabodh Malhotra for your encouragement and early advice,
Associate Professor Susan Freeman for your feedback and encouragement,
Dr Chandana Hewege for your encouragement and example,

and

The decision-makers in the firms I approached, your interviews and information were invaluable.

Acronyms & abbreviations

ABS	Australian Bureau of Statistics
AQIS	Australian Quarantine Inspection Service
AWBC	Australian Wine and Brandy Corporation
CE	Conformité Européenne
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIT	Critical Incident Technique
CSIRO	Commonwealth Scientific and Industrial Research Organisation
Dept.	Department
DFAT	Department of Foreign Affairs and Trade
E-P	External-Proactive
E-R	External-Reactive
EMDG	Export Market Development Grant
Ext.	External
HACCP	Hazard Analysis Critical Control Point
HREC	Human Research Ethics Committee
KMO	Kaiser-Meyer-Olkin
IE	International Entrepreneurship
I-P	Internal-Proactive
I-R	Internal-Reactive
Info.	Information
INV	International New Venture
IP	Intellectual Property
ISM	Internationale Süßwarenmesse
M-W U	Mann-Whitney U Test
MNC	Multinational corporations
N.A.	Not applicable
NASAA	National Association for Sustainable Agriculture
OEM	Original equipment manufacturer
OECD	Organisation for Economic Co-Operation and Development
Org.	Organisation

p	Probability
PEST	Political, Economic, Socio-cultural & Technological
POS	Point of sale
QUAL	Qualitative phase
Quan	Quantitative phase
SBU	Strategic business unit
SME	Small and medium enterprises
SPSS	Statistical Package for the Social Sciences
SCERH	Standing Committee on Ethics in Research involving Humans
TMT	Top management team
USA	United States of America

Chapter 1 Introduction

This chapter begins with the background to the research followed by the context. Once the purposes of the present study and research questions are outlined, the research design is provided. Operational definitions are then provided. The structure of the thesis completes the chapter.

1.1 Background

"Growth is vital to small and medium-sized enterprises (SMEs)" (Golovko & Valentini, 2011 p. 362). Without growth, SMEs have a significantly lower expectation of survival (Golovko & Valentini, 2011). Exporting is seen as a method to achieve such growth (Hynes, 2010; Stoian & Rialp-Criado, 2010). An expansion of markets through exporting can assist a firm when domestic markets are depressed (Czinkota, 1994). By exporting to additional markets a firm can achieve "economies of scale"[1] (Leonidou, 1998) and exporting is seen as the "least resistance path to growth" (Bonaccorsi, 1992 p. 605). Cost reductions also occur with increased turnover from exporting, and the subsequent growth benefits smaller firms at rates higher than larger firms (Czinkota, 1994). Lee et al. (2012) found that SMEs' survival improved with international sales and that the risk of failure did not increase as a result of such sales.

For SMEs, export is the "first real step in the internationalisation process" (Jones, 2001 p. 192). According to the Australian Bureau of Statistics (ABS) (2010a) SMEs comprise 86 per cent of exporters in Australia, and also make up the bulk of first-time exporters (AUSTRADE, 2002). However, some SMEs export more than others (Arteaga-Ortiz & Fernández-Ortiz, 2010). Previously, it was discovered that most firms export sporadically, not every year, with most exporting once in four years (ABS, 2000). The ABS found that the majority of SMEs (67%) were represented in the "sporadic export" cohort. A sub-optimal level of commitment to sustained export may be constraining SME growth and profit.

[1] Key terms are introduced in this manner and then appear in the balance of the present study as italics

Andersson (2000) asserts that, for a firm's internationalisation process to progress, it needs "decision-makers" who favour an international strategy. Similarly, Welch and Luostarinen (1988 p.159) write that "the success of internationalisation in any company depends heavily on the type of people both initiating and carrying through the various steps in the process." Several researchers have found that the strategy of SME internationalisation is dependent on one or a few *decision-makers* who have the power to make decisions such as to initiate export (Garnier, 1982; Khan, 1975; Lee & Brasch, 1978).

Some differences between *sporadic* and "regular exporters" highlight aspects of the *decision-makers* rather than of the firm. For example; in "sporadic exporters", the owner-manager was responsible for the decision to export, while in firms that exported regularly, responsibility was delegated to lower levels (Julien, Joyal, Deshaies & Ramangalahy, 1997). Additionally, *decision-makers* in *regular exporters* were more proactive in export development (Samiee, Walters & DuBois, 1993). Conversely, *decision-makers* in *sporadic exporters* display passive behaviour that is reactive, opportunistic and half-hearted (Leonidou, Katsikeas & Piercy, 1998). Similarly, successful organisation innovation requires proactive input by *decision-makers* (Kandemir & Acur, 2012). Therefore, sustained export relies on the proactive input of key *decision-makers*. In 2004, the researcher was involved in conducting case study research with Victorian professional and technical services exporting firms (Rees & Coronel, 2005). This study found that some *decision-makers* in *regular exporters* showed more innovativeness and proactiveness than their equivalents in firms that exported sporadically. This observation inspired the current research into manufacturing exporters.

According to Amo and Kolvereid (2005) innovation in organisations can comprise the development of new products, processes, markets or combinations of these. Export initiation through the entering of new markets fits into Amo and Kolvereid's definition of innovation (Chandra, Styles & Wilkinson, 2009; Chetty & Stangl, 2010). In addition, when using an innovation lens in relation to the first export, scholars have suggested that export is an example of innovative behaviour (Samiee et al., 1993). The shift between *sporadic* and "regular export" is an example of an innovation adoption. Rogers (2003) asserts that for an innovation to be adopted requires confirmation (a

subsequent or *regular export*) after the initial trial (the first export). He goes on to explain that when confirmation is rejected the innovation is discontinued (leading to *sporadic export*). The link between innovation confirmation and *regular export* has been recognised by export theorists such as Cavusgil (1980) and more recently by Wickramasekera and Oczkowski (2006).

Decision-makers involved in organisation innovation have been linked to roles such as “champions”, “sponsors”, “gatekeepers” (Roberts & Fusfeld, 1981) and “boundary spanners” (Jemison, 1984). Considering the premise that exporting activity relies on the actions of *decision-makers* within SMEs, by extension, innovation roles may be associated with export initiation. The nexus between *decision-maker* input and innovation adoption suggests that innovation role actions used by *decision-makers* might be a key to explaining *regular export*. Similarly if these innovation roles are not present for the subsequent export, then this might explain *sporadic export*.

According to Miesenbock (1988), *decision-maker* actions need to be recognised as being the principal drivers for initiating, increasing or concluding an SME’s exports. However, these drivers are still seen as requiring further research, in particular, “identifying the actors participating in internationalisation process” (Styles & Seymour, 2006 p. 139). Consequently, additional knowledge about the *decision-maker/s* “role in identifying, accessing and leveraging resources in the pursuit of opportunity creation and innovation are relevant to the body of internationalisation research” (Jones & Coviello, 2005 p. 287).

Comparing roles of *decision-makers* involved with the initial and subsequent export with those not fully involved, could provide a better understanding of how SMEs internationalise and provide a possible key to *regular export*.

1.2 Research context

Australian SME studies

Australian SMEs are the context of the present study. Non-Australian studies cannot be relied upon to indicate the pattern of Australian SME internationalisation due to their different economic and geographic context including differences in the size

definitions of SMEs (see Sub-section 1.5.7). Furthermore, many studies are based on intra-continental exports such as from Canada to the United States of America (USA) (Bagchi-Sen, 1999; Garnier, 1982; Reid, 1984; Spence, Manning & Crick, 2008), from Scandinavian countries to other European countries (Wiedersheim-Paul, Olson & Welch, 1978) and exporting within a free trade area such as the EU (Rundh, 2007) or NAFTA (Pett & Wolff, 2003). When contrasted with the Australian context, the geographic location presents additional distance and logistical barriers. As such, Australia has a very low export participation rate, at four per cent of SMEs, when compared to other industrialised countries (AUSTRADE, 2002). See Table 1.1.

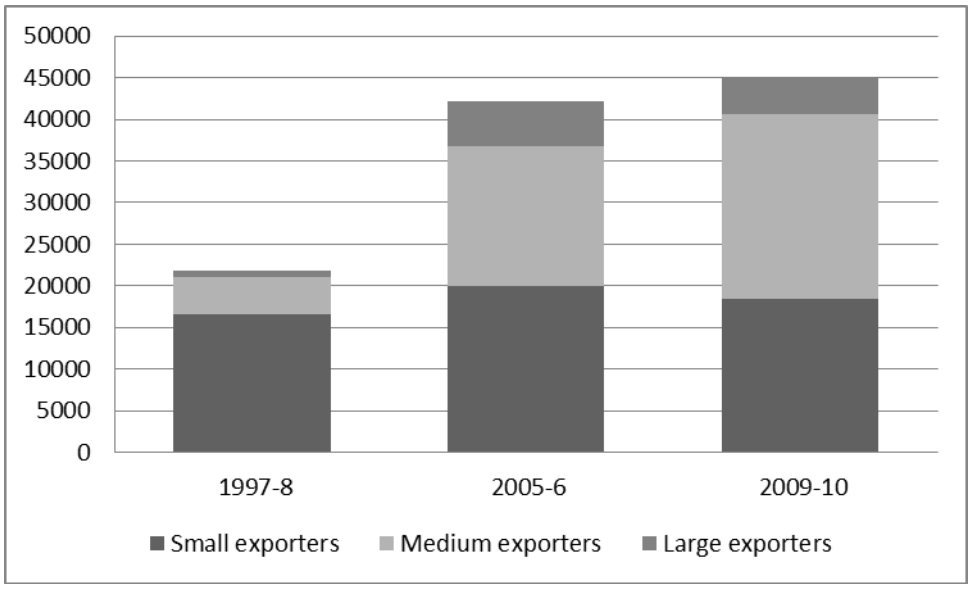
Table 1.1 International comparison of SMEs exporting

Country	Per cent	Country	Per cent
Austria	68	Switzerland	44
Greece	65	Denmark	43
Finland	58	France	43
The Netherlands	57	Portugal	43
Turkey	56	Germany	40
Belgium	55	Sweden	39
Poland	52	Norway	37
Italy	49	Spain	34
UK	48	Canada	15
Ireland	47	Australia	4
Luxembourg	46	USA	3

Source: AUSTRADE (2002)

Interestingly, the recent trend is that more small and medium sized firms export in relation to large exporters. Figure 1.1 suggests a doubling of SME exporter participation between 1997 and 2010.

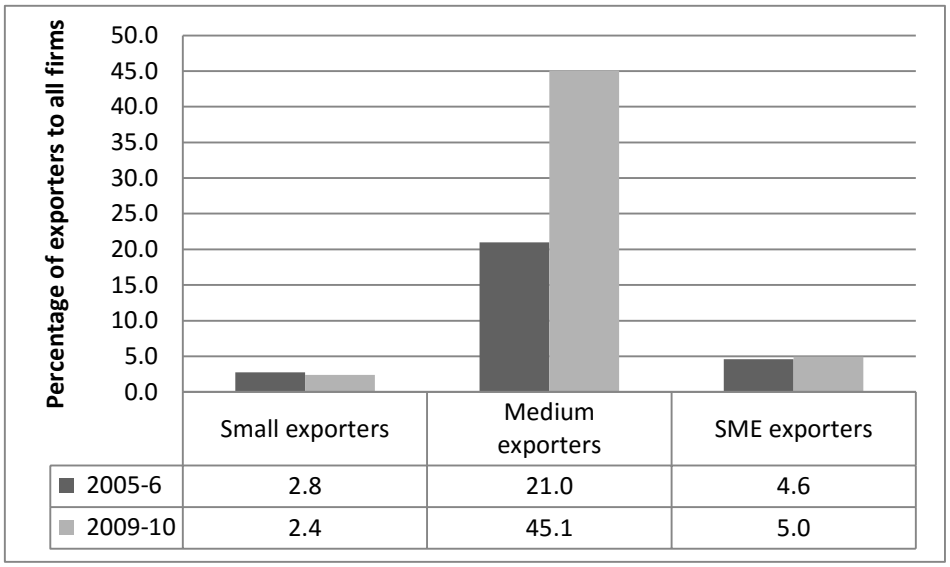
Figure 1.1 Exporters by size of business 1997-2010



Source: ABS (2007; 2014; 2007a; 2011), AUSTRADE (2002)

Further, for 2009-10, the number of SME exporters has increased as compared to the population of SME firms, indicating an increase in the export participation rate from 4.6% (2005-6) to 5%, (see Figure 1.2). Even though there has been a significant increase in the numbers of SME exporters overall, they contribute a modest share in total exports.

Figure 1.2 SME Exporters participation rate 1997-2010



	Small exporters	Medium exporters	SME exporters
2005-6	2.8	21.0	4.6
2009-10	2.4	45.1	5.0

Source: ABS (2007; 2014; 2007a; 2011)

There have been a number of studies of the internationalisation of Australian firms (Barrett & Wilkinson, 1986; Fletcher, 2001; Fletcher, Barrett & Wilkinson, 1997; Patterson, 2004; Welch & Luostarinen, 1988; Wickramasekera & Oczkowski, 2004), but few have controlled for firm size, in particular, SMEs (Andersson & Evangelista, 2006; Carstairs & Welch, 1982; Lamb & Liesch, 2002)[2]. Whilst there have been calls for further research on SMEs, and their first export, with the aim of "deepening our understanding of early adopters of internationalisation" (Knight & Cavusgil, 2004 p. 137), these studies have used the firm level of analysis. In contrast, only a few studies have researched the role of *decision-makers* in Australian SME internationalisation (Welch, Welch & Hewerdine, 2008; Wiedersheim-Paul et al., 1978), particularly in export initiation (Andersson & Evangelista, 2006; Ellis & Pecotich, 2001). The present study will take this approach.

Manufactured goods

The composition of goods exports in Australia is changing (ABS, 2011). The percentage of exports from the mining and other sectors has grown, replacing those from manufacturing and wholesale trade. Exports from the manufacturing sector, in particular, have reduced significantly (see Table 1.2). Accordingly, understanding the factors that influence SME exporters in the manufacturing sector are of particular interest in the present study.

Table 1.2 Australian goods export value shares per year

Export transaction year	Mining (%)	Manufacturing (%)	Wholesale trade (%)	Other (%)
2005-06	39	30	19	12
2008-09	48	25	12	21
2009-10	48	22	12	18

Source: ABS (2007a; 2010a; 2011)

SME manufacturing export firms in Victoria

Of the several states and territories that make up Australia, the state of Victoria is particularly vulnerable to a fall in manufacturing exports as these exports comprise nearly half of the goods exported from the state (see Table 1.3). Recently, the

[2] For a definition of SME see section 1.5.7

economic contribution of manufacturing exports specific to the state of Victoria dropped by 17 per cent (ABS, 2011a).

Table 1.3 Australian goods exports by state (2008-9)

State	Mining (%)	Manufacturing (%)	Wholesale trade (%)	Other (%)
NSW	28	32	16	23
VIC	9	49	28	14
QLD	67	12	8	12
SA	7	44	20	30
WA	62	24	6	8
TAS	23	52	13	11
NT	89	0	4	8
AUST	49	25	12	15

Source: ABS (2010a)

Victoria, in terms of population and GDP, is the second largest state in Australia. Similarly, it has the same proportion of the number of operating firms. In addition, 26 per cent of small business exporters resided in Victoria (2009-10), second only to the state of New South Wales (ABS, 2011). See Table 1.4.

Table 1.4 Population, firms & small exporters by Australian state (2009-10)

State or Territory	Population ('000) [%]	GDP ($ millions) [%]	Operating firms ('000) [%]	Small exporters ('000) [%]
NSW	6,984 [33]	401,716 [31]	705 [33]	4.7 [34]
VIC	5,314 [25]	293,313 [23]	537 [25]	3.5 [26]
QLD	4,294 [20]	254,550 [20]	433 [20]	2.3 [17]
SA	1,603 [7]	79,558 [6]	148 [7]	0.8 [6]
WA	2,171 [10]	187,834 [15]	221 [10]	1.2 [9]
TAS	498 [2]	22,341 [2]	39 [2]	1.1 [8]
NT	220 [1]	16,880 [1]	14 [1]	N.A.
ACT	346 [2]	25,988 [2]	25 [2]	N.A.
AUST	21,432 [100]	1,283,799 [100]	2,124 [100]	13.6 [100]

Source: ABS (2010c; 2014; 2010b)

The sustainability of manufacturing SMEs is also critical to the Victorian economy as SMEs comprise 99 per cent of the state's employers (Department of Business and Innovation, 2011). Hence, the present study will use a sample drawn from Victorian manufacturing SMEs.

Export as the initial market entry mode

International research has shown that SMEs enter new foreign markets by export rather than other entry modes such as: franchising, joint ventures or strategic alliances (Bell, 1995; Hynes, 2010; Westhead, Wright & Ucbasaran, 2001). Similarly, in Australia, SME internationalisation initiation studies have revealed that export is the most common entry mode (Chandra et al., 2009; Ellis & Pecotich, 2001; McGaughey, Welch & Welch, 1997). According to Crick and Chaudhry (1997 p. 167), "the first export was seen as an important factor affecting future attitudes about exporting." Circumstances surrounding the initiation of export are of interest to the present study. Of additional interest is that some SMEs continue to export after export inception (Bell, 1995) whilst other firms do not (Bagchi-Sen, 1999). Samiee and Walters (1991) mention that a comparison of exporting functions between *regular* and *sporadic exporters* is required. This early period after initiation of export is therefore of particular interest.

Not just born-global SMEs

Westhead et al. (2001) found that some non-internationalised firms became exporters at a time well beyond the firm's start-up, in contrast to others called "born-global" SMEs that exported at or shortly after inception (Bell & McNaughton, 2000; McAuley, 1999; McDougall, Shane & Oviatt, 1994). The *born-global* phenomenon is well represented by the number of studies when compared to mature SME export initiation studies. SME internationalisation research has comprised studies looking at the *born-global*, international new venture or rapid internationaliser phenomenon (Bell, 1997; Crick, 2009; Jolly, Alahunta & Jeannet, 1992; Nummela, Loane & Bell, 2006). Some have compared Australian *born-global* firms with those of other developed countries (Andersson & Evangelista, 2006; Rasmussen, Madsen & Evangelista, 2001). In Australia in particular, *born-global* firms have been the focus of several dedicated studies (Freeman & Cavusgil, 2007; Freeman, Edwards & Schroder, 2006; Loane, Bell & McNaughton, 2007; Mort & Weerawardena, 2006;

Rennie, 1993). However, *born-global* firms do not constitute the majority of SME exporters in Australia (AUSTRADE, 2002).

Mature SME exporters are those that have introduced export well after the firm was founded and were "less aggressive in their growth strategies and more cautious in internationalising" than *born-global* firms (Bell, Crick & Young, 2004 p. 33). Some non-Australian studies have compared *decision-makers* in *born-global* and mature SME exporters (Bell et al., 2004; Boter & Holmquist, 1996). The present study contains both types of firms, focusing on *decision-makers* involved in export initiation.

Export stimulus

The impetus to implement export comes in the form of a "stimulus" (Bell et al., 2004) such as the realisation that the company has a "unique product". A *stimulus* to begin internationalisation such as export can arise from sources either internal or external to the firm (Nummela et al., 2006). Similarly, a firm can respond proactively or reactively (Johnston & Czinkota, 1982), depending on the *decision-maker's* perception of the *stimulus* (Tan, Brewer & Liesch, 2007). However, the identification of a *stimulus* may not result in an export (Miesenbock, 1988). Several "stimuli" may be received before action in the form of an export takes place (Caughey & Chetty, 1994), for example, foreign *unsolicited orders* may be initially rejected by *decision-makers* (Bilkey & Tesar, 1977).

From this brief overview, the role, perception and action of the *decision-maker* who is in receipt of a *stimulus* is crucial to the initiation of the first and subsequent export (Tan et al., 2007). The present study attempts to see how a *stimulus* is perceived by *decision-makers* and how they act on it depending on their innovation role. This will be discussed more fully in the next chapter.

In summary, Victorian SME manufacturers are an important participant group in Australian exports, but they mainly demonstrate *sporadic export* and this may in part be due to the actions of *decision-makers* involved with export initiation. Additionally, innovation roles and associated activities have been little researched in internationalisation literature. The interplay of *stimuli* with *decision-maker/s*

innovation roles is also an aspect of investigation. The next section develops the purposes and research questions for the present study.

1.3 Purposes of the present study

The main purpose of the present study is to determine:
"What are the innovation roles of decision-makers involved in the first and subsequent exports in SMEs and to what stimuli do they respond?"
Subsidiary purposes of the present study are to:

1. To provide a better understanding of the innovation roles of *decision-makers* who initiate exporting;
2. To provide a better understanding of the stimuli that move export initiation *decision-makers* into action in the context of their innovation roles;
3. To provide a better understanding of *decision-makers* and their innovation roles following the first export and how their involvement influences subsequent export/s.

In order to address the purposes of the present study, three research questions were developed:

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

Assuming RQ1 is answered in the affirmative:

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

1.4 Research design

"International business is a multi-faceted area of research, crossing national, cultural, organisational and personal boundaries and inspiring quite complicated research questions" (Hurmerinta-Peltomaki & Nummela, 2006 p. 440). The present study has

some of these characteristics. In particular, it crosses organisational, national and personal boundaries. As such, a mixed methods design was deemed appropriate.

The present study is exploratory as the hypothesized innovation roles have not been demonstrated previously in the context of export initiation. The present study requires an exploratory approach to identify who was involved in export initiation, who they interacted with to obtain the first export order and what they did. It describes phenomena such as: *decision-makers'* innovation roles and their perception of the *stimulus* to export. This type of enquiry lends itself to a qualitative approach (Sekaran & Bougie, 2010). In the qualitative analysis the identification of innovation role/s and the associated *stimulus* was mainly informed by the literature. Chapters 2 and 3 will provide details on how the theory and past studies informed the analysis.

Innovation roles were measured at the innovation adoption stage (the subsequent export) with the use of pre-validated quantitative scales. As such, the present study is a mixed method approach of qualitative case studies and a quantitative survey. This collection technique involves both data and methodological triangulation, that is, qualitative and quantitative data are collected initially on the same phenomena and then compared (Denzin, 1978). This approach will be discussed further in Chapter 3.

A longitudinal research approach

Decision-makers and their activities can change with and after export initiation (Welch et al., 2008). Welch et al. report that a longitudinal research approach can encapsulate the process that could explain *decision-maker* behaviour in export firms and their export propensity. This mixed methods study utilised a two phase longitudinal data collection design. For each firm in the sample, data were collected soon after the initial export. A second phase of data collection was undertaken a year later to see what had transpired after the first export. More details on the longitudinal approach can be found in Chapter 3.

1.5 Operational definitions

Key definitions used in the present study are provided in this section. Some definitions where indicated below will be further explained in Chapter 2.

1.5.1 Actor

The term “actor” has been identified in innovation literature (Markham, Ward, Aiman-Smith & Kingon, 2010; Podolny & Stuart, 1995) and similarly, in internationalisation literature where “actors control activities and/or resources” (Hakansson & Johanson, 1992 p. 28). They can be: “individuals, groups of individuals, parts of firms, firms and groups of firms” Hakansson & Johanson, 1992 p. 28). The context of this study is the export “behaviour of an *actor* (firm or individual) to undertake cross-national border activity through the act of international market entry” (Perks & Hughes, 2008 p. 312). However, the focus for the present study is on individuals involved in export initiation rather than their firms. Thus, for the purposes of the present study, *actors* have a part to play in the first and subsequent export.

1.5.2 Boundary spanner

An *actor* who undertakes the *boundary spanner* role operates at the outer layer of an organisation where he/she interprets the external environment and passes this information to internal *decision-makers* (Leifer & Huber, 1977). He/she also liaises directly with the innovative team (Rivera & Rogers, 2006). A *boundary spanner* determines how much information is subsequently distributed to the organisation (Hoch, 1990; Lievens & Moenaert, 2000). He/she can also liaise with external groups or customers regarding the organisation (Burk, 1994; Jemison, 1984). Further explanation will be provided in Chapter 2, Sub-section 2.2.5.

1.5.3 Champion

A *champion* is not necessarily the inventor of an idea or innovation, but will treat the idea as if it was his/hers (Schon, 1963). A *champion* connects the need for and the technical response required for an innovation, and links the innovation to the strategic direction of the firm, for example, by targeting a new market (Burgelman, 1983). A *champion* can be found at any level in the organisation (Day, 1994), similarly, he/she can interface between those employees and peers who support the innovation and senior management (Howell & Higgins, 1991). Further explanation will be provided in Chapter 2, Sub-section 2.2.3.

1.5.4 Decision-making

"Decision-making" can be either strategic or tactical (Nemkova, Souchon & Hughes, 2012). Strategic decisions are responses to "problems that deal with the determination of an organisation's purpose, goals and direction; the fit or alignment between the organisation and its environment" (Berthon, Pitt & Ewing, 2001 p. 138). Tactical or operational decisions are those made in response to "problems that deal with specific courses of action for the immediate future, actions taken to achieve pre-established goals and objectives, and localised parts of an organisation" (Berthon et al., 2001 p. 138).

1.5.5 Gatekeeper

A *gatekeeper* is an *actor* whose role mainly involves receipt, control and distribution of resources (Markham et al., 2010) or information (Macdonald & Williams, 1993; Pettigrew, 1972; Roberts & Fusfeld, 1981) sourced for an innovation. A *gatekeeper* also approves the innovation for implementation (Markham et al., 2010). Further explanation will be provided in Chapter 2, Sub-section 2.2.6.

1.5.6 Regular export

A firm that performs an export "year on year" is defined to be a *regular exporter* (AUSTRADE, 2002 p. 38). The AUSTRADE definition is adopted in the present study. See also the "subsequent export" definition below. Further explanation will be provided in Chapter 2, Sub-section 2.4.1.

1.5.7 Small & medium enterprise (SME)

The term "SME" comprises both small and medium sized businesses. The ABS (2000) defines SMEs as firms with fewer than 200 employees. "Micro businesses" range from one to four employees, "small businesses" from five to 19, and "medium sized businesses" range from 20 to 199. The present study takes the same stance.

1.5.8 Sponsor

A *sponsor* is an *actor* in an innovation role who coaches or mentors a *champion* and his/her innovation team (Maidique, 1980; Wheelwright & Clark, 1992). *Sponsors* have also been called executive *champions* (Maidique, 1980), godfathers (Smith, 2007), patrons (Leifer, McDermott, Collarelli O'Connor, Peters, Rice & Veryzer Jr, 2000) and promotors (Mansfeld, Holzle & Gemunden, 2010; Rost, Hölzle & Gemünden, 2007; Witte, 1973). For the purposes of the present study these various titles will be deemed to be synonymous with the term *sponsor/s*. Further explanation will be provided in Chapter 2, Sub-section 2.2.4.

1.5.9 Stimulus/stimuli

Export initiation is a response to a *stimulus* (Bell et al., 2004). A *stimulus* can be perceived as internal (Leonidou, 1998) or external to the firm (Ellis & Pecotich, 2001). A *stimulus* has also been reported in the literature as either a “trigger” (Douglas & Craig, 1989; Liesch & Knight, 1999) or a “factor” (Johnston & Czinkota, 1982). As all three terms describe the same force at work, the terms *stimulus* or *stimuli* will be used in the present study. Further explanation will be provided in Chapter 2, Sub-section 2.3.1.

1.5.10 Subsequent export

A subsequent export is another export to a different customer or market from that of the first export in the same or the following year. Further explanation will be provided in Chapter 2, Sub-section 2.4.1.

1.6 Structure of thesis

This chapter introduced the background to and provided the context of the research. It also provided a statement of the purpose of the research, including research questions. Operational definitions and a discussion of the research design are also included.

Chapter 2 is the literature review. It develops the main purpose, research questions and hypotheses for this study. The literature review focuses on extant research that addresses the concept of innovation roles and export initiation. Then, *stimuli* in relation to innovation roles are discussed. Finally, literature related to the subsequent export is examined in relation to innovation roles, and *stimuli*, culminating in a conceptual model.

Chapter 3 explains the research method, examines the nature of the research problem more deeply and presents the research design. As this is a mixed methods study, it discusses both qualitative and quantitative collection methods. Discussion of the analysis techniques follows a similar approach. The triangulation of data is also discussed. Ethical considerations conclude the chapter.

Chapter 4 separates results into qualitative and quantitative findings. The qualitative analysis is performed within and across cases in response to the research questions. The quantitative analysis has results of tests of the hypotheses. Then, the qualitative and quantitative data are triangulated, that concludes the chapter.

Chapter 5 is a discussion of the findings of this study. The discussion compares the findings to extant research. In addition, the implications of the findings are also discussed.

Chapter 6 provides conclusions to the research questions. The contributions to theory and practice are then outlined. The limitations of the study are stated and, finally, future research directions are recommended. A reference list concludes the chapter

Chapter 7 contains the appendices for the entire thesis.

1.7 Chapter conclusion

This chapter outlined the background of the study, including a discussion of the importance of revenue growth to SMEs and how *sporadic export*, to some extent,

limits their growth. Several characteristics distinguish *decision-makers* in *regular*, versus *sporadic exporters*. These characteristics centre on the participation and support of others involved in exporting.

Scholars have suggested that export initiation and retention is innovative behaviour, with the shift between *sporadic* and *regular export* likened to a process of innovation adoption. Similarities such as the proactiveness of *decision-makers* in *regular exporters* and organisation innovation highlight the significance of those in innovation roles. Accordingly, an examination of the innovation roles of *decision-makers* in the first and subsequent export might provide a key to understanding the phenomenon of *regular export*.

The context of the present study is the population of manufacturing SMEs with a focus on those in the state of Victoria as they are an important but declining sector for the economy. Export is the focus because it is the preferred initial international market entry mode for SMEs. The SMEs under scrutiny were chosen to include both *born-global* and mature exporters to enable some comparison between *decision-makers*. An innovation lens focusing on innovation roles in SMEs potentially provides new perspectives on *regular export*. Thus, the main purpose of the present study is to determine:
“What are the innovation roles of decision-makers involved in the first and subsequent exports in SMEs and to what stimuli do they respond?”

The present study uses a mixed methods approach. Qualitative and quantitative data have been collected concurrently. Triangulation of these sources of data has also been undertaken. Finally, this chapter has provided operational definitions and described the structure of the thesis.

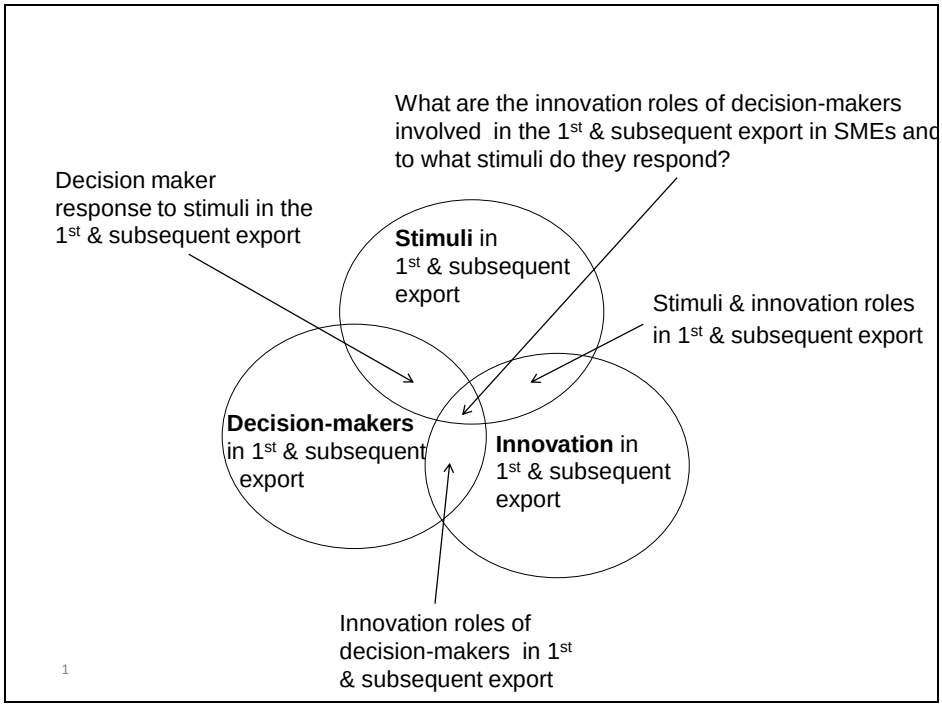
The next chapter discusses the relevant literature domains for the present study. Overlaps between these literature domains are an area of theoretical interest in the present study. After reviewing the extant literature in each overlapping domain, research questions and hypotheses have been extracted.

Chapter 2 Literature review

SME internationalisation, in particular export initiation and sustainability, is the context and focus of the study. In order to address the main purpose, the relevant literature published up to and including 2013 from three domains are reviewed in this chapter and represented in the Venn diagram in Figure 2.1. In line with Rudestam and Newton (1992), the circles are the domains of background literature and used to organise the relevant literature. The first domain comprises literature on *decision-makers* in the first and subsequent export; the second focuses on innovation in the first and subsequent export; and the third is on *stimuli* in the first and subsequent export. The overlaps of the three domains are the key literature for this thesis. These overlaps comprise the innovation roles of *decision-makers* in the first and subsequent export; *decision-maker* response to *stimuli;* and *stimuli* and innovation roles in the first and subsequent export. The centre of the diagram is the culmination of the three selected domains of literature and represents the main purpose of the present study:

> "What are the innovation roles of decision-makers involved in the first and subsequent exports in SMEs and to what stimuli do they respond?"

Figure 2.1 Literature domains



Source: Adapted by author

The following sections critique the relevant literature (both the domains and their overlaps) as they relate to the present study. Each domain is introduced briefly with the overlaps discussed in more depth, leading to research questions and/or hypotheses.

The first domain to be explored is that of *decision-makers* involved in the first export and the nature of their roles.

2.1 Decision-makers in the first export

"In SME exporting firms, it is likely that a single senior manager will be responsible for market entry and penetration decisions for a number of product-markets" (Gray, 1997 p. 395).

This section introduces the first literature domain, *decision-makers* who are involved in the export initiation process. It begins with a discussion on firms and how they are comprised of coalitions and individual *decision-makers*. The section then looks at the level of analysis used in internationalisation and export initiation studies within the context of an SME.

Firms as coalitions

A firm is a "coalition of individuals, some of them organized into sub coalitions" (Cyert & March, 1963 p. 27) involving various *actors* (Pfeffer, 1981). Outcomes from these coalition/s "are viewed as reflections of values and cognitive bases of powerful *actors* in the organisation" (Hambrick & Mason, 1984 p. 193). These *actors* have different agendas (Cyert & March, 1963) when it comes to development of strategies such as internationalisation. Managers and owners, as powerful *decision-makers*, "direct resources to the areas that they find most important" (Andersson, 2002 p. 106). When dominant *decision-makers* in a firm do not have any interest in pursuing international activities, then sustained internationalisation such as *regular export* is unlikely (Andersson, 2002).

According to Garnier (1982 p. 121), *decision-making* for exporting in an organisation is "concentrated in the hands of one or very few persons." In an early study of SMEs,

Khan (1975) found a concentration in “small-size firms where the decision was more or less made by one person” (p. 106). This finding was supported by Lee and Brasch (1978) who found that most export initiation decisions were “made by one executive member” (p. 89), with an average of 1.4 *decision-makers* involved in the decision to pursue the first export. A more recent study reported one to four people were involved in international activities (Collinson & Houlden, 2005), although this study involved more mature phases of internationalisation, not just the first export. That is, according to extant research, for an SME to embark on the first export, individual *decision-makers* or groups, as powerful coalitions within the firm, must agree with an internationalisation strategy. The number of *decision-makers* involved implies that only some *actors* in firms and their coalitions are involved in internationalisation decisions. That is, export initiation does not require broad management involvement.

SME export studies - level of analysis

Several SME first export studies (Knight, 2001; Nummela et al., 2006; Sasi & Arenius, 2008) were at the firm level of analysis that tends to overlook the actions of the *decision-makers* who initiate export. In a summary of early internationalisation research, Cavusgil, Deligonul and Yaprak (2005) state that apart from firm-based constructs, other factors such as managerial mindset were significant. Such constructs indicate that the level of analysis could also be applied to an individual *actor* as well as the firm, and thus signal the value of a multilevel approach (Levy, Beechler, Taylor & Boyacigiller, 2007).

Some SME studies show *decision-makers* and firms being researched jointly (Bell et al., 2004; Casillas, Acedo & Barbero, 2010; Gray, 1997; McDougall et al., 1994; Wickramasekera & Oczkowski, 2004). In an Australian study (Ellis & Pecotich, 2001), the analysis of export initiation is multilevel, with both firm and *decision-makers* being observed in this process, but the social ties of *decision-makers* are seen as the key to SME export initiation. Similarly, Westhead et al. (2001) combine levels of analysis, recognising the interdependence of firms on *decision-makers* such as founders. In their study, several hypotheses depend on the individual founder’s characteristics to predict firm exporting behaviour at a later time (Westhead et al., 2001). In another study, a construct of managerial commitment in Australian wine exporters comprised specific *decision-maker* characteristics (education, language, foreign born,

experience) of export managers (Wickramasekera & Oczkowski, 2004). From the above SME export initiation literature using multilevel analysis, there is some recognition of the part that *decision-makers* play in a firm's export initiation.

Analysis at an individual level

Miesenbock's (1988) literature review of SME exporting studies found that *decision-makers* are the main variable in export initiation where "he or she is the one to decide starting, ending and increasing international activities. He lays down the goals concerning exporting and determines the organisational commitment" (Miesenbock, 1988 p. 42). More recently, individual *decision-makers* have been the focus of internationalisation studies (Gray, 1997; Harveston, Kedia & Davis, 2000; Perks & Hughes, 2008; Stoian & Rialp-Criado, 2010). This trend towards individual level analysis has spread to SME export initiation studies (Andersson & Evangelista, 2006; Andersson & Wictor, 2003; McGaughey et al., 1997). Applying an individual level of analysis in an SME's export initiation "enhances the understanding of internationalisation" (Andersson & Evangelista, 2006 p. 642). For the purposes of the present study, the level of analysis will be that of the individual *decision-maker* within the context of an SME (see Chapter 3).

Summary

This section discussed the role of *decision-makers* in published research on SME internationalisation. The first sub-section presented firms as coalitions of individuals, some of whom at least would favour a strategy such as the first export. Then the section considered the firm and the individual *actor* as the levels of analysis involved in the first export and the nexus between them. From this literature it was concluded that individual *decision-makers* will be the level of analysis for the purposes of the present study.

Having established the level of analysis, the next section looks at the literature domain concerned with innovation and considers how it relates to the first export and those involved in it.

2.2 Innovation roles

"One person's (or company's) evolution often appears as a revolution to others" (Welch & Luostarinen, 1988 p. 48). An evolution or revolution could involve innovation (Schumpeter, 1934). This section focuses on the overlap in the domains of literature on innovation in the first export and *decision-makers* in the first export. It begins with a discussion on innovation in the context of internationalisation and then focuses specifically on the literature related to the export initiation as an innovation. Individual *actors* in the innovation process are then discussed. The section then provides a discussion of *actor* roles prominent in the adoption of innovation and their possible links to internationalisation generally and the first export specifically.

2.2.1 Innovation in internationalisation

Innovation performed in organisations can comprise the development of new products, processes, markets or combinations of these (Amo & Kolvereid, 2005; Schumpeter, 1934). New markets as innovations have been a focus in internationalisation research for some time (Andersen, 1993; Ellis, 2011; Simmonds & Smith, 1968). The initiation of export as a market innovation is also of prime importance for the present study.

According to Andersen (1993), market innovations have been linked to internationalisation through the innovation-related stages approach. The innovation-related stages approach in internationalisation models is based on a process similar to that found in Rogers' (1962) innovation adoption model. Rogers' original model described the stages in the adoption process of innovation: awareness, interest, evaluation, trial and adoption. Following on from Rogers' (1962; 1971) work, the basic premise of subsequent innovation-related models is that internationalisation is an example of organisations adopting an innovation (Bilkey & Tesar, 1977; Cavusgil, 1980; Lee & Brasch, 1978; Lim, Sharkey & Kim, 1991; Simmonds & Smith, 1968; Wickramasekera & Oczkowski, 2006). In a study of SMEs in the UK, Simmonds and Smith (1968 p. 94) found that "entry into the export market is just as much an innovation as the adoption of a new production process." If the firm were to adopt the

practice of exporting, its first occurrence would be “considered an innovation within the closed environment of the firm” (Simmonds & Smith, 1968 p. 94).

Rogers (1962; 1983; 1971) revised his model several times, giving the stages new titles, changing the number of stages to become finally, the innovation-decision process model. For the purposes of the present study, the terms and explanations of the latest Rogers (2003) innovation-decision process, will be used to avoid confusion. The innovation-decision process stages are detailed in Table 2.1.

Table 2.1 Rogers' innovation-decision process model stages comparison

Stage =	**1**	**2**	**3**	**4**	**5**
Rogers’ (1962) 5 stages	Awareness	Interest	Evaluation	Trial	Adoption
Rogers’ (1971) 4 stages	Knowledge	Persuasion	Decision	Confirmation Adoption	
Rogers’ (2003; 1983) 5 stages	Knowledge	Persuasion	Decision	Implementation	Confirmation

Source: Compiled by the author

The following table (2.2) links Rogers’ innovation-decision process stages to other innovation-related stages approach studies (Bilkey & Tesar, 1977; Cavusgil, 1980; Lee & Brasch, 1978; Lim et al., 1991; Wickramasekera & Oczkowski, 2006). The comparison between Rogers’ (2003) innovation-decision process stages and innovation-related stages approach models is summarised in the paragraphs after Table 2.2.

Table 2.2 Rogers' innovation-decision process compared to stages approach models

Rogers (2003) 5 stages =	1 Knowledge	2 Persuasion	3 Decision	4 Implement-ation	5 Confirmation
Bilkey & Tesar (1977) 6 stages #%	3 Manage-ment explores	3 Manage-ment explores	3 Manage-ment explores	2 & 4 Experiment	5 Experienced exporter
Lee & Brasch (1978) 5 stages	1 Awareness of export opportunity	2 Formalised search	3 Manage-ment decision	4 Export order	5 Commitment with export manager appointed
Cavusgil (1980) 5 stages #	2 Pre-export	2 Pre-export	2 Pre-export	3 Experiment	4 Active involvement
Lim et al. (1991) 4 stages	1 Awareness	2 Interest	2 Interest	3 Intention	4 Adoption
Wickrama-sekera & Oczkowski (2006) 4 stages	1 Awareness	2 Export interest	2 Export interest	3 Export trial	4 Adoption

Not all stages were concerned with export initiation, e.g. Stage 1 = domestic, not interested in exporting
% Stage 6 = exporting to additional countries
Source: Compiled by the author

Knowledge

The first stage in Rogers' (2003) innovation-decision process is knowledge. Rogers (2003) describes the knowledge stage as where a *decision-maker* or their unit becomes aware of the existence of or potential for an innovation, known as "awareness knowledge". According to Ellis and Pecotich (2001 p. 125), "awareness of opportunities abroad is the critical variable driving export initiation". Additionally, an individual *actor* also gains a working understanding ("how-to knowledge") of the innovation at this stage (Rogers, 2003). For example, *awareness knowledge* of an opportunity in an international market or the acquisition of exporting skills (*how-to knowledge*) was observed for two-thirds of *decision-makers* in small USA exporting manufacturers (Lee & Brasch, 1978). *Awareness knowledge* of a potential innovation as the first stage of export initiation was replicated by other innovation-related stages approach studies (Lim et al., 1991; Wickramasekera & Oczkowski, 2006). However,

according to Rogers (2003) knowledge of an opportunity is not enough. The next stage, persuasion, also needs to be present before an innovation can be implemented.

Persuasion

This stage is where *decision-makers* form opinions about the proposed innovation, become interested and seek more information about it (Rogers, 2003). Bilkey and Tesar (1977) describe small manufacturing firms in their stage three where "management actively explores the feasibility of exporting" (p. 93). Alternatively, the management team may seek information on how export will benefit the firm as identified in stage two (Wickramasekera & Oczkowski, 2006). The seeking of information on how an innovation would benefit the firm is defined as "principles knowledge" (Rogers, 2003).

Decision

Rogers (2003) saw the decision stage as the time when it was determined whether to adopt or reject an innovation. An innovation-related stages model, Lim, Sharkey and Kim (1991) was empirically tested among USA manufacturers. The Lim et al. (1991) model has four stages: export awareness; export interest, export intention and export adoption stage. The export interest *stage* indicates that export is seen as viable to *decision-makers* in the firm. Similarly, Lee and Brasch (1978) recognise that management examines the export opportunity culminating in a decision. Both models demonstrate the decision stage described by Rogers (2003).

Implementation

Rogers (2003) describes the implementation stage as when an innovation is put to use in a limited way. Cavusgil (1980) theorised that firms in the third stage of his model were experimental in their involvement. The model was tested in a study of USA manufacturers that confirmed that firms in stage three began exporting in limited volumes (Cavusgil, 1982). From the results of the Cavusgil (1982) study, the Cavusgil (1980) model stage three is similar to Rogers' (2003) implementation stage.

Confirmation

The final stage in Rogers' (2003) innovation-decision process, confirmation, is where a *decision-maker* seeks reinforcement of the innovation. If it is confirmed then continued adoption of the innovation occurs (Rogers, 2003). An Australian study of wineries by Wickramasekera and Oczkowski (2006) followed a similar conceptual development to that of Lim et al. (1991). The final adoption "stage includes a level of commitment from management to full-scale adoption of exporting" (Wickramasekera & Oczkowski, 2006 p. 45).

The implementation can make or break an innovation. For example, when an innovation does not live up to expectations, confirmation is rejected and the innovation is discontinued (Rogers, 2003). However, when the implementation of an innovation is successful, then continued adoption occurs as confirmation of the innovation (Rogers, 2003; Rogers & Shoemaker, 1971). Rejection of an innovation such as an export after implementation may result in *sporadic export*. Evidence of *sporadic export* has been found in innovation-related stages of internationalisation models. Cavusgil's (1980) model recognises *sporadic exporters* but in stage 2 (pre-export) rather than stage 4 (active involvement).

In summary, Rogers (1962; 2003) innovation-decision process has a symbiotic relationship with the innovation-related stages approaches to internationalisation by various researchers (Bilkey & Tesar, 1977; Cavusgil, 1980; Lee & Brasch, 1978; Lim et al., 1991; Wickramasekera & Oczkowski, 2006). These approaches have been firm-based or if multilevel, take a predominantly organisation level stance. Conversely, Rogers (1962; 2003) innovation-decision process accommodates individual *actors* within their social system (firm). As such, the innovation-decision process is a suitable model in which to consider *decision-makers* and their activities in relation to export initiation.

Export as an incremental innovation

Some researchers (Hurmerinta-Peltomaki, 2003; Jones & Coviello, 2005) argue that export initiation is more of an incremental than a radical innovation. Others argue that it can be incremental or radical (Chandra et al., 2009). The difference "between radical and incremental innovation relates to the degree of change associated with

the innovation and the resulting impact on a firm's perceived risk and existing core competencies" (Chetty & Stangl, 2010 p. 1729). According to innovation theory, an incremental innovation will be a "marginal departure from existing practices; they mainly reinforce the existing capabilities of organisations" (Gopalakrishnan & Damanpour, 1997 p. 18). A product undergoing incremental changes can lead to the development of a new market (Chell, 2008). For example, incremental innovation for export initiation may involve slight modifications to pre-existing products, serving somewhat similar market requirements to the domestic market (Chandra et al., 2009). In a New Zealand study, Chetty and Stangl (2010) found that some older and larger SMEs developed their "process innovation" incrementally before they entered new psychically close markets. The opposite of these psychically close markets are those that are psychically distant. The measurement of the difference between markets is psychic distance these are the "factors preventing or disturbing the flows of information between firm and market" (Johanson & Wiedersheim-Paul, 1975 p. 308). These psychic distance factors may include language, education level, culture and political systems[3]. In the Chetty and Stangl (2010) study, the new psychically close markets were in Anglo-Saxon countries, mainly Australia, as their first direct export market, thus representing incremental internationalisation.

Radical innovation

A radical innovation "produces fundamental changes in the activities of an organisation or an industry and represent clear departures from existing practices" (Gopalakrishnan & Damanpour, 1997 p. 18). When related to internationalisation, Chetty and Stangl (2010) found that radical innovation does not necessarily lead to radical internationalisation. Some New Zealand SMEs with radical innovations internationalised incrementally, using a number of entry modes to a small number of international markets. Chetty and Stangl also found that incremental "product innovation" can lead to radical internationalisation in the form of rapidly increasing international sales from many markets of varying psychic distance. Conversely, radical innovation has also led to a radical internationalisation where firms achieve significant international sales and operate in many markets (Chetty & Stangl, 2010).

[3] For more information on psychic distance see Johanson, J. & Wiedersheim-Paul, F. 1975. The Internationalization of the firm: Four Swedish case studies. Journal of Management Studies(October): 305-22.

The number and choice of host market/s that are psychically distant from the home market might be an indicator of the degree of radicalness of the export initiation innovation (Chetty & Stangl, 2010). Rogers (2003 p. 426) points out that the degree of radicalness in an innovation is "indexed by the amount of knowledge that organisation members must acquire in order to adopt." From this comment and Chetty and Stangl's (2010) findings, it can be concluded that radical internationalisation involves entering many markets and using varied market entry modes. Radical exporters enter markets that are psychically close at the beginning of internationalisation, but add more distant markets with time (Chetty & Stangl, 2010). Following this logic and keeping the entry mode constant would suggest that choosing many export markets and/or beginning by exporting to psychically distant markets are likely to distinguish radical from incremental export. As identified above, incremental export firms have few international markets that are psychically close (Chetty & Stangl, 2010). Smaller firms may be less likely to adopt radical innovations than larger ones, but the size of the firm does not matter for incremental innovations (Dewar & Dutton, 1986). In conclusion, not all export initiation represents a radical innovation, but the introduction of export is at the very least an incremental innovation.

This sub-section has established that export initiation, as a market innovation, has been linked to the innovation-related stages approach to internationalisation. The innovation-related stages approach to internationalisation aligns with the innovation-decision process model proposed by Rogers (1962). Internationalisation has been considered a radical innovation. The degree of radicalness relates to the extent and diversity of the market entered or the extent of product development or adaptation involved. The next sub-section will examine individual *actors* in the innovation process.

2.2.2 Individual actors in innovation

Similar to internationalisation, innovation research has often used the firm as a level of analysis. The selection of this level of analysis is mainly due to the need for a social context in which to recognise the innovation (Van de Ven, 1986). Organisations were considered to be an extension of the social process of innovation

(Rogers, 1983). However, innovation is an interacting social process between the individual *actor* and the organisation (Reid & de Brentani, 2004). Within an organisation the "meaning of an innovation is constructed over time through a social process of human interaction" (Rogers, 2003 p. 428). Thus, according to Amo and Kolvereid (2005 p. 8) a firm-based approach, "has not been able to explain variations in innovation behaviour among individuals in organisations."

Rogers (2003) points out that innovation decisions in organisations can be made by individual *actors* independent of other members of the organisation, as collective decisions of the organisation or as authority-based innovation decisions. The authority-based decisions are made by a few people in the organisation with the power, status or expertise to make such decisions (Rogers, 2003). One or a few *decision-makers* make decisions in export initiation (Lee & Brasch, 1978) such as owner-managers in SMEs (Khan, 1975). However, some decisions may be made independently when made by new staff (O'Farrell, Wood & Zheng, 1998; Rees & Coronel, 2005; Schlegelmilch, 1986a), but the support of an authority figure such as the owner-manager or senior manager would be expected (Crick & Chaudhry, 1997). Thus, for a market innovation, independent or authority based decisions are more likely than organisation-wide collective decisions.

According to Kanter (1985 p. 21) "there can be many different kinds of innovations, brought about by many different kinds of people." Kanter's observation recognises the role of individual *actors* involved with innovations. The influence of individual *actors* was demonstrated by Baldridge and Burnham (1975) who found that positions and authority roles identify who is involved in influencing the adoption of organisational innovations. These influential *actors* had "boundary spanning" roles or led innovation efforts (Baldridge & Burnham, 1975). Several distinct roles have been found in innovation studies: *champions*, *sponsors*, *gatekeepers* (Roberts & Fusfeld, 1981) and *boundary spanners* (Jemison, 1984).

Interaction between the different innovation roles has been observed (Markham et al., 2010). Innovation is mainly a group effort in larger firms (Fleming & Marx, 2006). But, uncertainty exists in relation to the innovation roles in SMEs and the number of potential innovation *actors* involved. However, these roles are likely to be limited to

one or a few key people. According to Hyvarinen (1990) it is individuals or a group in SMEs who innovate. Specifically, the owner-managers are likely to exert a central influence in relation to export initiation (Nummela et al., 2006). Owner-managers in SMEs can be a source of innovation, identify the opportunity from an innovation or control others in the innovation process (Wolf, Kaudela-Baum & Meissner, 2012). This begs the question as to what extent are innovation roles associated with the *decision-makers* who are involved in the export initiation innovation.

Innovation roles have been found to be interdependent. For example, Kanter (1986) sees *champions*, *sponsors* and *boundary spanners* as interrelated but distinct roles in innovation decisions. Interestingly, Markham et al. (2010) found that three innovation roles (*champions, sponsors & gatekeepers*) are interrelated. For example, *champions* need *sponsor* support for an innovation. Once a *sponsor* supports the innovation as presented by the *champion*, both seek out *gatekeepers* to accept it (Markham et al., 2010). There was no reference to *gatekeepers* in Kanter's (1986) study, nor to *boundary spanners* in Markham et al.'s (2010) study. Some researchers consider *gatekeepers* and *boundary spanners* to be the same (Hoch, 1990; Lievens & Moenaert, 2000), whilst others consider these roles to be separate but related (Reid & de Brentani, 2004). In Reid and de Brentani's (2004) conceptualisation of radical innovations, *boundary spanners* feed information to *gatekeepers* who then pass it on to *champions*. As such, there are a number of relationships between roles in the innovation process. Kanter (1988) argues that, in order to turn an innovation idea into reality, a coalition is needed. It is this coalition of innovation *actors* that is of interest to the present study. The next sub-sections consider literature on innovation roles such as *champions*, *sponsors*, *boundary spanners* and *gatekeepers*. Each will be examined and discussed in relation to innovation and export initiation in SMEs.

2.2.3 Champions

Champions, as defined in Chapter 1, can be suppliers of new ideas but are not necessarily the inventor of the idea; however, he/she will foster the idea as if it was theirs (Schon, 1963). *Champions* play a key role in an organisation's innovation because he/she connects the need for change with a response (Burgelman, 1983). In addition, a *champion* links the innovation to the strategic direction of the firm, for

example, the adoption of a new market (Burgelman, 1983). Similarly, *champions* interface between those employees and peers who support the innovation and senior management (Howell & Higgins, 1991).

There are a number of views regarding what ideas *champions* pursue. According to one perspective, *champions* initiate innovation only in relation to technology and/or products (Howell & Higgins, 1990; Pennings, 1987; Schon, 1963). Another perspective is that *champions* might also be involved in *process innovation* (Rost et al., 2007) and in new business start-ups within organisations (Venkataraman, MacMillan & McGrath, 1992). Thus, *champions* are likely to be involved in export initiation as an innovation.

Champions "are a key determinant of organisation innovations" (Greenhalgh, Robert, Macfarlane, Bate & Kyriakidou, 2004 p. 615). Organisation innovations were observed to have *champions* involved (Howell & Higgins, 1990; Kanter, 1985; Peters & Austin, 1986; Rogers, 2003; Schon, 1963). Howell and Higgins (1990) found that *champions* are more influential in innovations than *non-champions*. The level of influence may be due to *champions* being charismatic people who get behind an innovation (Rogers, 2003) and "who attempt to affect some change in organisations" (Zaltman & Duncan, 1977 p. 17). This background raises the question: do all innovations require *champions*?

Are champions necessary?

Schon (1963) found that when a *champion* is present, an innovation is more likely to be successful. In a case study site, the absence of a *champion* hampered the project's momentum (Burgelman, 1983). In addition, an innovation comprising process and relationships "needs to be made tangible and personified in the *champion* in order to survive" (Frost & Egri, 1991 p. 270). When the *champion* is not the *actor* who promotes the idea, then chances of success are decreased by as much as 50 per cent (Knight, 1987). Thus, whether a *champion* is involved or not in an innovation such as the first export might explain failed export initiation or *sporadic export*. Another question arises as well: how many *champions* are involved in an innovation?

How many champions?

Howell and Higgins (1991) found that a *champion* is just one *actor* in relation to an innovation. Schon (1963) observed from his study of inventions and innovations that one *actor* emerges as the *champion* of the idea with a team beneath the *champion*, although there was no evidence of *champion* and team interaction provided in his study. Support for this view was found where group leaders, as first-line supervisors in corporate research and development departments, were most likely to be *champions* (Burgelman, 1983). *Champions*, as team leaders, push innovation teams towards a new strategy (Kanter, 1985). In a paper on corporate venturing, Venkataraman et al. (1992) observe that there may be 'one or more' *champions* who will be involved in an innovation. However, they provided no evidence to substantiate this claim in their study.

Championing activities

A *champion* is the *actor* "who emerges and employs various strategies to get the members of the organisation to support the idea" (Shane, Venkataraman & MacMillan, 1995 p. 938). Support by others is demonstrated in an exploratory study comprising 25 middle managers in large Canadian organisations who were interviewed about their innovation *champion* roles (Howell & Higgins, 1991). The study showed that a *champion* motivates supporters (employees and peers), provides feedback recognising supporters' contributions, acts as a role model and communicates with senior management regarding the innovation project's progress (Howell & Higgins, 1991), an activity in the persuasion stage of Rogers' (2003) innovation-decision process. These support activities provide a glimpse of the interface that *champions* have with others in the organisation. *Champions* can also scan their environment both internally and externally for new ideas or sources of information (Howell & Shea, 2001) thus they operate in the knowledge stage of Rogers (2003) innovation-decision process.

Further to these observations, there are a number of common activities that a *champion* undertakes. After an extensive empirical study, Shane (1994) developed a 24 item scale of "championing" activities that differentiate them from *non-champions*. The *championing* activities were then reduced to five factors: "decisions outside hierarchy", "rule bending", treating the innovation "team as equals", "cross-functional

appeal", and "plans and projections" as a way to gain the support of others. These factors are explained below.

The *decisions outside hierarchy* factor comprises six items from the *champion* scale. *Champions* make decisions without referring to higher levels (Schon, 1963) and outside traditional hierarchy (Schon, 1963; Van de Ven, 1986). They make it possible for those working on the innovation to take "initiative without approval*"* (Howell & Higgins, 1991) and have authority to make "decisions based on intuition*"* (Burgelman, 1984). Interestingly, neither Burgelman (1984) or Shane (1994) mention what constitutes intuition except providing examples of activities at odds with intuition. For example, non-intuitive activities would be: "plans, financial analyses and other formal documentary mechanisms in *decision-making*" (Shane, 1994 p. 402). The use of intuition has been attributed to market entry mode decisions made in SME internationalisation, that is, such decisions are made without the use of formal research or input from external experts (McNaughton, 2001). Similar to intuition, researchers have found that *champions* "avoided financial justification" at every stage of development of innovations (Burgelman, 1984; Souder, 1981) and "worked without formal plans*"* (Burgelman, 1983). Similarly, a lack of formal planning is a feature of export initiation as well (Lee & Brasch, 1978). As such, *champions* can operate in the decision stage of Rogers (2003) innovation-decision process.

The *rule bending* factor comprises four related items of the *champion* scale (Shane, 1994). A *champion* can bend organisational rules to enable those working on the innovation to develop the innovation (Burgelman, 1983; Curley & Gremillion, 1983). Other items in the *rule bending* factor apply when a *champion* "bypassed the standard operating procedures*"* (Burgelman, 1983; Howell & Higgins, 1991; Schon, 1963), "bypassed budgetary procedures*"* (Burgelman, 1983; Pinchot, 1987; Schon, 1963) and "bypassed personnel procedures*"* (Howell & Higgins, 1991). There is no evidence of *rule bending* activities in SME export initiation research to date. This may be due to these activities not occurring or that they have not been the subject of research. The present study will look for evidence of *rule bending* in export initiation.

Shane (1994) found that the treating the innovation *team as equals* factor comprised four items centring around equality. *Champions* have "included the idea generator*"* of

the innovation, regardless of his/her status in the organisation (Kanter, 1988; Knight, 1987). Apart from the idea generator, a *champion "*involved all participants in decisions*"* regarding the innovation (Gailbraith, 1982; Souder, 1981). In addition, *champions* "enabled all participants to act as equals", regardless of their status in the organisational hierarchy (Gailbraith, 1982; Kanter, 1986; Souder, 1981). This equality would be displayed by the *champion* when he/she "met all participants*"* working on the innovation, not just senior managers (Gailbraith, 1982; Souder, 1981). The notion of teams working in SME export initiation has not been demonstrated to date, but teams have been observed in SME internationalisation (Collinson & Houlden, 2005). This suggests that the *champion* treating the innovation *team as equals* possibly occurs in export initiation and will be considered by the present study.

The *plans and projections* factor has six *championing* activities associated with it (Shane, 1994). *Champions* "obtained employee support before approval*"* from senior management (Burgelman, 1983; Dougherty & Bowman, 1995; Howell & Higgins, 1991). However, *champions* have been found to have "tested but trusted decisions" of people working on the innovation (Kanter, 1988). *Champions* have a high propensity for convincing managers in other departments where they "provided benefits to the organisation" of an innovation (Dougherty & Bowman, 1995; Kanter, 1988). *Champions* have "obtained other department support*"* in the form of resources for the project (Dougherty & Bowman, 1995; Gailbraith, 1982; Howell & Higgins, 1991). Similarly, *champions* have *"*worked with senior management*"* (Burgelman, 1983; Howell, Shea & Higgins, 2005) and have "presented financial updates*"* regarding the innovation (Howell & Higgins, 1991). To date, there has been no mention in SME export initiation studies of *decision-makers* 'seeking support from others' in an organisation but these activities may have occurred. Evidence of these activities will be sought in the present study.

The last factor Shane (1994) found was a *cross-functional appeal* that comprised two items. The first describes how a *champion* gets *decision-makers* from other departments to commit resources to the innovation by appealing to their sense of commitment to the organisation (Burgelman, 1983; Curley & Gremillion, 1983). The second item has to do with the *champion* offering personal rewards to encourage others to work on the innovation (Howell & Higgins, 1990). By using *cross-functional*

appeal, *champions* push the rest of the organisation towards a new strategy (Kanter, 1985). Again, SME internationalisation studies have not revealed evidence of cross-functional appeal but these activities could occur in export initiation.

From the research findings above, *champions* have significant input into innovation decisions. The researcher allocated Shane's (1994) *championing* activities to Rogers' (2003) innovation-decision process model, and found that *champions* operate in the knowledge, persuasion and decision stages innovation-decision process (see Table 2.3). The implications of these observations will be provided with the conceptual model at the end of this chapter.

Table 2.3 Championing activities allocated to Rogers' innovation-decision process stages

Championing activity (Shane 1994)	Knowledge	Persuasion	Decision
Avoided financial justification		=	
Made decisions based on intuition			=
Made decisions outside hierarchy			=
Made decisions without higher officials			=
Took initiative without approval	=		
Worked without formal plans	=		
Bent organisation rules	=		
Bypassed the budgetary process	=		
Bypassed personnel procedures	=		
Bypassed standard operating procedures	=		
Involved all participants in decisions		=	=
Enabled all participants to act as equals		=	=
Included the idea generator	=	=	
Met all participants		=	
Provided benefits to the organisation		=	
Obtained employee support before approval		=	
Obtained other department support		=	
Presented financial updates		=	
Tested but trusted decisions			=
Worked with senior management		=	
Other departments gave staff		=	
Offered personal rewards to encourage others to work on the innovation		=	

Source: Compiled by the author

In sum, Shane (1994) found that these factors (*decisions outside hierarchy*, *rule bending*, treating the innovation *team as equals*, support from others and *cross-functional appeal*) differentiate *champions* from others in the organisation. It is the

aim of the present study to investigate whether a *champion's* activities are evident in export initiation in SMEs.

Champions and level in the organisation

Shane et al. (1995) found no significant differences between managers and non-managers involved in *championing* activities. The activities of *champions* identified by Shane (1994) above, are related to individuals at levels in the organisation from front line supervisors to top management or owners. However, other studies have found that *champions* are generally in middle management (Dougherty & Bowman, 1995; Howell & Higgins, 1991; Rogers, 2003) or first line supervisors (Burgelman, 1983). Venkataraman et al. (1992) draw the distinction that *champions* are in middle management for the gathering of resources, but in top management for the incorporation of new business start-ups. This distinction suggests that the status of *champions* may differ depending on whether their firm is a mature exporter or a *born-global* firm.

Champions and SMEs

Few innovation *champion* studies have controlled for firm size, in particular by identifying innovation *champions* in SMEs. Most of these innovation *champion* studies focussed on large organisations (Burgelman, 1983; Howell & Higgins, 1991; Souder, 1981). Do these activities apply equally to *small* or *medium sized businesses*? Chakrabarti and Hauschildt (1989) argued that small firms will not have a *champion* as the owner-manager would fill this role or outsource it to external consultants. They found that as firms grow bigger, innovation *champions* emerge. Conversely, Markham and Griffin (1998) found that innovation *champions* can be found in SMEs, just as they are in larger firms. Another study found that when the owner-manager was the *champion*, innovation success was more likely due to his/her knowledge of the issues surrounding the implementation (Elliott & Boshoff, 2009). From these studies, it can be argued that *champions* will have a role in SME innovations.

Champions and innovation type

Past research has concluded that successful implementation of radical innovations requires a *champion* (Schon, 1963; Veryzer Jr, 1998). It also reveals *champions* to be equally involved in both incremental and radical innovation (Kessler &

Chakrabarti, 1999; Markham & Griffin, 1998). However, the number of *champions* and their status differ depending on the type of innovation. For example, radical innovations were faster to implement when there were more than one *champion* and no one *champion* was highly influential. Conversely, incremental innovations with fast implementation had fewer *champions*, and one who was highly influential (Kessler & Chakrabarti, 1999). Regardless of whether export initiation is a radical or incremental innovation, past research has shown that a *champion* is involved.

Intrapreneurs

An intrapreneur is another role discussed in the innovation literature. These *actors* are described as individuals who act as entrepreneurs within the firm (Pinchot, 1985). They are also known as corporate entrepreneurs (Kanter, 1985; Zahra, Nielsen & Bogner, 1999), corporate innovators (Luchsinger & Bagby, 1987), entrepreneurial managers (Perks & Hughes, 2008) and employee entrepreneurs (Seshadri, 2007). Entrepreneurs are characterised as owners who are likely to be top managers as well, while intrapreneurs are managers with no capital (Yeung, 2002). However, intrapreneurs can be in top management (Kolchin & Hyclak, 1987; Seshadri, 2007; Yeung, 2002), middle management (Brunåker & Kurvinen, 2006; Geisler, 1993) or they can be operational employees (Carrier, 1996). Most studies involving intrapreneurs are in large firms (Brunåker & Kurvinen, 2006; Geisler, 1993; Kolchin & Hyclak, 1987; Pinchot, 1985), with only one conducted in SMEs (Carrier, 1996). Carrier (1996) described the intrapreneur as an employee in the owner-manager's immediate environment, suggesting closeness in terms of management level or reporting line.

Thompson (2004) describes intrapreneurs as "those employees who are able to *champion* new initiatives in established organisations and make some material difference" (pp. 245-6). These initiatives can be new business ideas (Pinchot, 1985), *product innovation* (David, 1994), *process innovation* (Brunåker & Kurvinen, 2006) or identification of new markets (Carrier, 1996). Intrapreneurs have been considered innovation *champions*, with some studies using the terms *champion* and intrapreneur interchangeably (David, 1994; Knight, 1987; Kolchin & Hyclak, 1987; Thompson, 2004).

There are several characteristics that intrapreneurs possess that are similar to *champions*. For example, intrapreneurs are visionary (Davis, 1999; Hisrich, Peters & Shepherd, 2005), as are *champions* (Kanter, 1985). Intrapreneurs have coalitions of supporters (Hisrich et al., 2005; Pinchot, 1985). Similarly, *champions'* supporters are senior management, employees or other departments (Burgelman, 1983; Shane, 1994). Intrapreneurs tend to exceed their authority (Pinchot, 1985), whilst *champions* make "decisions without higher officials" and outside the organisational hierarchy (Schon, 1963; Shane, 1994).

Similar to *champions*, intrapreneurs encourage teamwork (Hisrich et al., 2005). For example, they share responsibility for ideas within a team (Pinchot, 1985) whilst *champions* treat all innovation team participants as equals (Kanter, 1986; Shane, 1994; Souder, 1981). Another team activity that intrapreneurs undertake is to encourage open discussion (Hisrich et al., 2005) whilst *champions* include all team members in decisions (Shane, 1994; Souder, 1981).

References to intrapreneurs in internationalisation literature are not widespread. Carrier (1996) observed that where owner-managers had international growth activities they are likely to motivate another *actor*, an intrapreneur in an SME. The international development role of the intrapreneur was not reported in Carrier's study, so it is uncertain whether intrapreneurs actually implement these market innovations. In a study by Yeung (2002), intrapreneurs were linked to internationalisation in Asian transnational corporations. However, the mode of entry of interest was foreign direct investment through subsidiaries rather than export, thus the research does not indicate whether the role of intrapreneur exists in export initiation. There is little research to identify what intrapreneurs' do that distinguish them from entrepreneurs (owner-managers). Both Carrier (1996) and Yeung (2002) distinguish intrapreneurs from entrepreneurs and limit their examination of innovations to those initiated by non-owner-managers. In contrast, according to Khan (1975) owner-managers are more likely to be exporting *decision-makers* in SMEs.

In summary, intrapreneurs are inventors or innovators who are part of the innovation team and carry out several activities similar to those of *champions*. In some studies, the roles have been used interchangeably, however the *champion* role has more

activities associated with it than does the intrapreneur. The role of an intrapreneur may only describe non-owner *decision-makers* in export initiation in SMEs. However, in SME export initiation owner-managers have been found to make most decisions (Khan, 1975). For these reasons, the intrapreneur role will not be considered separately in the present study.

Champions and export initiation

The term *champion* does not appear in internationalisation studies, although *champions* have been linked to both radical (Day, 1994; Dougherty & Bowman, 1995; Schon, 1963; Zahra et al., 1999) and incremental innovations (Dougherty & Bowman, 1995; Markham & Griffin, 1998; Zahra et al., 1999). In turn, radical and incremental innovations have been linked to internationalisation (Chetty & Stangl, 2010). *Champions* have been described in relation to new venture creation (Venkataraman et al., 1992) which is likely to encompass *born-global* firms. The linkage to innovation theory suggests that export initiation would fall under the purview of a *champion;* (Burgelman, 1983; Knight, 1987; Schon, 1963).

This sub-section raises a number of questions: “who does the *championing*, what strategies are used, which routines are allowed to be broken and which are not, and what is the effectiveness of such behaviours within firms” (Venkataraman et al., 1992 p. 505)? Few studies of *champions* have been conducted in SMEs (Chakrabarti & Hauschildt, 1989; Elliott & Boshoff, 2009) and none focussed on the first export. The present study will consider the *championing* questions in relation to SME export initiation. The next sub-section will discuss the role of *sponsors* in relation to an innovation and export initiation.

2.2.4 Sponsors

A *sponsor* is an innovation *actor* who coaches or mentors a *champion* and their innovation team (Maidique, 1980; Wheelwright & Clark, 1992). *Sponsors* have also been called executive *champions* (Maidique, 1980), godfathers (Smith, 2007), mentors (Knight, 1987), promoters (Mansfeld et al., 2010; Rost et al., 2007; Witte, 1973) and patrons (Leifer et al., 2000).

A *sponsor* role can provide “behind the scenes support, protection, advocacy and sometimes bootlegging of funds” (Roberts & Fusfeld, 1981 p. 22). *Sponsors* can subsequently provide support for an innovation to other *actors* in the organisation, such as *gatekeepers* (Markham et al., 2010). A godfather is a metaphor drawn from the American mafia for their protection of innovation and “using behind the scenes methods to achieve their ends” (Smith, 2007 p. 102). Godfathers in their actions are similar to *sponsors,* as described by Roberts and Fusfeld (1981).

Another group of innovation studies discuss promoters who cooperate (or sometimes not), with *champions* in various innovations (Mansfeld et al., 2010; Rost et al., 2007; Witte, 1973). Promoters are defined as “individuals who actively and intensively support the innovation process” (Witte, 1973 p. 15-16). Witte (1973) theorised that promoters were able to surmount barriers to innovation within organisations by promoting the innovation. A promoter’s role is similar to that of a *sponsor’s*, supporting and influencing others in the organisation.

Another metaphor for a *sponsor* (Smith, 2007) is that of a patron (Leifer et al., 2000). Leifer et al. (2000) highlighted the role of patrons in history who supported artists by using their position and resources. This explanation was extended to the support given to *champions* involved in innovation. The patron, promoter and godfather roles seem to be similar to the *sponsor* role and will be treated as such in the present study.

Some researchers combine *champion* and *sponsor* roles (Day, 1994; Kanter, 1985), while others separate them (Roberts & Fusfeld, 1981; Wheelwright & Clark, 1992). The level of management might provide support for the argument relating to the separation of the roles. Wheelwright and Clark (1992) argue that a *sponsor* is a top management executive. Similarly, in the Dougherty and Bowman (1995) study, the *sponsor* was at a more senior level than the *champion*. For the purposes of the current research, the term *sponsor* will be used and treated as distinct from the *champion* role.

Firm size

Firm size also has an influence on whether a *sponsor* is involved in an innovation. *Sponsor* roles have been found to occur in large and medium-sized rather than small firms (Maidique, 1980). In large firms, *champions* who move to other projects can become *sponsors* for another *champion* (Leifer et al., 2000). This *sponsor* to *champion* development in multiple innovations would be expected to be harder to implement in small firms due to their limited resources (Rosa, Scott & Gilbert, 1994).

It has been theorised that the roles of a *champion* and a *sponsor* in large firms are likely to be held by two different people (Chakrabarti & Hauschildt, 1989). In the case of SMEs, owner-managers have been observed as *sponsors* (Wolf et al., 2012). In other cases in the same study, the owner-manager "championed" the innovation as well as performing "sponsoring" activities (Wolf et al., 2012). Therefore, based on existing research, it is unclear whether a *sponsor* role exists in SMEs. The present study will attempt to elucidate this issue.

Type of innovation

Sponsors can be involved in radical innovations (Leifer et al., 2000; Maidique, 1980; Smith, 2007). Maidique (1980) identifies them as being more likely to be found in firms that have diversified products with *sponsors* involved in innovations in non-core business areas. It is uncertain whether international markets would be classified as non-core to the home market. Smith (2007) found that radical innovations required support from *sponsors* who were senior and highly respected. *Sponsors* are also involved in the case of incremental innovations (Wolf et al., 2012). An innovation such as export initiation, regardless of whether it is incremental or radical to an SME, is likely to have a *sponsor*.

Sponsoring activities

Several *sponsor* support activities are identified in the literature. *Sponsors,* when they believe in an innovation, sanction the *champion* and the innovation team to continue with the project (Markham et al., 2010). Once a *sponsor* supports an innovation, a key activity of the *sponsor* is to advocate the innovation and thereby influence other stakeholders (Roberts & Fusfeld, 1981). Such advocacy is demonstrated when the *sponsor* obtains resources for projects that he/she supports (Markham et al., 2010;

Smith, 2007). Some of these resources are, for instance, where the *sponsor* "obtained financial assistance*"* for the *champion* and innovation team (Smith, 2007). Where necessary, the *sponsor* is likely to have "bootlegged funds*"* (Roberts, 2007; Roberts & Fusfeld, 1981). *Sponsors* have been found to have "protected the innovation team*"* or the *champion* (Roberts & Fusfeld, 1981; Smith, 2007) and "coached*"* or "mentored*"* them (Maidique, 1980; Wheelwright & Clark, 1992).

Frohman (1978 p. 8) found that, "inadequate coaching is often behind projects that get pushed into application too soon." As such, coaching by *sponsors* might be integral to successful innovation implementation. There has not been any similar finding that applies to export initiation. However, coaching in export by external bodies has been recognised as important to SME owner-managers in preparation for export initiation (Carrier, 1999).

From the research findings above, *sponsors* have input in innovation decisions. The researcher allocated *sponsoring* activities to Rogers' (2003) innovation-decision process model, and found that *sponsors* operate at the persuasion and decision stages. From the activities drawn from the literature, *sponsors* do not operate in the knowledge stage as this is the domain of *champions. Champions* pass the innovation to *sponsors* for support through the persuasion and decision stages to continue (see Table 2.4). The interactions between *champions* and *sponsors* observations will be discussed in relation to the conceptual model at the end of this chapter.

Table 2.4 Sponsoring activities allocated to Rogers' innovation-decision process stages

Sponsoring activity	Knowledge	Persuasion	Decision
Advocated the innovation to influence others		=	
Bootlegged funds			=
Coached, mentored		=	
Obtained financial assistance			=
Obtained resources			=
Protected the innovation team		=	
Sanctioned		=	=

Source: Compiled by the author

Sponsors and export initiation

Sponsors have not been specifically mentioned in export initiation studies, however, some of their activities have been identified. For example, coaching of *decision-makers* to prepare for export has been recognised previously (Fischer & Reuber, 2003). Similarly, the acquisition of resources and financial assistance obtained for SME internationalisation has been found by Westhead et al. (2001). Considering these activities, it is likely that *sponsoring* activities will be found in SMEs initiating export.

The present study will to identify which *sponsoring* activities are undertaken and by whom in export initiation.

The next sub-section, discusses literature on another innovation role, *boundary spanner*.

2.2.5 Boundary spanners

Another internally based innovation *actor* is the *boundary spanner* who operates at the outer layer of an organisation where he/she interprets the external environment and passes this information to internal *decision-makers* (Leifer & Huber, 1977) or liaises directly with innovative teams (Rivera & Rogers, 2006).

Boundary spanning activity

Boundary spanning is “any activity that links an organisation with its task environment” (Jemison, 1984 p. 133). This link can be local or it may cross national borders (Burk, 1994). The cross-border function is of interest to the present study. In particular, “the awareness of opportunities abroad is the critical variable driving export initiation” (Ellis & Pecotich, 2001 p. 125). Jemison (1984) identified through a factor analysis three sets of *boundary spanning* activities: “information acquisition and control”; “physical input control”; and “domain determination and interface.” Each will be explained below, linking *boundary spanning* activities to export initiation.

There are several *boundary spanning* activities in the *information acquisition and control* factor. For example, information can be acquired for the firm’s own needs by

the *boundary spanner* (Jemison, 1984). Information can be obtained from external individual *actors* or groups by the *boundary spanner's* own or other departments within the organisation (Jemison, 1984; Leifer & Huber, 1976). *Boundary spanners* also control the amount of information that a firm receives, by deciding what information to distribute, when to distribute it and to whom (Jemison, 1984). "Information acquisition" activities also exist in SME export initiation with new market opportunities provided by external sources to the *decision-maker* (Ellis & Pecotich, 2001). Information about an innovation sought by an individual *actor* reduces his/her uncertainty. The more radical the innovation, the more information is required in order to adopt it (Rogers, 2003).

The *physical input control* factor identified by Jemison (1984) has four items describing related activities. *Boundary spanners* decide on the physical inputs such as raw materials, personnel, funds and supplies acquired externally (Aldrich & Herker, 1977; Jemison, 1984). They also acquire raw materials, supplies, lines of credit, and hire personnel (Aldrich & Herker, 1977; Jemison, 1984). In addition, *boundary spanners* decide on the quality of those physical inputs (Adams, 1976; Jemison, 1984). Finally, *boundary spanners* decide on when to acquire which physical inputs (Aldrich & Herker, 1977; Jemison, 1984). *Physical input control* activities such as the hiring of personnel have been found in export initiation studies (O'Farrell et al., 1998; Rees & Coronel, 2005; Schlegelmilch, 1986). Similarly, scholars have identified the acquisition of resources for export initiation such as the purchase of new process technology (Nassimbeni, 2001), packaging, warehousing and financial resources (Albaum & Duerr, 2011).

Jemison (1984) found that the *domain determination and interface* factor that comprised items to do with customer selection and interface with *actors* outside the firm. Domain determination is the selection of the kinds of customers the organisation wants and how the product is to be provided to them (Aldrich & Herker, 1977; Jemison, 1984). Representation through interface activities is related to providing information to groups outside the organisation. Information for interface aims to create a favourable impression of the organisation and encourage these groups to act favourably towards the organisation (Jemison, 1984; Miles, 1976). A *boundary spanner* might give speeches to outside groups on issues that are not directly related

to the organisation (Burk, 1994; Jemison, 1984; Miles, 1976). Finally, customer contact involves meeting with customers and convincing them to use the firm's products (Jemison, 1984; Leifer & Huber, 1976; Lievens & Moenaert, 2000).

Examples of *domain determination and interface* in export initiation have arisen in some internationalisation studies. External representation duties were demonstrated to exist where information about export opportunities was collected. For example, informal representation by *decision-makers* in *boundary spanning* roles created ties that led to awareness of export opportunities for SMEs (Ellis & Pecotich, 2001). Conversely, *boundary spanners* role in determining which international customers an organisation should deal with was recognised as being part of the strategic withdrawal from export markets (Pauwels & Matthyssens, 2004). In another services internationalisation study, *boundary spanners* were found to be integral to identifying and working with Multinational Corporation (MNC) clients (Kiessling, Harvey & Dabic, 2008). Deciding how the product would be provided has also been recognised in many past studies through the manifestation of adaptation or standardisation of products (Bonaccorsi, 1993; Larimo, 2013; O'Cass & Julian, 2003).

As such, *domain determination and interface* explains the activities of sales (Rangarajan, Chonko, Jones & Roberts, 2004) and marketing personnel involved in external activities such as trade fairs, have been associated with initiating export (Rosson & Seringhaus, 1991).

In all, the three *boundary spanning* factors (*information acquisition and control; physical input control;* and *domain determination and interface)* and their activities appear to apply to export initiation. The present study will attempt to confirm whether these activities are undertaken in SMEs initiating export.

<u>Management level</u>

Boundary spanners are found in middle management (Floyd & Wooldridge, 1997; Pauwels & Matthyssens, 2004), but also have strategic influence with upper management (Floyd & Wooldridge, 1997). Similarly, in internationalisation, a *boundary spanner* in middle management can be instrumental in top management team decisions such as market entry or withdrawal (Pauwels & Matthyssens, 2004).

An SME export initiation study (Ellis & Pecotich, 2001) identified *decision-makers* with *boundary spanning* roles but it was not revealed whether they were the owner-managers or middle management. The middle management level might preclude *boundary spanners* from *decision-making* in SME export initiations, as owners generally make these decisions (Khan, 1975).

Boundary spanning and internationalisation

In a conceptual paper Reid (1981 p, 105) suggests that *boundary spanning* activities conducted by *decision-makers* involved "continued contact with external occupational reference groups and the extra organisational linkages of the firm." In another conceptual paper, Johanson and Vahlne (1977) argue that *boundary spanning actors* are required to interpret internal and external information and need exposure to both to make sense of the information. In this interpretation role "it is difficult to substitute personnel or advice from outside" (p. 29).

Boundary spanning activities have also been examined in several studies in the context of internationalisation (Ellis & Pecotich, 2001; Kiessling et al., 2008; Luo, 2001; Pauwels & Matthyssens, 2004). Luo's (2001) study of international cooperative ventures in China saw linkages between *actors* with *boundary spanning* roles grow with the length of their tenure and goal congruity in the relationship; to the extent that *boundary spanners* were likely to predict their counterpart's reactions and responses to proposed initiatives. Whilst this study does not involve export, longer tenure in *boundary spanning* relationships might be a key in export initiation and sustainability. For example, a *decision-maker* from an Australian SME that imports from a foreign supplier with a long-term *boundary spanning* relationship may take up export with that same supplier. Previous studies have found that export has begun from preceding import relationships (Ellis, 2000; Fletcher, 2001; Holmund, Kock & Vanyushyn, 2007; Karlsen, Silseth, Benito & Welch, 2003).

In the Pauwels and Matthyssens (2004) study, the *boundary spanning* role in European multinational case studies applied to strategic withdrawal from export markets. The cases described middle managers in *boundary spanning* roles providing advice to management on export markets. The study (Pauwels & Matthyssens, 2004 p. 507) concludes that, "the key to flexible export management

lies not in the all-encompassing providence of a centralised top management but in its encouragement of outward-looking managers to pick up on external dynamics, interpret them and develop strategic alternatives." These qualities would be expected of *decision-makers* involved in export initiation.

In a European study, some bank employees were deemed to be *boundary spanners* with contacts from multinational clients (Kiessling et al., 2008). *Boundary spanners* have been integral to international network[4] development (Kiessling et al., 2008). Whilst this study focussed on services exports, the development and communication role of *boundary spanners* with counterparts in international networks would be expected in product export applications as well.

Another example of a successful international network between Japanese and USA SMEs was documented by Hara and Kanai (1994). They found that managers were involved in information transmission within the network, an activity expected of a *boundary spanner* (Jemison, 1984; Miles, 1976).

Boundary spanning in Australian studies

The only Australian contributions have been in the form of case studies centred around social contacts by individual *actors* in SMEs who exhibited *boundary spanning* activities prior to export initiation (Ellis & Pecotich, 2001). Specifically, *decision-makers* used *information acquisition* and past relationships from input acquisition, recognised *boundary spanning* activities (Jemison, 1984). The knowledge and perception of an opportunity by the *decision-maker* is largely gained through their links to social contacts (Ellis & Pecotich, 2001).

In summary, *boundary spanners* operate at the boundary of an organisation, obtaining information on the external environment and passing this information to innovation teams. Their activities were summarised as *information acquisition and control*; *physical input control*; and *domain determination and interface*. From the research findings above, *boundary spanners* have significant input into innovation

[4] A network is defined as the formation and maintenance of business relationships between actors for the purposes of the present study

decisions. The researcher allocated Jemison's (1984) *boundary spanning* activities to Rogers' (2003) innovation-decision process model, and found that *boundary spanners* operate in the knowledge, persuasion and decision stages innovation-decision process (see Table 2.5). The implications of these observations will be provided with the conceptual model at the end of this chapter.

Table 2.5 Boundary spanning activities allocated to Rogers' innovation-decision process stages

Boundary spanning activity (Jemison 1984)	**Knowledge**	**Persuasion**	**Decision**
Acquired information formally for the organisation from external sources	=		
Acquired information informally for the organisation from external sources	=		
Decided what external information to distribute		=	=
Decided when to distribute external information		=	=
Decided to whom to distribute external information		=	=
Provided formal reports for the organisation from external sources		=	
Provided informal reports for the organisation from external sources		=	
Acquired information formally for another department	=		
Acquired information informally for another department	=		
Decided how product/s would be provided			=
Decided which customers			=
Provided information formally to outside groups		=	
Provided information informally to outside groups		=	
Provided organisation information formally to outsiders for positive outcomes		=	
Provided organisation information informally to outsiders for positive outcomes		=	
Made speeches to outside groups		=	
Met with customers	=		
Acquired resources for organisation function	=		
Decided quality of physical inputs			=
Decided when to acquire inputs			=
Decided which physical inputs			=

Source: Compiled by the author

Boundary spanning roles have been identified in internationalisation studies but there has been limited work on their role in studies of export initiation in SMEs. The present study will expand on this work. The next sub-section, discusses another innovation *actor* role called a *gatekeeper.* The *gatekeeper* is considered close to that of a *boundary spanner* in function.

2.2.6 Gatekeepers

According to Markham et al. (2010 p. 410), *gatekeepers* are "influential throughout early development" of an innovation. Their role involves receipt, control and distribution of resources (Markham et al., 2010) and information (Macdonald & Williams, 1993; Pettigrew, 1972; Roberts & Fusfeld, 1981). These control and distribution activities seem similar to those of a *boundary spanner* (Jemison, 1984; Leifer & Huber, 1976). Some researchers treat the *boundary spanner* and *gatekeeper* roles as one and the same (Hoch, 1990; Jones, 2006; Lievens & Moenaert, 2000), while others see *gatekeepers* as performing a separate but related role (Reid & de Brentani, 2004; Tushman, 1977). A *gatekeeper* can be a controller of innovation adoption. For example, once a *sponsor* supports the innovation as presented by the *champion*, both seek out *gatekeepers* to approve the innovation (Markham et al., 2010). Interestingly, in the Markham et al. study no *boundary spanning* role was identified.

Gatekeepers have significant potential for the exercise of self-interested power in relation to an innovation project. A *gatekeeper* may have some technical knowledge that enables a power bias to exist in their decisions regarding an innovation (Pettigrew, 1972). This power bias is demonstrated where the *gatekeeper's* influence increases from knowledge to implementation and peaks at the confirmation of an innovation (Markham et al., 2010). Their major input in an innovation is to decide whether full scale adoption of an innovation should go ahead or not (Markham et al., 2010).

Activities

Gatekeepers have been found to perform several activities related to information and its use as knowledge within the organisation. A "gatekeeping" role involves collecting information about the external environment (Allen & Cohen, 1969). Once collected, information is interpreted or filtered by the *gatekeeper* (Pettigrew, 1972) who determines its value to potential recipients (Macdonald & Williams, 1993). The *gatekeeper* controls the distribution of information (Pettigrew, 1972). Jones (2006) sums up this role where *gatekeepers* "are key to the ability of organisations to acquire, assimilate, transform and exploit new knowledge" (p. 368). The researcher considers these activities to be a *gatekeeper's* "knowledge handling*"* process*.*

Gatekeepers also provide approvals for innovations. A *gatekeeper* can "set selection criteria" for an innovation (Markham et al., 2010). Then a *gatekeeper* reviews an innovation against "some informal standard of acceptability" (Markham et al., 2010 p. 407). When the innovation meets these criteria the *gatekeeper* accepts the innovation (Cooper & Edgett, 2012) and resources are then assigned (Markham et al., 2010). When the innovation does not meet the criteria, the *gatekeeper* will withhold resources (Markham et al., 2010; Pettigrew, 1972). It is argued that *gatekeepers* are the ultimate *decision-makers* involved in an innovation, given the control they have over its future. It is uncertain whether these *decision-making* aspects would be the same for export initiation. The researcher considers these activities to be a *gatekeeper's* "innovation approval*"* process*.* The way in which the *innovation approval* decision to initiate export is evaluated and made will be a focus of the present study.

Considering the *gatekeeping* activities identified in the literature, the researcher allocated *gatekeeping* activities to Rogers' (2003) innovation-decision process model. It was found that *gatekeepers* operate at the knowledge, persuasion and decision stages of Rogers' (2003) innovation-decision process model. However, when considering *knowledge handling* activities these are associated with knowledge and persuasion stages. Conversely, *innovation approval* activities are located in the decision stage (see Table 2.6). These roles and activities will be discussed with the conceptual model at the end of this chapter.

Table 2.6 Gatekeeping activities allocated to Rogers' innovation-decision process stages

Gatekeeping activity	Knowledge	Persuasion	Decision
Knowledge handling			
Collected information on the external environment	=		
Interpreted or filtered information	=	=	
Determined the value of information to potential recipients	=	=	
Controlled the distribution of information		=	
Innovation approval			
Set selection criteria			=
Reviewed innovation against criteria			=
Selection criteria met, then innovation accepted			=
Assigned resources (if innovation meets criteria)			=
Withheld resources (when innovations don't meet criteria)			=

Source: Compiled by the author

Gatekeepers and boundary spanners

Some researchers conflate the *gatekeeping* and *boundary spanning* role. Hara and Kanai (1994) found key individual *actors* they describe as *gatekeepers*, but their activities closely resemble those of *boundary spanners*. For example, information transmission can be carried out by either a *gatekeeper* (Macdonald & Williams, 1993) or a *boundary spanner* (Jemison, 1984; Miles, 1976). It is likely that Hara and Kanai (1994) identified both roles in their case studies and described them as *gatekeepers*. However, according to Jemison (1984) and Miles (1976) the interface activities are solely those of *boundary spanners*. These overlaps have not been examined together. The present study will attempt to do this.

Type of innovation

Reid and de Brentani's (2004) examination of incremental and radical innovations concluded that in an incremental innovation the problem is structured by *decision-makers*, a management team or some other manifestation of the organisation and given to *gatekeepers* to acquire information. Conversely, in a radical innovation, a *gatekeeper* would bring information to the organisation such as environmental change, without being directed to do so by others. Macdonald and Williams (1993)

identified that some information may be perceived to be too radical for the organisation by the *gatekeeper* and thus withheld from innovation teams. Where the information is expected to be passed on by *gatekeepers*, this process might be more relevant for incremental rather than radical innovation (Macdonald & Williams, 1993). In an export initiation, the choice of market might be impacted by how radical it is perceived to be by a *gatekeeper*. The present study will consider the choice of market/s made by *gatekeepers*.

Level of management

Allen (1977) found that *gatekeepers* can be at a first line supervisory level, although this may be specific to technological rather than applicable to all innovations. Cooper and Edgett (2012) say that *gatekeepers* may change depending on the risk associated with the decision, where senior staff would be involved with higher risk initiatives. This observation is borne out by the approval and resource control power of *gatekeepers*, particularly in relation to innovation adoption (Markham et al., 2010; Pettigrew, 1972). Macdonald and Williams (1993) found that *gatekeepers* were more senior, as their behaviour of using information for their own use as well as for the organisation would not be tolerated if they were more junior.

Firm size

Similar to other innovation role studies, those involving *gatekeepers* have been undertaken in large organisations (Pettigrew, 1972; Tushman, 1977). Other studies involving *gatekeepers* that include large and small firms have not controlled for firm size (Markham et al., 2010), others identified SMEs in their sample (Allen, 1977; Allen & Cohen, 1969; Jones, 2006). In large organisations there can be several *gatekeepers* in relation to innovation (Allen & Cohen, 1969). In contrast, Allen (1977) found that there were one or a few *gatekeepers* in small organisations. It is uncertain whether SMEs involved in the receipt or control of export opportunities would have a *decision-maker* in a *gatekeeping* role.

Export initiation

Gatekeeping activities such as collecting information on the external environment have been identified previously in SME export initiation (Ellis & Pecotich, 2001). Johanson and Vahlne (1977) contend that there are individual *actors* at the boundary

of the firm who have contact with its market/s and who can interpret internal and external information, a role that has been attributed to *gatekeepers* (Pettigrew, 1972). Although the *gatekeepers* role has not been mentioned, the process of setting market selection criteria, review of an market against that criteria and export to that market has been recognised (Brouthers & Nakos, 2005). Furthermore, the assignment of resources to implement internationalisation has been identified before (da Rocha, de Mello, Pacheco & de Abreu Farias, 2012) suggesting a possible application to export initiation.

Other gatekeeping activities such as controlling the distribution of information have not been linked to export previously. Whilst these *gatekeeping* activities have not been found in export initiation, these omissions may be because they do not exist or more likely that they have not been measured. The present study will attempt to identify *gatekeeping* activities in export initiation.

Summary

This section reviewed the literature on export initiation as an example of the innovation-decision process, as proposed by Rogers (1962; 2003). The next step was to consider the proliferation of individual *actor* roles who were described as being involved with innovation decisions. The focus of this section of the literature was on four *actors*: *champions*, *sponsors*, *boundary spanners* and *gatekeepers*, whose activities were examined in relation to internationalisation and specifically export initiation. Such *actors*, all of whom are referred to in innovation literature, are likely to have a role in export initiation. Therefore:

> RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The next literature domain in Figure 2.1 is *stimuli* in the first and subsequent export. Therefore, the next section is on *stimuli* and export initiation.

2.3 Stimuli & export initiation

Environmental change can lead to innovations. For example, receipt of a *stimulus* can lead to an export initiation. The first sub-section considers export *stimuli*. After the export *stimuli* sub-section, the *decision-makers* response to *stimuli* sub-section follows.

2.3.1 Export stimuli

Changes in the firm's internal or external environment can *trigger* or stimulate innovations (Tyre & Orlikowski, 1994). Similarly, a *stimulus* contains information about the environment and how it will develop (Santos & García, 2011). An "internal stimulus*"* might be a perceived performance gap, whilst solutions to identified organisational problems such as technology available in the external environment might provoke interest (Rogers, 2003). As such, an organisation may change due to environmental influences and then implement innovations in response to the new context. The common element in these studies is that of a *trigger* or *stimulus* that initiates an innovation (Rogers, 2003; Tyre & Orlikowski, 1994).

Trigger, factor or stimulus?

Consistent with the organisation innovation literature, Bell et al. (2004) writing in the international business domain, found that export initiation was a response to a *stimulus*. Leonidou (1998) contends that export *stimuli* act as "motives, incentives, triggering cues or attention evokers" (p. 43). A *stimulus* can originate either from internal or external sources to the firm (Nummela et al., 2006). Some studies consider *internal stimuli* to be the driving force of export initiation (Samiee et al., 1993). Caughey and Chetty's (1994) study of small New Zealand firms found that exporters were more likely to be influenced by *internal stimuli* such as perceived "extra sales potential" from export. Conversely, non-exporters (potentially first-time exporters) were influenced by "external stimuli*"* to export. Other researchers consider export initiation is more likely to be stimulated from external pressures than by internal company sources (Bilkey & Tesar, 1977; Ellis & Pecotich, 2001; Robinson, 1967). Regardless of the source, "these stimuli are crucial for a firm's initial involvement and subsequent development" in export (Tan et al., 2007 p. 297).

The term *trigger* was used by Douglas and Craig (1989) to describe what might prompt a firm to initiate internationalisation. In this example, the *triggers* were both internal and external to the organisation (Douglas & Craig, 1989). Gray (1997) used the term *trigger* to describe external forces that initiate export. Similarly, Liesch and Knight (1999) refer to a *trigger* that alerts the management to an opportunity such as export. A *trigger* performs the same function as a *stimulus*.

A *factor* is another term used to describe the cue to initiate export (Douglas & Craig, 1989; Johnston & Czinkota, 1982; Katsikeas & Piercy, 1993). Johnston and Czinkota (1982) found that *decision-makers* in export firms were motivated proactively and reactively by *factors*. Similarly, Katsikeas and Piercy (1993) identified *factors* that stimulate export. However, the use of the term *factor* in this study was probably related to the *factor* analysis technique used. Leonidou (1998) also used the terms *factor* and *stimulus* interchangeably. Similarly, Douglas and Craig (1989) used *factor* and *trigger* mutually. Rialp-Criado, Galván-Sánchez & Suárez-Ortega (2010) identified *factors* that *trigger* internationalisation of *born-global* firms. Whilst Tan et al. (2007) used all three, "a firm is exposed to stimuli *factors* that may *trigger* an impulse for foreign market expansion" (p. 294). From these examples and the literature above, all three terms *stimulus*, *triggers* and *factors* seem to describe the same forces that influence export initiation. The terms *stimulus* or *stimuli* will be used in the present study for the sake of simplicity.

As demonstrated above, export initiation as an innovation might be expected to have an internal or *external stimulus* similar to that described by innovation researchers (Rogers, 2003; Tyre & Orlikowski, 1994; Zietsma, 2003). The division of *stimuli* into internal and external categories in export initiation has a long history, with studies recording the concept over many years (Gurau & Merdji, 2008; Leonidou, 1998; Olson & Wiedersheim-Paul, 1978; Robinson, 1967). The next sub-section, will review the extant literature on *external stimuli* found to be involved with export initiation.

<u>External environment stimuli</u>

A common *stimulus* from a firm's external environment is an *unsolicited order* (Haar & Ortiz-Buonafina, 1995; Olson & Wiedersheim-Paul, 1978). "Unsolicited orders*"* have been documented as a major source in SME export initiation in Australia (Ellis

& Pecotich, 2001), Canada (Kaynak, 1985), Norway (Joynt, 1982), Sweden (Kaynak, Ghauri & Olofsson-Bredenlöw, 1987) and the USA (Bilkey & Tesar, 1977; Czinkota, 1982; Czinkota, 2002; O'Rourke, 1985). *Unsolicited orders* are not sought by the firm (Bilkey & Tesar, 1977), for example, an international order may be received at a domestic trade fair (Bello & Barksdale, 1986). In contrast, foreign orders received at international trade fairs cannot be considered *unsolicited orders* (Ellis & Pecotich, 2001; Evers & Knight, 2008). The distinction is that attendance by the focal firm at an international trade fair potentially solicits orders from foreign customers.

It would be expected that with the upsurge in e-commerce and business-to-business transactions in the past 20 years, the role of *unsolicited orders* in export initiation is likely to have become even more significant. The response to international orders received *via* a web site is an area of export growth for SMEs (Tseng & Johnsen, 2011), but most e-businesses in the USA do not ship to other country destinations (Czinkota, 2002), that is, they did not export. In a later study, shipment was by online delivery, export or international post by Australian online SMEs to any transnational market (Gurau & Merdji, 2008).

External stimuli to export comprise: “foreign demand or market potential” due to the size of the market (Anderson, Boocock & Graham, 2001; Aspelund & Moen, 2005), more “favourable exchange rates” (Katsikeas & Piercy, 1993) and “initiatives from external *actors”* (Aspelund & Moen, 2005). The *initiatives from external actors stimulus* is not defined by Aspelund and Moen. Thus, it is hard to determine whether it is related to *actors* in a network; if it is, then these *actors* would either be customers or suppliers, indicating that the *stimulus* could be construed as an *unsolicited order* from an international supplier or customer.

Stimuli to export from the external environment associated with the home market are also identified in the literature comprising: pressure from increased domestic competition (Karafakioglu, 1986), “domestic competitors exporting” (Brooks & Rosson, 1982; Simpson & Kujawa, 1974), “threats from multinational firms” (Karagozoglu & Lindell, 1998), “domestic market deregulation” (Simpson & Kujawa, 1974) and a “saturated domestic market” (Aspelund & Moen, 2005; Pavord & Bogart, 1975). A study by the Export Finance and Insurance Corporation (2009) found that

19 per cent of Victorian manufacturing respondents had moved their manufacturing internationally because of a “small domestic market.” Even though this market entry mode is not exporting, a *small domestic market stimulus* is also recognised in export (Vissak, Ibeh & Paliwoda, 2007).

Initiatives from a home government can also be an *external stimulus*. For example, “home government export promotion programs” can comprise: training (Martincus, 2012), market information, business contacts and travel assistance (Lefebvre, Bourgault, Prefontaine & Lefebvre, 2003; Martincus, 2012) for international trade fair or trade mission participation (Martincus, 2012). Home governments also provide financial assistance such as grants for export marketing expenditure (Bonner & McGuinness, 2007) or exporting finance (Lefebvre et al., 2003). New or increased incentives in the areas of tax, research and development credits for export (Lefebvre et al., 2003) can also be included under *home government export promotion program stimuli* and will be treated as such for the present study.

Other *external stimuli* referred to in the literature that are associated with the firm itself comprise “excess production capacity” (Pavord & Bogart, 1975), “overproduction” and “proximity to ports” (Czinkota & Johnston, 1981). *Overproduction* and excess capacity are referred to above as *external stimuli*, however, these are internal issues according to other scholars (Olson & Wiedersheim-Paul, 1978) and will be treated as such in the present study. “Proximity to ports” suggests that export intermediaries such as freight forwarders or shipping companies may be proactive in marketing shipping ‘space’, stimulating export initiation, but there is no discussion of this in the literature. The only reference to a similar term is by Pavord and Bogart (1975) who refer to “difficulty in making shipping arrangements” (p. 9) as a barrier to export rather than a *stimulus* to export initiation. “Proximity to ports” will not be considered as a *stimulus* in the present study.

Another *external stimulus* identified in the literature is “exclusive information on foreign markets” (Czinkota & Johnston, 1981; Leonidou, 1998). The source of such information is likely to be problematic for *stimulus* origin, as it is likely to be an internal source such as a *boundary spanner* (Ellis & Pecotich, 2001; Johanson & Vahlne, 1977; Rees & Edwards, 2010). However, it is likely that the *boundary*

spanner got his/her information from an external source; hence this will be treated as an *external stimulus* in the present study.

Simpson and Kujawa (1974 p. 109) found that an external "export stimulus is a significant but not sufficient condition for initiation of exports." In this study both *decision-makers* in export and non-exporters appeared to be subjected to similar *stimuli*. *Decision-makers* in SMEs internalise *stimuli* from the external environment that alerts the management to an opportunity such as export (Liesch & Knight, 1999). Rogers (2003 p. 196) found that "once an individual has learned of the existence of an innovation, he/she encounters this new idea with surprising frequency." For example, a past positive experience with an export might lead to another *unsolicited order* being accepted by a *decision-maker* (Wiedersheim-Paul et al., 1978). These findings raise the issue of the influence of the *decision-maker's* perception of the *stimuli* and its influence on the export decision. Hence, an internal *decision-maker* needs to positively perceive the export opportunity based on the *external stimulus* to initiate export.

Internal stimuli

"*Internal stimuli* are primarily related to the goals of the firm and the expected fulfilment of these goals" (Caughey & Chetty, 1994 p. 63). It has been shown that internally driven export behaviour results in ongoing export (Samiee et al., 1993). For example, for Greek manufacturing firms "corporate growth" was the most important *stimulus* for export initiation as found by Katsikeas and Piercy (1993). Similarly, Leonidou (1998) found that a need for *corporate growth* was the second most prevalent *stimulus* for Cypriot exporters. A similar *internal stimulus* that would enable growth for the firm would be "market expansion" (Aspelund & Moen, 2005; Bell et al., 2004). At a more basic level, pursuit of extra sales is a similar *internal stimulus* (Leonidou, 1998; Simpson & Kujawa, 1974). A plan for "extra profit" was another *internal stimulus* observed by several researchers (Aspelund & Moen, 2005; Johnston & Czinkota, 1982; Leonidou, 1998). A desire for more profit or sales from export might be required to offset "declining domestic sales" (Pavord & Bogart, 1975) or profit (Leonidou, 1998).

The *internal stimuli* can be related to strategic thinking by *decision-makers* such as a "strategic reorientation" or change in strategic direction (Bell et al., 2004). Similarly, a strategic *stimulus* might result from setting an objective to "reduce dependence on the domestic market" (Aspelund & Moen, 2005; Pavord & Bogart, 1975).

Internal stimuli can be centred around capacity issues that may include the availability of *excess production capacity* (Aspelund & Moen, 2005; Leonidou, 1998), managing *overproduction* (Czinkota & Johnston, 1981; Kaynak & Kothari, 1984), offsetting "seasonal product" sales (Leonidou, 1998) or achieving *economies of scale* (Katsikeas & Piercy, 1993; Leonidou, 1998). A *stimulus* likely to contribute to production capacity such as "technological advantages" that the firm possesses can also be an *internal stimulus* (Johnston & Czinkota, 1982; Rundh, 2001). A *process innovation* may provide a competitive advantage (Bell et al., 2004). Bell et al. (2004) explain that *process innovation* would enable an SME to reappraise its strategic direction and markets, some being international. Apart from *process innovation* stimulating export initiation, *product innovation* has also enabled export initiation (Bell et al., 2004; Chetty & Campbell-Hunt, 2003a). This situation may result from the design of new products for specific international markets (Bell et al., 2004). Another product related *stimulus* is the availability of "unique products" (Johnston & Czinkota, 1982; Leonidou, 1998).

Pursuit of a "tax advantage" is another *stimulus* (Czinkota, 1982). An example of a *tax advantage* is where a firm has the ability to accrue tax losses on foreign operations and apply these to future profits, as in Australia (Australian Taxation Office, 2012). Another *internal stimulus* that firms can have would be a desire to make use of "marketing advantages" (Export Finance and Insurance Corporation, 2009; Johnston & Czinkota, 1982). *Marketing advantages* may take the form of specific knowledge that the firm's competitors do not possess such as market research findings (Burton & Schlegelmilch, 1987; Knight, 2001).

A significant *internal stimulus* that could encapsulate all *internal stimuli* is that of "managerial urge" (Katsikeas, 1996; Leonidou, 1998; Pavord & Bogart, 1975). The *managerial urge stimulus* comprised the interest, urge and aspirations of management with export (Leonidou, 1998). One study argued that a management

stimulus to consider export was for “personal excitement and satisfaction” (Pavord & Bogart, 1975 p. 8), whilst Katsikeas (1996) adds, “managerial beliefs about the value of exporting” (p. 11). Leonidou’s (1998) analysis of 29 studies on export *stimuli* found that *managerial urge* was referred to in 12 of these studies, and ranked in the top five in eight studies.

Small firms and export stimulus

Czinkota and Johnston (1983) found that small exporters considered the opportunity to benefit from *unique products* and earn profit as the main *stimuli*. Conversely, large firms considered *tax advantages*, “competitive pressures” and *managerial urge* as important (Czinkota & Johnston, 1983). A later study using an expanded list of *stimuli* found no difference in importance between SMEs and larger firms (Katsikeas & Piercy, 1993). In a comparison of small and large e-commerce firms, marketing and innovative capability *stimuli* were more important for large firms than for SMEs (Luo, Zhao & Du, 2005).

Another variable that influences the importance of particular *stimuli* is the stage of internationalisation. Crick and Chaudhry (1997) found that some *stimuli* (*managerial urge*, competition, *unique products*, *extra profit*, *economies of scale*, *marketing advantage*) increased in importance as firms became more experienced in export and other forms of internationalisation. Only a few *stimuli* reduced with export experience, such as home government export incentives and *overproduction*. The role of the *unsolicited order stimulus* did not change with increased internationalisation experience.

Proactive and reactive stimuli

Stimuli can also be categorised as “proactive” or “reactive” (Johnston & Czinkota, 1982). *Proactive stimuli* are active and sometimes aggressive behaviour from inside the firm whilst *reactive stimuli* are from outside the firm (Johnston & Czinkota, 1982; Piercy, 1981). *Proactive stimuli* pull a firm by utilising its competencies or the taking of opportunities to export (Leonidou, 1998). A *proactive stimulus* elicits a deliberate response by the exporting *decision-maker* (Acedo & Galán, 2011). Conversely, *reactive stimuli* are pressures created by organisational or external environmental

issues that push a firm to export (Leonidou, 1998). A *reactive stimulus* elicits a passive response from the exporting *decision-maker* (Acedo & Galán, 2011).

It has been observed that *proactive-reactive* and *internal-external stimuli* may explain aspects of export initiation (Morgan, 1997). Albaum and colleagues (2011; 1989) combined internal/external with proactive/reactive *stimuli*, culminating in a typology of four categories: "internal-proactive", "internal-reactive", "external-proactive" and "external-reactive". This typology has been examined in relation to export (Leonidou, 1998). For example, the *internal-proactive stimuli* would include *managerial urge* or *unique products*, whilst *internal-reactive stimuli* would be the offsetting of sales of a *seasonal product* or utilisation of *excess production capacity*. Similarly, *external stimuli* can be both *proactive* and *reactive* (Leonidou, 1998). *External-proactive stimuli* can be *exclusive information on foreign markets* or *home government export promotion programs*, whilst *external-reactive stimuli* can include the initiation of export through "pressure from domestic competition" or *domestic competitors exporting* (Leonidou, 1998). See Table 2.7.

Table 2.7 Stimuli typology

	Internal	**External**
Proactive	Corporate growth	Exclusive information on foreign markets
	Economies of scale	Favourable exchange rates
	Extra profit	Foreign demand/market potential
	Extra sales potential	Home govt. export promotion programs
	Managerial urge	Small domestic market
	Market expansion	
	Marketing advantages	
	Process innovation	
	Product innovation	
	Strategic reorientation	
	Tax advantages	
	Technological advantages	
	Unique products	
Reactive	Declining domestic profit	Domestic competitors exporting
	Declining domestic sales	Domestic market deregulation
	Overproduction	Pressure from domestic competition
	Reduce dependence on domestic market	Saturated domestic market
	Seasonal product	Threats from multinational firms
	Spreading risks	Unsolicited orders
	Excess production capacity	

Source: Compiled by the author

In summary, a *stimulus* triggers the initiation of an export. A *stimulus* can emerge either from internal or external sources. *Internal stimuli* are seen as the driving force for export initiation and are linked to ongoing export (Samiee et al., 1993). However, *external stimuli* can lead to an export if *decision-makers* internalise the export opportunity. Similarly, a *stimulus* can be *proactive* where a *decision-maker* knowingly seeks out an export. Alternatively, it can be *reactive*, when a *decision-maker* responds to an external or *internal stimulus*. How *decision-makers* respond to various *stimuli* is a question to be explored in the present study and is considered in the next sub-section.

2.3.2 Decision-makers' response to stimuli

It was identified in Sub-section 2.2.1 that the innovation-decision process comprises: knowledge, persuasion, decision, implementation and confirmation (Rogers, 2003). The knowledge and persuasion stages are of particular interest in this sub-section. The knowledge stage of an innovation can begin by a *decision-maker* proactively scanning the internal or external environment (Howell & Shea, 2001). Conversely, an innovation can arise as a result of an unanticipated *stimulus* to which a *decision-maker* reacts. Tyre and Orlikowski (1994) found that "at the individual level, unexpected events have been shown to occasion revision of habits and assumptions" (p. 115). For example, a *decision-maker's* positive reaction to an *unsolicited order* may lead to changed assumptions about exporting. Thus, both *proactive* and *reactive stimuli* can lead to innovations such as export initiation. Each of these innovation-decision process stages will be considered with export initiation in mind.

<u>Knowledge of a stimulus</u>

According to Rogers (2003), the knowledge stage is where a *decision-maker* becomes aware of a new idea. Kanter (1988 p. 173) contends that "innovation is triggered by recognition of a new opportunity." In the case of the first export opportunity, the new idea or opportunity is likely to be the perception that export will contribute to a firm's goals (Stoian & Rialp-Criado, 2010). However, *decision-makers* are often beset with one or more *stimuli*. For example, a *stimulus* from the external environment such as a reduction of sales in the domestic market may lead to a

change in firm strategy (Aspelund & Moen, 2005). That is, the external change (in the domestic market) is likely to be the *stimulus*. An *external stimulus* is to be distinguished from a change in strategy that is an *internal stimulus* (Bell et al., 2004).

Another example of the nexus between external and *internal stimuli* in exporting literature is the desire to "reduce dependence on the domestic market" (Pavord & Bogart, 1975). This reduction might be management's reaction to an *external stimulus* such as a *saturated domestic market* (Aspelund & Moen, 2005), a *small domestic market* (Vissak et al., 2007) or increased *pressure from domestic competition* (Leonidou, 1998). A similar *internal stimulus* may be the adoption of a strategy to spread risks for the firm (Katsikeas & Piercy, 1993; 2001). Alternatively, this market dependence *stimulus* might raise other issues, such as responding to "declining domestic profit" (Leonidou, 1998). These related *stimuli* have different origins, that is, internal and external environments. The different origins raise the issue of multiple *stimuli* being present in regard to an export initiation. Which is more important, which *stimulus* comes first or which dominates the *decision-maker's* perception? *Decision-makers* can have one or more *stimuli* when considering export (Kaynak & Stevenson, 1982). Due to the level of analysis for the present study, the *stimulus* or *stimuli* that are perceived to be most important by *decision-makers* will be the primary focus.

Decision-makers receive *stimuli* in a number of ways. As stated above, *proactive* export *stimuli* are perceived by *decision-makers* inside the firm (Johnston & Czinkota, 1982; Piercy, 1981). In an innovation, a *decision-maker* may proactively receive *stimuli* by engaging "in an opportunistic surveillance by scanning the environment for new ideas that might benefit the organisation" (Rogers, 2003 p. 422). This surveillance can identify an innovation that is likely to be a solution to an existing organisational problem, such as unsatisfactory growth. Alternatively, knowing about an innovation, for example, export, might begin the innovation process within the firm (Rogers, 2003). *Principles knowledge* of the advantages of export might lead to initiation. *Proactive stimuli* pull a firm into action by utilising its competencies and taking the opportunity to export (Leonidou, 1998).

Reactive *stimuli* are pressures created by organisational or external environmental issues that push a firm to export (Leonidou, 1998). The receipt of a *reactive stimulus* in innovation theory is where; “people will pay attention to new ideas the more they experience personal confrontations with sources of problems, opportunities, and threats which trigger people’s action thresholds to pay attention and recognise the need for innovation” (Van de Ven, 1986 p. 604).

Some research has found unsolicited enquiries from potential foreign customers are the major *reactive stimulus* for SME export initiation (Bilkey & Tesar, 1977; Czinkota, 1982; Czinkota, 2002; O'Rourke, 1985). However, recognition does not always result in innovation adoption. For example, potential export orders may be ignored by domestically focused firms (Bilkey & Tesar, 1977). This rejection of a *stimulus* or the opportunity it presents has been recognised in innovation theory. The circumstances might be where “the more specialised, insulated, and stable an individual’s job, the less likely the individual will recognise a need for change or pay attention to innovative ideas” (Van de Ven, 1986 p. 604). Another reason why *decision-makers* in SMEs do not recognise *stimuli* for an export opportunity is a lack of knowledge of what opportunities or threats they represent (Chetty & Blankenburg Holm, 2000). This is a lack of *awareness knowledge* of an innovation’s potential (Rogers, 2003). Conversely, a positive perception of a *stimulus* for *decision-makers* in non-exporters can be formed through training (Clarke & Brennan, 1993; Rosa et al., 1994) by building *how-to knowledge* of an innovation (Rogers, 2003).

A contributing element to a positive perception to a *stimulus* for export initiation is where a performance gap is perceived in the firm’s current operations and the filling of this gap can be achieved by the adoption of an innovation (Rogers, 2003). The gap, as indicated in the *stimulus* sub-section (2.3.1 above), may be *declining domestic sales* (Pavord & Bogart, 1975) or *saturated domestic markets* (Aspelund & Moen, 2005; Pavord & Bogart, 1975). When the *decision-maker* does have a need for change and has the knowledge to recognise the *stimulus*, then the next stage in Rogers (2003) innovation-decision process is persuasion.

Persuasion of the opportunity presented by stimulus

The persuasion stage is where a *decision-maker* forms a view about the innovation and seeks additional information from credible sources. This may be more information on which to make a decision or the confirmation of relevance of an innovation to the organisation (Rogers, 2003). There is evidence of the use of information searches in export initiation (Samiee et al., 1993; Wiedersheim-Paul et al., 1978). The information sought by exporters in the Samiee et al. (1993) study concerned *foreign demand*/*market potential stimuli* (Anderson et al., 2001; Aspelund & Moen, 2005).

Information obtained from the firm's external environment can confirm or negate an export opportunity depending on the *stimulus*. For example, information search activity seeking *awareness knowledge* by the *decision-maker* may be selective; reinforcing his/her preconceived views of the *stimulus*. That is, if a *decision-maker* perceived that export market pricing was likely to be too low to make a profit, a passive response with no export initiation would result (Wiedersheim-Paul et al., 1978). Conversely, when the *decision-maker's* expectation of the value of the innovation is exceeded, then a positive perception emerges in the persuasion stage (Rogers, 2003).

Wiedersheim-Paul et al. (1978 p. 51) postulated that, "the *decision-maker's* perception of and response to export *stimuli* will be influenced not only by his[5] view of the future, in relation to the present situation, but also by the firm's past history." This statement may explain why *decision-maker*s in older firms take a longer period of time to exploit export opportunities (Manolova, Manev & Gyoshev, 2010). This is likely to be due to *decision-makers* in firms with more years of experience in domestic markets finding it harder to change to pursue an international opportunity, due to their entrenched mental models and processes (Blomstermo, Eriksson & Sharma, 2004). Where firms have only a short history, they are more able to move quickly, and this may explain the *born-global* phenomenon that has been widely

[5] A general limitation is the use of gender specific language often noted in direct quotations. Direct quotations are often used to highlight past and current thinking which in some cases reflects language that is not gender neutral.

discussed in the international entrepreneurship literature (Etemad & Lee, 2003; McDougall & Oviatt, 2000; O'Cass & Weerawardena, 2009).

In international entrepreneurship literature, the *decision-maker's* process that leads to an active response to *stimuli* is termed 'opportunity evaluation' (Ellis, 2011; Oviatt & McDougall, 2005; Styles & Seymour, 2006). Ellis (2011) found that opportunity evaluation is a cognitive act using a subjective process by *decision-makers* within firms. The subjective evaluation is likely to be the weighing up of an opportunity and its benefits against perceptions of exporting barriers or problems (Bilkey & Tesar, 1977; Leonidou, 1995; Winsted & Patterson, 1998; Yang, Leone & Alden, 1992).

As such, the decision to initiate export after the persuasion stage is made by the *decision-maker* with consideration of the *stimulus* and the "perception of factors involved in the export process itself" (Simpson & Kujawa, 1974 p. 111). In innovation theory, when a *decision-maker* forms a positive view about an innovation he/she then progresses to the decision phase (Rogers, 2003; 1983). Thus, there is a connection between *decision-maker* perceptions and *stimuli* that *persuade* a decision to initiate export. Next, the type of *stimulus* is considered in relation to different innovation roles.

Championing activity and stimulus

As has been established previously, a *decision-maker* involved in export initiation is likely to have *champion* tendencies. *Champions* make the organisation aware of the innovation (Markham et al., 2010). *Champions* create awareness by gathering and documenting information in support of their innovation and seek approval (Howell & Higgins, 1991; Howell & Shea, 2001). *Championing* activities would be expected to form part of the initiation of export, but the *champion* role might vary depending on whether the *stimulus* is *proactive* or *reactive*.

Decision-makers in exporters respond proactively to *internal stimuli* and reactively to *external stimuli* (Johnston & Czinkota, 1982). However, *champions* may interact with internal (Alexy, Criscuolo & Salter, 2012) or external environments (Rogers, 2003). *Champions* have been found to have an internal locus of control, that is a perceived control over self and the environment (Howell & Shea, 2001). On receipt of an

internal or *external stimulus,* a *champion* due to his/her internal locus of control, will frame an innovation as an opportunity (Howell & Shea, 2001). Additionally, those with an internal locus of control are more proactive than others with an external locus of control (Durand & Shea, 1974).

Proactivity, in the form of receiving an opportunity, would result in an innovation adoption if it had a relative advantage as perceived by the *decision-maker* (Rogers, 2003). This relative advantage attribute may be extra sales or profit, both *internal-proactive stimuli*. Rogers (2003) found that a *decision-maker's* adoption of innovation will occur if it is compatible (another attribute) with: previously introduced ideas or the need for the innovation. If a *champion* recognises the launch of a *unique product* as a previously introduced idea (for example world's best practice) then adoption of export may follow. A *champion* who proactively perceives a need for the innovation, according to Roger's attributes, would proactively respond to a *stimulus* such as a *small domestic market* (an *external-proactive stimulus*).

A *champion's* perceived controllability of his/her environment due to internal locus of control would mean that he/she should adopt export when presented by a *proactive stimulus*. Conversely, a *decision-maker* with an external locus of control will consider some *stimuli* such as *pressure from domestic competition* (an *external-reactive stimulus*) outside his/her control and will not continue with the innovation (Howell & Shea, 2001). These findings explain that a *champion* will identify and act on both *internal* and *external-proactive stimuli*. As such, when a *proactive stimulus* is involved in an export initiation, it would involve a *champion*.

<u>Sponsoring activity and stimulus</u>

It has been found that *champions* seek support for innovations from *sponsors* within organisations (Markham et al., 2010). This support role includes persuading others or make a decision on the innovation as proposed by the Rogers (2003) innovation-decision process. An affirmative decision is where a *sponsor* supports promising and viable ideas (Markham et al., 2010). The involvement of *sponsors* might vary, depending on whether the *stimulus* is *proactive* or *reactive*. Given the symbiotic relationship between *sponsors* and *champions* in SMEs (Wolf et al., 2012), it would

be expected that when a *proactive stimulus* is involved in an export initiation, *decision-makers* would perform *sponsoring* activities in addition to *championing*.

Boundary spanning activity and stimulus

Leifer and Huber (1977) found that *boundary spanners* operate at the outer layer of an organisation, where they interpret the external environment and pass this information to internal *decision-makers*. By scanning the external environment *boundary spanners* become aware of *external stimuli* (Reid & de Brentani, 2004). They also seek information on export initiation both internally and externally (Johanson & Vahlne, 1977), that is likely to be an indication of knowledge acquisition as proposed by the Rogers (2003) innovation-decision process. *Boundary spanners* can also be found in the persuasion stage of the Rogers (2003) innovation-decision process when they decide what information to distribute, when to distribute it and to whom (Jemison, 1984).

Ellis and Pecotich (2001) identify *boundary spanning* activities with both *internal-proactive* and *external stimuli*. However, those in *boundary spanning* roles in innovation were found to have a greater internal locus of control (Dailey, 1979). Having an internal locus of control are means that they would be more *proactive* (Durand & Shea, 1974). Similarly, when *boundary spanners* are proactive in obtaining and incorporating information from their external environment, levels of firm innovativeness and financial performance exceed those firms with *decision-makers* that merely react to information from their environment (Stock & Zacharias, 2011). Therefore, it is expected that *boundary spanning* activities will occur when a *proactive stimulus* is involved in the first export.

Gatekeeping activity and stimulus

A *gatekeeper* receives, controls and distributes information obtained for an innovation (Macdonald & Williams, 1993; Pettigrew, 1972; Roberts & Fusfeld, 1981). The receipt of information from the external environment may be a *stimulus*. *Gatekeepers* can also receive information (*stimulus*) from *boundary spanners* (Reid & de Brentani, 2004) at the persuasion stage of the Rogers (2003) innovation-decision process. Given this symbiotic relationship between *gatekeepers* and

boundary spanners activities, *gatekeepers* will be more likely to be involved when the *stimulus* is *proactive*.

To summarise, in this sub-section on the use of Rogers' (2003) innovation-decision process model, the process of *decision-maker* knowledge, persuasion and decision in relation to *stimuli* has been deconstructed and compared with extant studies in exporting and innovation. The knowledge stage can be awareness of a *stimulus* such as a gap in the organisation or it can be the first export opportunity that a *decision-maker* perceives. When the *stimulus* is positively perceived by the *decision-maker* then verifying information is sought during the persuasion stage. The innovation roles presented in the preceding sub-section are combined with the concept of *stimulus*, resulting in a research question. Therefore:

> RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

Summary

This section considered how an environmental change can cause innovations. For example, an export initiation may result from the receipt of a *stimulus*. A *stimulus* can emerge either from internal or external sources and may be *proactive* or *reactive*. Combining these four aspects of *stimuli* culminated in a typology of *internal-proactive, internal-reactive, external-proactive and external-reactive*.

Decision-maker perception and responses to *stimuli* were considered next. In making a decision on an innovation, Rogers' (2003) innovation-decision process provides an explanation as to how the innovation roles interact with *stimuli* from their external and internal environments. It was expected that when a *proactive stimulus* is involved in an export initiation, it would involve each innovation role in some or all of the knowledge, persuasion or decision stages of the innovation-decision process model.

2.4 Subsequent export

“Sustainability is the degree to which an innovation is continued over time” (Rogers, 2003 p. 217).

The focus of the present study is on the sustainability of exporting in SMEs. Rogers’ concept of sustainability is considered in the innovation-decision process, with the last stage of confirmation being where *decision-makers* seek “reinforcement for the innovation-decision already made, and may reverse this decision if exposed to conflicting messages about the innovation” (2003 p. 169). Export initiation as an innovation to be adopted by an SME would require confirmation in the form of a subsequent export. Subsequent export has been measured in exporting studies by considering the regularity of export by firms. Mehran and Moini (1999) found that large firms rather than SMEs belonged to the *regular exporter* cohort in their study, whilst Samiee and Walters (1991) found that firm size did not differentiate *sporadic* from *regular exporters*. In SME specific studies, there can be both *regular* and *sporadic exporters* (Bell, 1997; Crick, 2009a; Rao & Naidu, 1992).

As stated in Chapter 1, most SME exporting firms in Australia are *sporadic exporters.* That is, they do not export in the year following the first export, with 57 per cent not exporting again within four years (ABS, 2000).

2.4.1 Sporadic & regular export

Sporadic exporters do not export frequently (Crick, 2009a; Katsikeas, 1996; Kaynak, 1992; Rao & Naidu, 1992; Samiee & Walters, 1991). They have also been labelled as ‘occasional’ exporters (Bell, 1997; Dichtl, Koeglmayr & Mueller, 1990; Mehran & Moini, 1999). The opposite to *sporadic export* is *regular export* (Rao & Naidu, 1992), also described as continuing (Caughey & Chetty, 1994) and sustained (Kaynak, 1992) exporting. For the purposes of the present study, *sporadic* or occasional export will be known as *sporadic export*. Similarly, all the terms used to describe *regular export* (continuing, sustained, and *regular*) will be referred to as *regular export*.

The determination as to whether a firm is a *sporadic* rather than a *regular exporter* has been problematic. Some researchers (Kaynak, 1992; Rao & Naidu, 1992) have described firms as *sporadic exporters* without providing a definition of the term. Kaynak (1992) also developed a subset of *sporadic exporters* labelled as 'rare' which had fewer exports than *sporadic exporters*, but again provided no indication of the criteria required to be included in this category. A more concrete approach was the categorisation by researchers such as Mehran and Moini (1999) who used Bilkey's (1978) innovation-related stages to describe occasional export as filling *unsolicited orders*, exploring the feasibility of export and exporting experimentally to one or two markets. However, the last stage of exporting experimentally to one or two markets might be an unsatisfactory definition if an order was very large for an SME.

Another issue in distinguishing *sporadic* from *regular export* is respondent self-reporting and self-selection. Diamantopoulos and Inglis (1988) use self-reported export data by respondents, with no metric explaining the allocation to either *regular* or *sporadic* cohorts. Self-selection is also an issue with Crick's (2009a) study where the delineation between *sporadic* and *regular exporters* was investigated through a question to *decision-maker* respondents as to whether the firm sells "on an on and off basis" (p. 401), with no specified time period between sales. The difficulty of using *decision-makers'* perceptions is that it relies on their knowledge of the firm's sales which may be unreliable if they are new to the organisation or there is more than one exporting *decision-maker*.

Firm export sales data have also been used to identify *sporadic* from *regular exporters*. For example, in Bell's (1997) research, those with exporting sales of less than 10 per cent were designated 'occasional' exporting firms, and those with above 10 per cent were *regular exporters.* The 10% level does not appear to have any theoretical basis, but has also been used before by Dichtl et al. (1990). The period of time over which these sales had accumulated is not stated. It may have been that the sales were in the latest year, common for cross-sectional studies such as Bell's (1997) or Dichtl et al. (1990). In addition, there is "no *a priori* reason to assume that firms pursuing irregular exporting will have lower absolute export sales than *regular exporters*" (Reid, 1983 p. 49). That is, the export sales ratio alone may not be a viable metric of *regular exporters*.

Other studies have used *decision-makers'* perceptions rather than data. For example, Samiee and Walters (1991) asked respondents to self-select their perception of whether their firm was *sporadic* or *regular*, using a measurement criterion that *sporadic exporters* had five per cent export sales or less compared to overall sales (Czinkota & Johnston, 1981). *Decision-makers'* perceptions were correct in 73 per cent of the Samiee and Walters (1991) sample. Using the same approach, Katsikeas (1996) found that *decision-makers* accurately predicted their firm's status in 83 per cent of the *sporadic exporter* cohort. The lack of accuracy of *decision-maker* perceptions with sales ratios is still problematic.

In some studies (Katsikeas, 1996; Rao & Naidu, 1992), the operationalisation of the measurement for *sporadic* as against *regular exporters*, was performed by asking respondents to nominate the number of export orders over an indeterminate time period. However, neither study refers to the period of regularity (weekly, monthly or annually) nor did they define what constitutes *sporadic export*. In Australia, AUSTRADE (2002 p. 38) defines *regular export* "year on year", and this metric is adopted in the present study.

Interestingly, AUSTRADE (2002) does not identify the customer or market in *regular export* orders. Baumol (1993) asserts that an innovation is not a repeat of an earlier action. A new market with its specific PEST elements would qualify as a new innovation, whilst an existing market would not (Ellis, 2011). Similarly, a new customer with their particular demands in the same market may also qualify as an innovation, as defined by Baumol.

Rogers (2003) asserts that the implementation stage in the innovation-decision process can be the pursuit of an innovation until it becomes steadily institutionalised or becomes routine leading to the confirmation (adoption) of an innovation. In an export context, institutionalisation might be further deliveries to the same customer in the same market. With time and experience the newness of the innovation disappears and the process becomes routine (Rogers, 2003). "Routinisation", is a demonstration of sustainability of an innovation. However, Rogers warns that for many innovations due to their 'fit' within an organisation, implementation does not necessarily mean continued adoption or sustainability. The *fit* of an innovation, is its

perceived consequences in response to an organisation problem (Van de Ven & Rogers, 1988). For example, a consequence of a new export customer or a new export market might mean a challenge to the *routinisation* of past export sales. With new markets or customers that have specific requirements, adapted products different from the current product range might result in resistance to change. Similarly, the *fit* of exporting within an organisation may also be subject to resistance by different *decision-makers* implementing the innovation from those who made the decision to initially go ahead (Rogers, 2003).

Adoption occurs when the confirmation stage in the innovation-decision process is reached (Rogers, 2003). In an export context, a different customer or market (to the first export) would provide a *decision-maker* with the opportunity to accept (confirmation) or reject (non-confirmation) the innovation with consideration of the *fit* of past (first) export experience. The explanation from some innovation-related export models is that the final adoption "stage includes a level of commitment from management to full-scale adoption of exporting" (Wickramasekera & Oczkowski, 2006 p. 45). Potentially, for *regular exporting* to be adopted, subsequent exports to new customers or markets would be an indicator of full scale adoption. This more stringent test of *regular export* having a different market or customer for the subsequent export is applied in the present study.

2.4.2 Activity differences between regular & sporadic exporters

Decision-maker actions are the principal drivers for initiating and increasing SME exports (Miesenbock, 1988). *Regular exporters* devote marginally "more staff time for increasing exports" than *sporadic exporters* (Rao & Naidu, 1992). The increased number of staff involved in exporting can explain the difference in staff time for *regular* and *sporadic exporters* (Diamantopoulos & Inglis, 1988). Kaynak (1992) found that *sporadic exporters* had no formal structure, such as an "export department". Conversely, *regular exporters* had an *export department* and a person in charge of exporting, such as an *export manager* (Rao & Naidu, 1992; Samiee & Walters, 1991). A reason for the difference in staff time spent on exporting might be because owner-managers are responsible for exporting in *sporadic exporters*, while in *regular exporters* the role is delegated (Crick, 1995; Julien et al., 1997). Owner-

managers may have had less time to devote to exporting than more specialised staff. Similarly, *regular exporters* hired “export related staff” (Loane et al., 2007) and those staff also have “more marketing knowledge” in *regular exporters* (Rao & Naidu, 1992). Given the above findings, *regular export* depends on the staff resources involved.

Other activities also highlight differences, for example, planning for export is more likely for *regular exporters* (Czinkota, 1982). Similarly, they have a long term perspective (da Rocha, Christensen & da Cunha, 1990). *Regular exporters* also have *more or excess resources available for exporting* than *sporadic exporters* (Cavusgil, 1980; Rao & Naidu, 1992). They also have *more monetary resources and budgets* for export (Rao & Naidu, 1992). These actions are recognition that managers and owners, as powerful *decision-makers* in internationalisation, “direct resources to the areas that they find most important” (Andersson, 2002 p. 106).

The link between innovation and *regular export* has also been recognised with more innovations being associated with *regular* rather than *sporadic exporters* (Bagchi-Sen & Sen, 1997; Julien et al., 1997). Similarly, product adaptation for export markets is more likely to occur for *regular exporters* (Douglas & Craig, 1989; Rao & Naidu, 1992). Conversely managers in *sporadic* SME exporters have domestic markets as their main focus where foreign orders are dealt with in the same way as domestic orders (Julien et al., 1997).

The building of export knowledge capacity is also greater in *regular exporters* with *staff training in export functions* being more likely than in *sporadic exporters* (Cavusgil & Naor, 1987). A study of Australian Wineries also found a strong relationship between export training and *regular export* (Wickramasekera & Oczkowski, 2004). This is explained where export training can form positive perceptions with *decision-makers* in SMEs (Clarke & Brennan, 1993; Rosa et al., 1994) by building *principles* and *how-to knowledge* of an innovation (Rogers, 2003). It is expected that *decision-makers* in the subsequent export would perform these *regular export* activities.

The next sub-section considers innovation roles in subsequent exporting.

2.4.3 Innovation roles in subsequent exporting

Does the participation of specific innovation roles such as *champions* or *boundary spanners* influence subsequent exporting? Each innovation role is considered in relation to subsequent exporting.

Championing activities in subsequent exporting

Champions are persistent in getting an innovation adopted (Howell & Higgins, 1991). According to Rogers (2003), adoption may not end at implementation, but at confirmation that is the last stage of the innovation-decision process. The confirmation stage in the context of exporting would be the subsequent export. But not all *championing* activities may be necessary in *regular export*. For example, a *champion - working without formal plans* (Burgelman, 1983) is more likely in a *sporadic* rather than *regular exporter* (Czinkota, 1982). Similarly, when a *champion* is not involved in the exporting program after initiation, then according to Knight (1987), this non-involvement would reduce the innovation's chances of success. However, Markham et al. (2010) found that a *champion's* influence with an innovation decreases marginally from implementation to confirmation stages of the innovation-decision process. This finding implies that *championing* activities could decrease with subsequent export. Assuming that *championing* behaviour is central to the successful confirmation of an innovation (Knight, 1987), it is expected that most *championing* activities will be involved in the subsequent export.

Sponsoring activities in subsequent export

Maidique (1980) found that a *sponsor* role is important for continued innovation. *Sponsors* support the innovation as presented to them by the *champion* (Markham et al., 2010). Markham et al. (2010) found that a *sponsor's* influence increased from implementation to the confirmation stage. *Sponsors* can be the owner-managers in SMEs (Wolf et al., 2012). Thus, the *sponsoring* role of such owner-managers would take the form of managing subordinates with *champion* roles or they may be one and the same *actor* (Day, 1994; Kanter, 1985). When *championing* activities are present with subsequent export, then the role of *sponsors* would also be expected.

Boundary spanning activities in subsequent export

Boundary spanning activities are linked to the initiation of export through knowledge acquisition and information gathering about exporting opportunities. Such activities are sometimes observed in export development for Australian companies (Ellis & Pecotich, 2001), but there is no indication of whether they are as important for the subsequent export as they are for the first export.

In another study, the inability of *boundary spanners* to influence exporting strategy due to their lack of strategic *decision-making* autonomy has been found in cases involving the withdrawal of large firms from exporting markets. However, when they have more autonomy, these *boundary spanners* are likely to deal with changes in the external environment and the firm's exporting strategy (Pauwels & Matthyssens, 2004). This finding implies that *boundary spanners* may have a role in subsequent export, depending on their *decision-making* autonomy or seniority. In an SME, owner-managers as key *decision-makers* in export (Khan, 1975) due to their seniority would have this autonomy. Similarly, non-owner-manager *decision-makers* perform better as *boundary spanners* when autonomy is provided (Perrone, Zaheer & McEvily, 2003). Therefore, *boundary spanning* activities are expected in the subsequent export.

Gatekeeping activities in subsequent exporting

Knowledge handling of export opportunities has been observed in subsequent exporting development for Australian companies (Ellis & Pecotich, 2001). It would be expected that *gatekeepers* would continue *knowledge handling* activities for the subsequent export.

Rogers (2003) says that *decision-makers* in a confirmation stage of the innovation-decision process seek reinforcement that the innovation meets organisation criteria. A *gatekeeper* reviews an innovation against organisation criteria and, if successful, approves it for implementation. When the innovation has been implemented, then approval would apply to the confirmation stage (Markham et al., 2010). In an export context, a *gatekeeper,* if involved in the first export decision, would seek reinforcement that the first export had met expectations. Rogers (2003 p. 189) explains that a *decision-maker* in the confirmation stage of the innovation-decision

process “seeks reinforcement for the innovation-decision already made.” When the first export reinforces the *gatekeeper’s* expectations, then another export would occur. In *regular export*, more resources are provided for exporting (Rao & Naidu, 1992), a *gatekeeping – assigning resources* activity (Markham et al., 2010). If the first export did not meet expectations, then potentially the subsequent export will not take place by a *gatekeeper - withholding resources* (Markham et al., 2010; Pettigrew, 1972). In this reinforcement role the *gatekeepers* support would be vital for subsequent export. Markham et al. (2010) found that their influence increased from implementation to confirmation of innovation adoption. *Gatekeepers* have increasing influence in relation to the sustainability of an innovation. This influence suggests that *gatekeeping* activities could increase with subsequent export.

In summary, each innovation *actor* is likely to have a role to play in subsequent export. To some extent, the influence of the innovation roles will depend on whether the innovation *actor* had been involved in the export initiation. In addition, innovation roles in subsequent export will in part be dependent on a favourable evaluation of the first export as well. Therefore:

> RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

and

> H1 Those who initiate the first and subsequent export perform innovation role activities.

The next sub-section will consider the subsequent export and *stimuli*.

2.4.4 Subsequent export & stimuli

Subsequent export is also dependent on *stimuli*. Leonidou (1998) identified that where a *proactive stimulus* led to an initial export, that process will continue and result in subsequent export. Similarly, when a firm’s *decision-makers* responded to an *internal stimulus* it was more likely to become a *regular exporter* (Caughey & Chetty, 1994). An *internal-proactive stimulus* is more likely to ensure ongoing export

(Leonidou, 1998). For example, *economies of scale* were more likely to be a *stimulus* for subsequent export for *regular exporters* than *sporadic exporters* (Crick & Chaudhry, 1997).

Other *internal-proactive stimuli* have had mixed results with no difference for *extra profit* as a *stimulus* (Crick, 1995; Czinkota, 1982). In contrast, *decision-makers* in SME *regular exporters* have more positive perceptions of exporting and its contribution to a firm's profit, growth and international competitive advantages than those in *sporadic exporters* (Mehran & Moini, 1999). Similarly, *managerial urge* is more likely to characterise the experience of *decision-makers* in *regular exporters* (Czinkota, 1982). Conversely, Crick (1995) found no difference for *managerial urge*, although in a later study Crick and Chaudhry (1997) found that *managerial urge* as an *internal stimulus* was more likely in SME *regular exporters* rather than *sporadic exporters*. The differences in Crick et al.'s results may be due to differing samples.

Czinkota (1982) found that in the case of a *technological advantage stimulus*, there was no difference between *sporadic* and *regular exporters*. However, Crick and Chaudhry (1997) found that a *technological advantage* was a differentiator, with this *stimulus* being more likely in the case of *regular exporters*. In contrast, Julien et al. (1997) found that SME *sporadic exporters* relied on their products in the home market with perceived technical superiority in the host market. Conversely, SME *regular exporters* had differentiated products in their host markets when compared to their home market. Similarly, *unique products* were more likely to stimulate *decision-makers* in *regular exporters* to export again (Crick & Chaudhry, 1997). But in another study, there was no difference between *sporadic* and *regular exporters* as a result of the presence of the *unique product stimulus* (Czinkota, 1982). At a broader level, a marketing advantage *stimulus* did not differentiate between *sporadic* and *regular exporters* (Crick, 1995) but later, Crick and Chaudhry (1997) found that *regular exporters* were more inclined to export if superior marketing skill was the *stimulus*.

In contrast to Caughey and Chetty's (1994) finding, not all *internal stimuli* will lead to *regular export*. For example, there was no difference between *sporadic* and *regular exporters* in the case of *overproduction* as a *stimulus* (Crick & Chaudhry, 1997). *Excess production capacity* was slightly more important for *sporadic* than *regular*

exporters, whilst the *declining domestic sales stimulus* was less important for *regular* than for *sporadic exporters* (Crick & Chaudhry, 1997; Leonidou, 1998).

External stimuli, whilst they may instigate an initial export, may not lead to subsequent exporting. For example, Welch and Wiedersheim-Paul (1980) found in their sample of Australian firms (mainly SMEs) that those whose exporting *stimulus* was initially from an external source were more likely to have failed to continue exporting after the initial export. Conversely, when the *stimulus* is *external-proactive*, then *regular export* is more likely (Leonidou, 1998). This finding is confirmed in another study, where *regular exporters* were more likely to be stimulated to export by *exclusive information* than were their *sporadic exporter* counterparts (Crick & Chaudhry, 1997). *Exclusive information on foreign markets* is an *external-proactive stimulus* (Leonidou, 1998). However, *external-reactive stimuli* were less likely to result in *regular export*. *External-reactive stimuli*, such as a *saturated domestic market*, were slightly more likely for a *sporadic* than a *regular exporter* (Crick & Chaudhry, 1997). Similarly, *sporadic exporters* were more likely to identify *pressure from domestic competition* as a *stimulus* for subsequent exporting than *regular exporters* (Leonidou, 1998). In contrast, another study found that *regular exporters* were more likely to export with the domestic competition *stimulus*, than *sporadic exporters* (Crick & Chaudhry, 1997).

When *decision-makers* act on an *external stimulus* such as an *unsolicited order* their firms are less likely to become *regular exporters* (Caughey & Chetty, 1994; Katsikeas, 1996; Samiee & Walters, 1991). Bell et al. (2004) found that manufacturing firms that had received *unsolicited orders* in their first export initiation continued to receive similar orders on an ad hoc basis from unrelated new customers. Crick and Chaudhry (2006) found that *decision-makers* who were stimulated by *unsolicited orders* in the first export were not stimulated to continue in subsequent exporting. The *decision-makers* considered the risks too high for the market expansion that subsequent export might bring (Crick & Chaudhry, 2006). The perception of risks by *decision-makers* are likely to emerge when an *unsolicited order* did not meet their expectations and subsequent exporting may be affected negatively (Crick & Chaudhry, 1997). Another reason for discontinuance may be when a firm began exporting before it was ready (Wiedersheim-Paul et al., 1978).

In summary, *regular exporters* appear to be more associated with some *stimuli* than others when compared to *sporadic exporters*. In Table 2.8, *proactive stimuli* are generally linked to SME *regular export*, while *reactive stimuli* are more likely for SME *sporadic exporters*.

Table 2.8 SME regular & sporadic export stimuli

Stimulus	Regular export	Sporadic export	No difference between regular and sporadic export
Internal-proactive			
Economies of scale	Crick & Chaudhry (1997)		
Extra profit	Mehran & Moini (1999)		Czinkota (1982), Crick (1995)
Managerial urge	Czinkota (1982), Crick & Chaudhry (1997)		Crick (1995)
Technological advantage	Crick & Chaudhry (1997)		Czinkota (1982)
Product innovation		Julien et al. (1997)	
Unique products	Julien et al. (1997), Crick & Chaudhry (1997)		Czinkota (1982)
Marketing advantage	Crick & Chaudhry (1997)		Crick (1995)
Internal-reactive			
Overproduction			Crick & Chaudhry (1997)
Excess capacity		Crick & Chaudhry (1997)	
Declining domestic sales		Crick & Chaudhry (1997)	
External-proactive			
Exclusive information on foreign markets	Crick & Chaudhry (1997)		
External-reactive			
Pressure from domestic competition	Crick & Chaudhry (1997)	Leonidou (1998)#	
Saturated domestic market		Crick & Chaudhry (1997)	
Unsolicited orders		Caughey & Chetty (1994), Bell et al. (2004), Crick & Chaudhry (2006)	

firm size not controlled
Source: Compiled by author

The *stimulus* for subsequent exporting can differ from that involved in export initiation. For example, initiation resulting from an *external-reactive stimulus* such as an *unsolicited order*, can be followed by an *external-proactive stimulus* such as *exclusive information on foreign markets* (Lamb & Liesch, 2000). The influence of an *external stimulus* can diminish with increased experience in exporting (Cavusgil, 1984a; Santos & García, 2011). It is less certain whether a *stimulus* that evokes a *decision-maker's* attention will change from *reactive* to *proactive* with the experience of one export.

Stimuli and championing activities in subsequent export

It has been established previously that a *decision-maker* involved in the first export who performs a *champion* role may continue the role with subsequent export, albeit at a diminished level (Markham et al., 2010). *Champions* who have an internal locus of control on receipt of *stimuli* will frame an innovation as an opportunity (Howell & Shea, 2001). Similarly, *champions* as *decision-makers* with an internal locus of control are proactive (Durand & Shea, 1974). Proactivity in the context of receiving an innovative opportunity *stimulus* would result in its adoption if a relative advantage or compatibility (*fit*) with the firm is perceived by the *decision-maker* (Rogers, 2003). Thus, a *proactive stimulus* is more likely to be noticed and acted upon by a *champion*.

In relation to a *reactive stimulus*, it is likely that a *champion* will not be involved due to their internal locus of control (Howell & Shea, 2001). In contrast, *decision-makers* with an external locus of control will consider a *reactive stimulus* as a threat and will not continue with it (Howell & Shea, 2001). When a *champion* is not involved in the confirmation stage the innovation may not continue (Knight, 1987). As such, it is expected that some *championing* activities would be likely with the subsequent export, when the *stimulus* is *proactive*.

Stimuli and sponsoring activities in subsequent export

Markham et al. (2010) found that *champions* seek support for innovations from *sponsors* within organisations. This supporting role will increase between the implementation and confirmation of an innovation (Markham et al., 2010). Given the symbiotic relationship between *sponsors* and *champions* in SMEs (Wolf et al., 2012),

it would be expected that when a *proactive stimulus* is involved in the subsequent export, *decision-makers* would perform *sponsoring* activities.

Stimuli and boundary spanning activities in subsequent export

Rogers (2003) identifies that information may be sought prior to the confirmation stage to reinforce adoption of the innovation. *Boundary spanners* also have an internal locus of control (Dailey, 1979). *Decision-makers* with an internal locus of control are proactive (Durand & Shea, 1974). By proactively searching, *boundary spanners* become aware of *external stimuli* (Leifer & Huber, 1977; Reid & de Brentani, 2004) or *internal stimuli* (Johanson & Vahlne, 1977). Rogers (2003 p. 190) asserts that *decision-makers* only seek, "information that they expect will support or confirm a decision already made." By seeking information from the internal and external environment to suit confirmation of the export innovation, they would be more inclined to respond to *proactive stimuli*.

Stimuli and gatekeeping activities in subsequent export

Gatekeepers are involved in the reinforcement performed in the confirmation stage of Rogers' (2003) innovation-decision process. When an innovation has been implemented, such as export initiation, a ***gatekeeper's*** assessment is required to reinforce its value to the organisation to enable subsequent use. With the symbiotic relationship between *gatekeepers* and *boundary spanners* (Reid & de Brentani, 2004; Tushman, 1977), a *gatekeeper* would be involved with *proactive stimuli*.

This sub-section identified that *proactive stimuli* are more likely to be linked to *regular export* than *reactive stimuli.* Similarly, *reactive stimuli* are mainly linked to *sporadic export*. Innovation roles were also examined in relation to *stimuli* for subsequent exporting. As has been demonstrated above, *actors* in innovation roles are more likely to continue exporting when motivated by *proactive stimuli*. Therefore:

> H2 When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform innovation role activities.

Summary

This section has provided an examination of the last stage of the innovation-process, the confirmation stage as it relates to the concept of subsequent export. The subsequent export is where *decision-makers* confirm the adoption of the innovation. Subsequent exporting has been measured by extant studies using the construct of *regular export*. *Regular* and *sporadic exporting* behaviour have both been observed in exporting SMEs. Various measures were used to capture *regular export*, with the preferred method for the present study being an export performed at least once per year.

There are several variables that distinguish *regular exporters* from *sporadic exporters*. Greater staff time committed to exporting, the operation of formal *export departments,* the appointment of *new staff* and the existence of superior marketing knowledge have been identified as more likely with *regular exporters*. These variables suggest that *regular export* depends on the staff resources assembled by *decision-makers*.

Innovation roles would be expected to be present in the subsequent export. *Champions* are involved in innovation adoption, an aspect of confirmation according to Rogers' (2003) innovation-decision process. If they are not present in this stage then an innovation's success (subsequent export) is less likely (Knight, 1987). Thus, for a subsequent export to occur it is expected that *championing* activities will be involved in the subsequent export. As *sponsors* support the innovation as presented to them by the *champion* (Markham et al., 2010) they would also be expected to be involved in the subsequent export. *Boundary spanners* who have *decision-making* capacity have a role in subsequent exporting (Pauwels & Matthyssens, 2004). Similarly, a *gatekeeper,* if involved in the first export decision, would seek reinforcement that the first export met expectations. A *gatekeeper* reviews an innovation against organisational criteria and, if successful, approves it for confirmation (Markham et al., 2010).

The *stimulus* that led to the initial export may or may not lead to the subsequent export. It has been established that a *proactive stimulus* is more likely to be linked to subsequent exporting, whilst a *reactive stimulus* is linked to *sporadic exporting*. In

addition, a *stimulus* can be of a different type for the first and subsequent export. Similar to previous sections, innovation roles involved in the subsequent export were also linked to *proactive stimuli*.

2.5 Theoretical foundation & Conceptual Framework

"A conceptual framework indicates how a researcher perceives the phenomena being investigated, and which factors and how they influence the phenomena" (Andersen, 1997 p. 30). The phenomena of interest for the present study are the first and subsequent export. This section identifies the theories presented earlier in this chapter and how they inform the conceptual framework, research questions and hypotheses used in the present study.

2.5.1 Market Innovation

Innovation in organisations can comprise the development of new products, processes, markets or combinations of these (Amo & Kolvereid, 2005; Schumpeter, 1934). New markets as innovations have been a focus for internationalisation research for some time (Andersen, 1993; Ellis, 2011; Simmonds & Smith, 1968). Specifically, export initiation through the entering of new markets has been considered an innovation previously (Chandra et al., 2009; Chetty & Stangl, 2010). The initiation of export as a market innovation is of prime importance for the present study. Market innovations have been linked to internationalisation through the innovation-related stages approach (Andersen, 1993). The basis of the innovation-related stages approach to internationalisation is the innovation-decision process (Andersen, 1993).

2.5.2 Innovation-decision process

The alignment of Rogers (1962; 2003) innovation-decision process with the innovation-related stages model of firm-based internationalisation has been noted by various researchers (Bilkey & Tesar, 1977; Cavusgil, 1980; Lee & Brasch, 1978; Lim et al., 1991; Wickramasekera & Oczkowski, 2006). Rogers (2003) points out that

decisions to innovate in organisations can be made by individual *actors* independent of other members of the organisation, by small groups within the organisation or by senior staff after consultation with subordinates. These authority-based decisions are made by a few people in the organisation with the power, status or expertise to make such decisions (Rogers, 2003). In export initiation, decisions are made by one or a few *decision-makers* (Lee & Brasch, 1978) or owner-managers (Khan, 1975). However, some decisions may be made by new staff (O'Farrell et al., 1998; Rees & Coronel, 2005; Schlegelmilch, 1986a) but the support of an authority figure, such as the owner-manager or senior manager, would be expected (Crick & Chaudhry, 1997). Thus, for a market innovation such as the decision to enter a new market, independent or authority based decisions are more likely than organisation-wide collective decisions.

The Rogers (1962; 2003) innovation-decision process also accommodates individual *actors* within their social system (firm). This model has not been applied previously to individual actors involved in a market innovation, such as export. However, the innovation-decision process is a suitable model in which to consider *decision-makers* and their activities involved in export initiation, due to its relationship with both innovation and internationalisation theories.

2.5.3 Innovation roles

Several distinct roles have been observed to support innovations: *champions*, *sponsors*, *gatekeepers* (Roberts & Fusfeld, 1981) and *boundary spanners* (Jemison, 1984). Interactions between these different roles have been observed previously (Kanter, 1986; Markham et al., 2010). In larger firms, “innovation is typically a group effort” (Fleming & Marx, 2006 p. 8). What is uncertain in relation to the innovation roles in SMEs is the number of potential innovation *actors*. These roles are likely to be limited to one or a few key people. For example, in smaller enterprises “it is the individuals or a group of them who get the ideas, who do the actual developing, or make decisions” (Hyvarinen, 1990 p. 68). Specifically, the owner-managers are likely to exert a central influence in export initiation (Nummela et al., 2006). In SMEs, owner-managers can be a source of innovation, identify the opportunity from an

innovation or control others in the innovation process (Wolf et al., 2012). These observations suggest that innovation roles may be by the same or a small group of different individual *actors* in export initiation.

Champion

Champions have been observed in SME innovations but have not identified previously in export initiation (Elliott & Boshoff, 2009; Markham & Griffin, 1998). *Champions,* can supply the innovation idea and link it to the strategic direction of the firm (Burgelman, 1983). Some activities undertaken by *champions* are quite distinctive and have been found to apply to export initiation. For example, *champions* have authority to make *decisions based on intuition* (Burgelman, 1984). In SME internationalisation, the use of intuition has been attributed to market entry mode decisions (McNaughton, 2001). Similarly, researchers have found that *champions worked without formal plans* (Burgelman, 1983). A lack of formal planning is a feature of SME export initiation as well (Lee & Brasch, 1978).

The researcher allocated Shane's (1994) *championing* activities to Rogers' (2003) innovation-decision process model and found that *champions* operate in the knowledge, persuasion and decision stages. Export initiation as a market innovation may require a *champion* to introduce and seek support from other *actors* such as *sponsors* in the first export within an SME.

Sponsor

Sponsors work in tandem with *champions* to introduce innovations (Roberts & Fusfeld, 1981; Wheelwright & Clark, 1992). They coach or mentor *champions* and are generally in upper levels of management (Wheelwright & Clark, 1992). In SMEs, owner-managers are likely to be the *sponsors* and often *champions* as well (Wolf et al., 2012). Among the several activities that *sponsors* perform, coaching is common to both innovation and export initiation. For example, Frohman (1978 p. 8) found that, "inadequate coaching is often behind projects that get pushed into application too soon." This finding proposes that coaching by *sponsors* might be integral to successful innovation implementation. There has not been any similar finding that applies to export initiation. However, coaching in export by external bodies has been recognised as important to SME owner-managers when preparing for export initiation

(Carrier, 1999). Another activity for *sponsors* is to obtain resources for innovation projects (Markham et al., 2010; Smith, 2007). Similarly, the acquisition of resources and financial assistance for SME internationalisation has been identified as being important in SME internationalisation (Westhead et al., 2001). Accordingly, it is likely that *sponsoring* activities take place in SMEs initiating export.

From the *sponsoring* activities identified in the literature, the researcher allocated these activities to Rogers' (2003) innovation-decision process model, and found that *sponsors* operate at the persuasion and decision stages. As such, *sponsors* do not operate in the knowledge stage as this is the domain of *champions. Champions* pass the innovation to *sponsors* for support through the persuasion and decision stages of the model.

Boundary spanner

Boundary spanners are innovation actors that operate at the outer edge of an organisation, obtaining information on the external environment and passing this information to innovation teams (Leifer & Huber, 1977; Rivera & Rogers, 2006). Their activities were summarised as *information acquisition and control*, *physical input control*, *domain determination and interface* (Jemison, 1984). *Boundary spanning* roles have been identified in internationalisation studies (Ellis & Pecotich, 2001; Kiessling et al., 2008; Luo, 2001; Pauwels & Matthyssens, 2004). However, in SME export initiation, *boundary spanning* has been confined to *information acquisition* activities to obtain *awareness knowledge* of opportunities from past relationships (Ellis & Pecotich, 2001). Other *boundary spanning* activities such as *information control*, *physical input control*, *domain determination and interface* have not been identified in SME export initiation studies.

The researcher allocated Jemison's (1984) *boundary spanning* activities to Rogers' (2003) innovation-decision process model, and found that *boundary spanners* operate in the knowledge, persuasion and decision stages of the innovation-decision process. Accordingly, they would be involved in identifying the first export opportunity and passing this information to other innovation *actors* such as *gatekeepers*.

Gatekeeper

Gatekeepers receive, control and distribute resources and information about an innovation (Macdonald & Williams, 1993; Markham et al., 2010; Pettigrew, 1972; Roberts & Fusfeld, 1981). They have been found to perform *knowledge handling* activities (Allen & Cohen, 1969; Jones, 2006; Macdonald & Williams, 1993; Pettigrew, 1972). They also provide *innovation approval* (Cooper & Edgett, 2012; Markham et al., 2010; Pettigrew, 1972).

Some *gatekeeping* activities have been found previously in SME export initiation studies, such as collecting information about the external environment (Ellis & Pecotich, 2001). Johanson and Vahlne (1977) contend that there are individual *actors* who have contact with the firm's market/s who interpret internal and external information, a role that has been attributed to innovation *gatekeepers* (Pettigrew, 1972). Additionally, the process of setting market selection criteria, reviewing markets against those criteria and deciding to export to that market (Brouthers & Nakos, 2005), are activities associated with *gatekeepers* in an innovation (Cooper & Edgett, 2012). Similarly, the assignment of resources to implement internationalisation (da Rocha et al., 2012) have also been found with innovation *gatekeepers* (Markham et al., 2010). Interestingly, other activities have not been found in export initiation but are likely, such as *controlled the distribution of information* (Pettigrew, 1972) or *determined the value of information to potential recipients* (Macdonald & Williams, 1993).

Considering the *gatekeeping* activities identified in the literature, the researcher allocated *gatekeeping* activities to Rogers' (2003) innovation-decision process model. It was found that *knowledge handling* activities are associated with knowledge and persuasion stages. Conversely, *innovation approval* activities are located in the decision stage. Given the stages of these activities, *gatekeepers* may have a role in the first export.

In summary, four roles (*champions*, *sponsors*, *boundary spanners* & *gatekeepers)* have been observed in past innovation studies. However, these roles and their interactions have been scarcely reported in export initiation studies. Through their activities, innovation roles can be identified in the first export. The possibility that

innovation roles are associated with the *decision-makers* involved in export initiation innovation resulted in the first research question:

> RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

2.5.4 Stimuli to export

According to the literature, an innovation has an *internal* or *external stimulus* (Rogers, 2003; Tyre & Orlikowski, 1994; Zietsma, 2003). Similarly, in the internationalisation literature a *stimulus* triggers the initiation of an export (Bell et al., 2004) and can emerge either from internal or external sources (Nummela et al., 2006). Additionally, an innovation can result from either proactive or reactive responses to a *stimulus* (Rogers, 2003). Exports have also been linked to *proactive* and *reactive stimuli* (Johnston & Czinkota, 1982; Piercy, 1981). A *proactive stimulus* elicits a deliberate response by the exporting *decision-maker*. Conversely, a *reactive stimulus* provokes a passive response (Acedo & Galán, 2011).

Stimuli & Innovation-decision Process Model

It was identified above that the innovation-decision process applies to individual *actors* within a firm as well as firms themselves (Rogers, 2003). *Decision-makers* are of interest in the knowledge and persuasion stages of the model.

The knowledge stage is where a *decision-maker* becomes aware of a new idea (Rogers, 2003). Kanter (1988 p. 173) contends that “innovation is triggered by recognition of a new opportunity.” In the case of the first export, the new idea or opportunity is likely to be the perception that export will contribute to a firm’s goals (Stoian & Rialp-Criado, 2010). A *decision-maker* may proactively receive *stimuli* through “an opportunistic surveillance by scanning the environment for new ideas that might benefit the organisation” (Rogers, 2003 p. 422). The environment can be either internal or external (Howell & Shea, 2001). Whilst a *stimulus* contains information about the environment and how it will develop (Santos & García, 2011). As such, *decision-maker* surveillance can obtain *awareness knowledge* from information supplied by a *stimulus.* If they possess *how-to* and *principles knowledge*

about an innovation, then it is adopted in response (Rogers, 2003). In the present study, export as a market innovation is a solution to an existing organisational problem presented by a *stimulus*, such as unsatisfactory growth from a *small domestic market* (EFIC, 2009; Rundh, 2001).

An innovation can also arise through a *decision-maker's* reaction to an unanticipated *stimulus*. Tyre and Orlikowski (1994) found that "at the individual level, unexpected events have been shown to occasion revision of habits and assumptions" (p. 115). For example, a *decision-maker's* positive reaction to an *unsolicited order* may lead to a change in assumptions about exporting. An *unsolicited order* is a common *external-reactive stimulus* and a major source of SME export initiation in Australia (Ellis & Pecotich, 2001). Thus, both *proactive* and *reactive stimuli* can provide information contributing to *awareness knowledge* that leads to innovations such as export.

Persuasion of the opportunity presented by stimulus

The persuasion stage is where a *decision-maker* forms a view about a possible innovation and seeks additional information from credible sources (Rogers, 2003). For example, in export initiation an information search may be conducted (Samiee et al., 1993). Information from the firm's external environment can confirm or negate an export opportunity depending on the *stimulus*. The *decision-maker* seeking knowledge through an information search activity may be selective; reinforcing his/her preconceived views of the *stimulus* (Rogers, 2003). For example, a *decision-maker* who perceived that export market pricing was likely to be too low to make a profit would generate a passive response with no resultant export initiation (Wiedersheim-Paul et al., 1978). Conversely, when the *decision-maker's* expectation of the value of the innovation is exceeded, a positive perception emerges in the persuasion stage (Rogers, 2003).

Once a *decision-maker* forms a positive view about a possible innovation he/she will progress to the decision phase (Rogers, 2003; 1983). The decision to initiate export after the persuasion stage is made by the *decision-maker* whilst considering the *stimulus* and "perception of factors involved in the export process itself" (Simpson & Kujawa, 1974 p. 111). Thus, there is a connection between the *decision-maker*

perceptions and *stimuli* that *persuade* a decision to initiate export. Next, the type of *stimulus* is considered in relation to different innovation roles.

Championing activity and stimulus

As established previously, a *decision-maker* involved in export initiation is likely to have *champion* tendencies. *Champions* interact with internal (Alexy et al., 2012) and external environments (Rogers, 2003) as do *decision-makers* in export (Leonidou, 1998a). However, *championing* activities might vary depending on whether the *stimulus* is *proactive* or *reactive*. *Champions* have been found with innovations to have an internal locus of control, that is a perceived control over self and the environment (Howell & Shea, 2001). On receipt of an internal or *external stimulus,* a *champion* will frame an innovation as an opportunity due to his/her internal locus of control (Howell & Shea, 2001). Those with an internal locus of control are more proactive than others with an external locus of control (Durand & Shea, 1974).

When presented with a *proactive stimulus* such as a strategy to develop *foreign demand,* a *champion's* perceived controllability of his/her environment due to internal locus of control would mean that he/she should adopt the market innovation. Conversely, a *decision-maker* with an external locus of control will consider some export *stimuli* such as *pressure from domestic competition* (an *external-reactive stimulus*) outside his/her control and will not continue with the innovation (Howell & Shea, 2001). These findings explain that a *champion* will identify and should act on both *internal* and *external-proactive stimuli*. As such, when a *proactive stimulus* is involved in an export initiation, it would involve a *champion* who adopts the innovation and then seeks to persuade others such as *sponsors* about the export opportunity.

Sponsoring activity and stimulus

The role of *sponsors* might vary, depending on whether the *stimulus* is *proactive* or *reactive*. It has been found that *champions* seek support from *sponsors* (Markham et al., 2010). A *sponsor's* role includes persuading others or making a decision on the innovation (Roberts & Fusfeld, 1981; Witte, 1973). An affirmative decision is where a *sponsor* supports the idea (Markham et al., 2010) that was presented by the *champion* reflecting a *proactive stimulus* (Rogers, 2003; Tyre & Orlikowski, 1994). A

reactive stimulus is unlikely to be received by a *sponsor* as the *champion* would have internalised it to become *proactive* (Durand & Shea, 1974; Howell & Shea, 2001).

Boundary spanning activity and stimulus

Leifer and Huber (1977) found that *boundary spanners* operate at the outer layer of an organisation, where they interpret the external environment and pass information to internal *decision-makers*. *Boundary spanners* become aware of *external stimuli* by scanning the external environment (Reid & de Brentani, 2004). In SME export initiation, boundary spanning *information acquisition* activities were linked to *internal-proactive* and *external stimuli* (Ellis & Pecotich, 2001). Similar to *champions*, *boundary spanners* have been found to have a greater internal locus of control (Dailey, 1979). Those with an internal locus of control are also more *proactive* (Durand & Shea, 1974). Similarly, when *boundary spanners* are *proactive* in obtaining and incorporating information from their external environment, levels of firm innovativeness exceed those firms with *decision-makers* that merely react to information from their environment (Stock & Zacharias, 2011). Therefore, it is expected that *boundary spanning* activities will occur when a *proactive stimulus* is involved in the first export.

Gatekeeping activity and stimulus

A *gatekeeper* is an *actor* whose role involves the receipt, control and distribution of information obtained for an innovation (Macdonald & Williams, 1993; Pettigrew, 1972; Roberts & Fusfeld, 1981). Information from the external environment may be a *stimulus* at the knowledge stage of the Rogers (2003) innovation-decision process. *Gatekeepers* in their *knowledge handling* role have been found to collect information (*stimuli*) on the internal and external environment prior to export initiation (Ellis & Pecotich, 2001).

Gatekeepers can also receive information *via* a *stimulus* in their *innovation approval* capacity from *boundary spanners* (Reid & de Brentani, 2004) at the persuasion stage of the Rogers (2003) innovation-decision process model. Similarly, *gatekeepers* can receive a *stimulus* from *champions via sponsors* (Markham et al., 2010). As explained above, *champions* and *boundary spanners* have an internal locus of control (Dailey, 1979; Howell & Shea, 2001). As such, these innovation actors would

have internalised the *stimulus* to become *proactive* (Durand & Shea, 1974; Howell & Shea, 2001). Therefore, *gatekeepers* will be more likely to be involved when the *stimulus* is *proactive*.

Summary

The use of Rogers' (2003) innovation-decision process model, the process of *decision-maker* knowledge and persuasion in relation to *stimuli* has been linked to theory previously developed in exporting and innovation. The knowledge stage can be awareness of a *stimulus* such as an organisational problem or export opportunity that a *decision-maker* perceives. When the *stimulus* is positively perceived by the *decision-maker,* verifying information is sought during the persuasion stage. The innovation roles (*champions*, *sponsors*, *boundary spanners* & *gatekeepers*) from the theory are more likely to be related to *proactive stimuli*, however little is known about this relationship in SME export initiation. This resulted in the research question:

> RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

2.5.5 Subsequent export

Innovation adoption may not end at implementation. Confirmation is the last stage of the innovation-decision process model (Rogers, 2003). In some innovation-related export models, the final adoption "stage includes a level of commitment from management to full-scale adoption of exporting" (Wickramasekera & Oczkowski, 2006 p. 45). In the context of export initiation, confirmation would be a subsequent export to a different customer or market.

Innovation roles are now considered in relation to subsequent exporting.

Championing activities in subsequent exporting

Champions have been shown to be persistent in getting an innovation fully adopted (Howell & Higgins, 1991), thereby reaching the confirmation stage of Rogers (2003) innovation-decision process model. When a *champion* is not involved in an innovation, this non-involvement reduces the innovation's chances of success

(Knight, 1987). It could be deduced that a *champion* needs to be involved in the subsequent export for it to occur.

Sponsoring activities in subsequent export

The *sponsor* role is important for continued innovation (Maidique, 1980). A *sponsor's* influence increases from the implementation to the confirmation stage in successful innovations (Markham et al., 2010). Owner-managers are likely to be the *sponsors* and often *champions* in SMEs (Wolf et al., 2012). Therefore, *w*hen *championing* activities are present with subsequent export, then the role of *sponsors* would also be expected.

Boundary spanning activities in subsequent export

Boundary spanning activities, such as knowledge acquisition and information gathering of exporting opportunities, have been observed in export development for Australian companies (Ellis & Pecotich, 2001). *Boundary spanning activities* could be as important for the subsequent export as for the first export as it involves seeking another customer or market.

Gatekeeping activities in subsequent exporting

A *gatekeeper's knowledge handling* activities have been observed in subsequent exporting development for Australian SMEs (Ellis & Pecotich, 2001). By seeking new customers or markets, it would be expected that *gatekeepers* would continue *knowledge handling* activities for the subsequent export.

Gatekeepers influence increases from implementation to confirmation of innovation adoption (Markham et al., 2010). Most likely this is due to their *innovation approval* activities in the confirmation stage where they seek to confirm that the innovation meets organisational criteria (Rogers, 2003). A *gatekeeper* reviews an innovation after it has been implemented before the confirmation stage (Markham et al., 2010). A *gatekeeper* involved in the first export decision would seek confirmation that the first export had met expectations. If the first export reinforces the *gatekeeper's* expectations, a subsequent export would occur.

In *regular export*, more resources are made available for exporting (Rao & Naidu, 1992), which is part of the role of *gatekeeping – assigning resources* activity (Markham et al., 2010). In contrast, by *withholding resources,* a gatekeeper indicates that the implementation of an innovation did not meet expectations (Markham et al., 2010; Pettigrew, 1972). As such, a subsequent export will not take place. *Gatekeepers* have increased influence in relation to the confirmation of an innovation (Markham et al., 2010). This influence suggests that *gatekeeping* activities would continue with subsequent export.

In summary, each innovation *actor* is likely to have a role to play in subsequent export. If these innovation roles are not present for the subsequent export or the subsequent export did not take place due to their absence, then this might explain *sporadic export*. Research questions plus hypotheses were developed linking subsequent export to innovation roles:

> RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?
>
> And
>
> H1 Those who initiate the first and subsequent export perform innovation role activities.

Subsequent export is also related to certain *stimuli*. Where a *proactive stimulus* led to an initial export, that process will continue and result in subsequent export (Leonidou, 1998). For example, *economies of scale* were more likely to be a *stimulus* for subsequent export to *regular exporters* than *sporadic exporters* (Crick & Chaudhry, 1997). Conversely, *external-reactive stimuli* were less likely to result in *regular export*. For example, when *decision-makers* act on an *unsolicited order* their firms are less likely to become *regular exporters* (Caughey & Chetty, 1994; Katsikeas, 1996; Samiee & Walters, 1991). Innovation roles are now considered in relation to *stimuli* instigating subsequent exporting.

<u>Stimuli and championing activities in subsequent export</u>

It has been established previously that a *decision-maker* involved in the first export who performs a *champion* role, may continue that role with subsequent export (Markham et al., 2010). *Champions* who have an internal locus of control on receipt

of *internal stimuli* will frame an innovation as an opportunity (Howell & Shea, 2001) and are proactive (Durand & Shea, 1974). Proactivity in the context of receiving an innovative opportunity *stimulus* would result in its adoption if a relative advantage or compatibility (*fit*) with the firm is perceived (Rogers, 2003). Thus, a *proactive stimulus* is more likely to be noticed and acted upon by a *champion,* resulting in a subsequent export.

In the case of a *reactive stimulus*, it is likely that a *champion* will not be involved due to their internal locus of control (Howell & Shea, 2001). Conversely, *decision-makers* with an external locus of control will consider a *reactive stimulus* as a threat and will not continue with it (Howell & Shea, 2001). The innovation may not continue when a *champion* is not involved in the confirmation stage (Knight, 1987). As such, it is expected that without *championing* activities there would be no subsequent export.

Stimuli and sponsoring activities in subsequent export

Champions seek support for innovations from *sponsors* within organisations (Markham et al., 2010). A *sponsor's* support role increases between the implementation and confirmation of an innovation (Markham et al., 2010). Due to the symbiotic relationship between *sponsors* and *champions* (Wolf et al., 2012) with *champions* internalising *stimuli* (Durand & Shea, 1974; Howell & Shea, 2001), it would be expected that *sponsoring* activities would occur when *proactive stimuli are* involved in the subsequent export.

Stimuli and boundary spanning activities in subsequent export

Rogers (2003) argues that information may be sought prior to the confirmation stage to reinforce the adoption of the innovation. *Boundary spanners* also have an internal locus of control (Dailey, 1979) that fosters desirable consequences from their actions (Baron & Rodin, 1978). In addition, *decision-makers* with an internal locus of control are proactive (Durand & Shea, 1974). As such, *decision-makers* on innovations only seek, "information that they expect will support or confirm a decision already made" to avoid dissonance (Rogers, 2003 p. 190). *Boundary spanners* proactively search and, become aware of *external stimuli* (Leifer & Huber, 1977; Reid & de Brentani, 2004) or *internal stimuli* (Johanson & Vahlne, 1977). By seeking information from the

internal and external environment, they are more inclined to respond to *proactive stimuli* in the subsequent export to suit confirmation of the export innovation.

Stimuli and gatekeeping activities in subsequent export

Gatekeepers are involved in the reinforcement of past decisions performed in the confirmation stage of Rogers' (2003) innovation-decision process model. *Gatekeepers* have increased influence at the confirmation stage of an innovation (Markham et al., 2010). Given the symbiotic relationship between *gatekeepers* and *boundary spanners* (Reid & de Brentani, 2004; Tushman, 1977), a *gatekeeper* would be involved with *proactive stimuli*.

This sub-section argued that *proactive stimuli* are more likely to be linked to *regular export* than *reactive stimuli.* Similarly, *reactive stimuli* may explain *sporadic export*. Innovation roles were also examined in relation to the nature of the *stimuli* for the subsequent export. As has been demonstrated above, *actors* in innovation roles are more likely to continue exporting when motivated by *proactive stimuli*. Therefore:

> H2 When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform innovation role activities.

2.5.6 Conceptual framework

The first and subsequent exports are the dependent variables. The conceptual framework encompasses the relationships between the innovation and the related *stimuli*, as independent variables. The five stages of the Rogers (2003) innovation-decision process are indicated along the bottom of the framework (See figure 2.2).

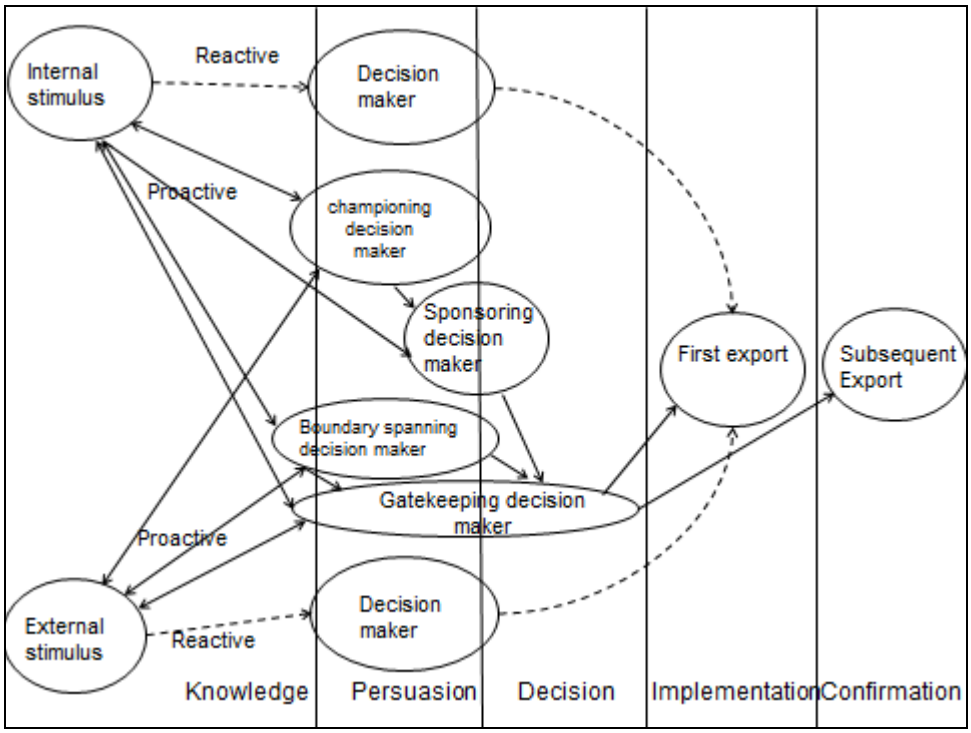
The conceptual framework indicates that when an *internal-proactive stimulus* to export emerges, it will capture the attention of a *champion.* The double ended arrow in the conceptual framework suggests that the *champion* will seek information to build his/her knowledge of an export opportunity in relation to a *proactive stimulus*. The *champion* may make some decisions about the export opportunity and then seek to persuade a *sponsor*. If the *sponsor* agrees to support the first export he/she seeks

out a *gatekeeper* to approve it. This process is repeated for the subsequent export if it is instigated by an *internal-proactive stimulus*.

When an *external-proactive stimulus* instigates an export initiation, it will receive the attention of a *champion* or *boundary spanner*. The *champion* would internalise the *external-proactive stimulus* and pass this on to the *sponsor.* The *boundary spanner* and *gatekeeper* can also receive both internal and *external-proactive stimuli* directly due to their environmental scanning. The double ended arrow in the conceptual framework suggests that the *boundary spanner* or *gatekeeper* will seek information to build his/her knowledge of the export opportunity*.* A *boundary spanner* would pass this information on to a *gatekeeper* in their *innovation approval* role who then decides whether to initiate the first export. This process would be repeated for a subsequent export if it was instigated by an external-*proactive stimulus* (see Figure 2.2).

When a *reactive stimulus* instigates export initiation, innovation roles are unlikely to be involved. On receipt of a *reactive stimulus*, a *decision-maker* may or may not take up an export opportunity as presented. When a *decision-maker* is persuaded to take up the export *stimulus* due to its similarity to existing organisation activities, it would result in the first export. A *reactive stimulus* would not necessarily lead to a subsequent export in the next year. This typifies a *sporadic export* (see Figure 2.2).

Figure 2.2 Conceptual framework



Source: Compiled by author

2.6 Chapter conclusion

This chapter began with a Venn diagram that comprised three domains. Each domain was introduced briefly with the overlaps discussed in more depth.

The first literature domain on *decision-makers* in the first export developed a case that firms comprise coalitions of individual *decision-makers* or groups and that these powerful *actors* determine strategies, such as internationalisation and in particular, the decision to pursue the first export. Many studies measure internationalisation at the firm level, overlooking the role of *decision-makers* in the firm. *Decision-makers* are the focus of this thesis and hence, the analysis is conducted at their level.

The next literature domain is concerned with innovation and how it relates to the first export. It was established that export initiation as an innovation has been recognised in the innovation-related stages approach to internationalisation. The innovation-related stages approach followed an innovation-decision process proposed by Rogers (1962) and led to numerous models that examined this process.

The overlap of the domains of *decision-makers* in the first export, and innovation in the first export, is the focus of literature to do with innovation roles in the first export. In order to turn an innovation idea into reality, a coalition is needed. It is this coalition of innovation *actors* that is of interest in the present study, comprising *champions*, *sponsors*, *boundary spanners* and *gatekeepers*.

Champions, as explained in the literature, can supply the innovation idea and link it to the strategic direction of the firm. If *champions* are not involved, then this can influence the success of the innovation adoption and may explain failed export initiation. Activities that describe *champions* are quite distinctive and could apply to export initiation. *Champions* were also seen in all levels of an organisation, from front line staff to top management. *Champions* have been observed in SME innovations but not identified in export initiation. Export initiation may require a *champion* to introduce or implement the first export within an SME.

Another innovation role is that of a *sponsor*. *Sponsors* work in tandem with *champions* in the introduction of an innovation. They can coach or mentor *champions* and are mainly in upper levels of management. In SMEs, *sponsors* are likely to be owner-managers and/or *champions.* An innovation such as export initiation is likely to have a *sponsor*.

Boundary spanners are innovation roles that operate at the outer edge of an organisation, obtaining information on the external environment and passing information to innovation teams. Their activities were summarised as *information acquisition and control*, *physical input control*, *domain determination and interface*. *Boundary spanning* roles have been identified in internationalisation studies, but there has been limited work on their role in SME export initiation.

The final innovation role considered in this literature review is that of a *gatekeeper*. *Gatekeepers* receive, control and distribute resources and information. Whilst *gatekeepers* can be at all levels of management, they are more likely to be in senior management. Some *gatekeeping* activities have been found previously in exporting, but their role has not been fully researched. This section on innovation roles in export initiation resulted in a research question.

The next domain is that of *stimulus* and the first export. An environmental change *stimulus* can result in an innovation. For an innovation such as export initiation, a *stimulus* can arise from either internal or external sources. Similarly, a *stimulus* can be *proactive* or *reactive*. Studies have identified that an *external-reactive stimulus* such as an *unsolicited order* mainly explains SME export initiation. Conversely, an *internal-proactive stimulus* such as managerial interest is more likely to ensure ongoing exporting. The innovation roles (*champions*, *sponsors*, *boundary spanners* and *gatekeepers*) were observed to be more related with proactive *stimuli*. This section resulted in a research question.

The final section of the literature review considers the context of the present study of export regularity of SMEs. There are a number of different ways to distinguish *regular export* from *sporadic exporting*. Some researchers have used exporting sales data, whilst others measure the number of times an export occurs over a time period. For the purposes of the present study, a subsequent export must be performed at least once per year to be considered *regular export*.

From the literature, *regular export* depends on availability of staff resources. Once exporting has been initiated, additional staff could be hired to take care of the exporting function. Similarly, *decision-makers* could also change with subsequent exporting through their delegation as export specialists. From these findings and other literature it was established that each innovation *actor* could have a role to play in subsequent exporting. *Regular export* is more likely to be linked to *proactive stimuli*. Innovation roles were also more likely to continue with subsequent exporting instigated by *proactive stimuli*. Research questions plus hypotheses were developed linking subsequent export to innovation roles and in the context of *stimuli.*

The culmination of the above research questions and hypotheses among the variables highlighted in the literature, is developed into a conceptual model.

The next chapter will discuss the methods used to operationalise data collection, measure the data and analyse the results in order to address the research questions and hypotheses presented in this chapter.

Chapter 3 Methods

From the preceding chapter describing the literature, several research questions and hypotheses were developed in relation to export initiation, innovation roles, export *stimuli* and subsequent export. This chapter discusses the methods used to respond to these questions and hypotheses. It begins by discussing the nature of the research problem that calls for a mixed methods research design. The following section focuses on the qualitative phase: the sampling process, interview technique, case studies and analysis. The quantitative phase follows and discusses the preparation for data collection, collection and methods of analysis. Then triangulation techniques that cross verify both qualitative and quantitative results are discussed. Ethical considerations conclude the chapter.

3.1 Research design

This section will discuss the nature of the research problem. Methods used to respond to the problem will then be discussed. These will be justified using both the research method literature and studies from the internationalisation and innovation domains.

3.1.1 Nature of the present study

The purpose of the present study is to answer the question: “What are the innovation roles of decision-makers involved in the first and subsequent exports in SMEs and to what stimuli do they respond ?”

From Chapter 2, it was established that addressing this purpose required responses to both research questions and hypotheses. This approach proposes that both qualitative and quantitative methods are used together, in other words, a mixed methods approach. This mixed methods approach will be discussed in the next sub-section.

Creswell and Piano-Clark (2011) provide a framework of philosophical assumptions that have been adopted in the present study. These assumptions have four levels:

paradigm worldview, theoretical lens, methodological approach and methods of data collection (Creswell & Plano Clark, 2011).

Paradigm worldview

The paradigm worldview of research has a number of methodological approaches. For example, when a study adopts a qualitative methodological approach, then the worldview is likely to be interpretivist/constructivist (Creswell & Plano Clark, 2011). Alternatively, a mainly quantitative approach would be positivist/normative (Cooksey & McDonald, 2011) or post-positivist approach (Creswell & Plano Clark, 2011). Miles and Huberman (1994 p. 389) argue that "we have to face the fact that numbers and words are both needed if we are to understand the world." For reasons explained in this chapter, both qualitative and quantitative approaches are required in the present study. Therefore, the paradigm worldview is that of pragmatism (Cherryholmes, 1992). A further comparison of worldviews through their application in ontology and epistemology follow.

A pragmatic approach is where results from varied methods of collection and analysis provide an understanding of the issues behind a research problem (Bazeley, 2003; Patton, 1988). Creswell and Piano Clark (2011 p. 41) contend that:

> Pragmatism is typically associated with mixed methods research. The focus is on the consequences of research, on the primary importance of the question asked rather than the methods, and on the use of multiple methods of data collection to inform the problems under study. Thus, it is pluralistic and oriented toward 'what works' and practice.

The pragmatic paradigm worldview approach for the present study is also reflected in the ontology.

Ontology

Ontology is the nature of reality from a researcher's stance (Cooksey & McDonald, 2011). On a continuum of 'world reality', a positivist sees "the world as real and directly observable or that reality is relative and specific to local perceivers" (Cooksey & McDonald, 2011 p. 186). A positivist view is that a theory can be explained through a singular reality, such as the outcome of a hypothesis. A singular reality is where a

theory explains phenomena (Creswell & Plano Clark, 2011). Alternatively, a constructivist considers there to be multiple realities, providing multiple perspectives about the phenomena (Creswell & Plano Clark, 2011). In contrast, the pragmatist view of reality can be both singular and multiple. A pragmatist considers "situations from the point of view of the *actor*" (Coser, 1971 p. 340). For example, in the present study, the singular reality is the existence or otherwise of innovation role activities (*championing*, *sponsoring*, *boundary spanning* and *gatekeeping*). The multiple realities are the incorporation of observations of separate *decision-makers*, in their environment. These ontological differences also depend on the relationship between the researcher and knowledge creation, otherwise known as epistemology.

Epistemology

Knowledge created in a positivist approach is obtained objectively, whilst for a constructivist it is created subjectively, considering context (Cooksey & McDonald, 2011). The present study is exploratory as the innovation roles undertaken in internationalisation have not been fully demonstrated previously in the context of export initiation. An exploratory enquiry lends itself to a qualitative approach (Sekaran & Bougie, 2010). In the present study, all the *decision-makers* involved in the first and/or subsequent export had to be identified before they could be measured. However, the identification of innovation roles in the qualitative approach was informed by pre-validated quantitative scales, a positivist method. When confronted with these differing methods, pragmatism is a suitable epistemological approach.

For a pragmatist, data are collected through the most practical means to respond to the research purpose (Creswell & Plano Clark, 2011). In effect, a pragmatist may develop knowledge both objectively and subjectively. The knowledge from the extant literature (as presented in Chapter 2) about *decision-makers* in export initiation is somewhat deficient. For example, *decision-makers* are not well defined in SME export initiation. Hence, collection methods and/or their guiding assumptions used in these previous studies may be problematic in relation to the roles and significance of *decision-makers*.

Detailed information was required from a small population of SMEs that are hard to identify and reach. In Australia, SME exporting firms represent 4 per cent of all firms (AUSTRADE, 2002) and those that had recently started to export are fewer still. *Decision-makers* in SMEs are not always willing to complete survey questionnaires (Bell et al., 2004). This reluctance may have influenced past response rates and the quality of findings. This situation presents an operational reason to use certain methods over others in data collection (explained below).

Another influence guiding the method for the present study was the longitudinal approach to data collection. Given the size of the SME export initiation population an exclusively quantitative data collection method would not accommodate this longitudinal requirement. In the past, mixed methods involving case studies that included longitudinal approaches were conducted (Sharp, Mobley, Hammond, Withington, Drew, Stringfield & Stipanovic, 2011). More discussion on longitudinal design requirements is included below.

Theoretical lens

In Sub-section 2.2.2, a case is made that all export initiation is an innovation. Therefore, the theoretical lens for the present study is that of innovation theory. The present study will look at *decision-makers* (who make decisions in relation to exporting), comparing their activities with those found previously to be associated with innovation roles. Another Section, 2.3 considers the *stimuli* observed in export initiation or innovation and how they influence *decision-makers*. In a related field that has attempted to meld innovation and internationalisation, Coviello and Jones (2004 p. 499) reported that international entrepreneurship (IE):

> Has been extensively examined from a logical positivist perspective, and to a certain extent in parallel, from the interpretivist perspective. One is predominantly static in its approach, the other longitudinal or at least evolutionary. A useful direction for methodological design in the IE field would be to bring these parallel fields together in order to view internationalisation more holistically.

Thus, the method chosen for the present study is that of mixed methods, with a pragmatic worldview.

3.1.2 Mixed methods

Mixed methods is “a systematic way of using two or more research methods to answer a single research question” (Morse & Niehaus, 2009 p. 9). The term ‘mixed methods’ can be applied to data collection and/or analyses (Tashakkori & Teddlie, 1998). There have been calls for its increased use in SME internationalisation studies (Coviello & Jones, 2004; Rialp, Rialp & Knight, 2005). Mixed methods can be performed in a number of ways. Whilst there are two or more methods representing qualitative (qual) and quantitative (quan) components, one method usually dominates due to the overall purpose of the research. A dominant method would lead the research (denoted in capital letters), with a secondary method (denoted in lower case letters) conducted sequentially (→) or concurrently (+) (Morse & Niehaus, 2009).

The mixed methods design selected for the present study adopts a concurrent approach. Concurrent designs are used when results need to “confirm, cross-validate, or corroborate findings within a single study” (Creswell, Plano Clark, Gutmann & Hanson, 2003 p. 229). Several concurrent designs have been performed in SME Internationalisation studies (Crick, 2009; Ellis, 2000; Fabian, Molina & Labianca, 2009; Ruokonen, Nummela, Puumalainen & Saarenketo, 2008). In the present study, the purpose requires the observation of innovation roles in SMEs first and subsequent export and the cross-validation of these observations with quantitative data. As such, the qualitative method is dominant with support from the quantitative method (QUAL + quan).

A concurrent mixed methods approach has been used in several studies of SME internationalisation. For example, Ellis (2000), having a dominant qualitative method, performed 52 semi-structured interviews in 42 firms on 133 foreign market entries. The quantitative component of the Ellis (2000) study used descriptive data on *decision-maker* activities regarding market entries. A similar use of the quantitative data was adopted by the present study, also explained below.

The Ruokonen et al. (2008) study analysed the role of market orientation in the internationalisation of two SME software firms. In their study (QUAL + quan) they conducted qualitative case studies with quantitative data concurrently from two firms.

They explained that the "integration of the qualitative and quantitative research approaches was considered appropriate given the very limited attention the research topic has received in the literature." Similarly, the concurrent approach with "the combination of qualitative and quantitative data gave us a richer picture of the managers' perceptions and also increased our understanding of this multidimensional concept" (Ruokonen et al., 2008 p. 1300). A similar observation was expected for the present study.

Another concurrent exploratory mixed methods study involved 21 *born-global* SMEs (Crick, 2009). The quantitative phase informed by the literature determined measures of performance used by the SMEs. A qualitative phase was also conducted with senior members of staff who were involved in decisions on early and subsequent internationalisation. According to Crick (2009 p. 459) these interviews "allowed managers to freely provide rationales to account for international strategies." A similar approach was taken in the present study.

Table 3.1 summarises the few studies that have followed a concurrent mixed methods tradition in SME internationalisation.

Table 3.1 Concurrent mixed methods in SME internationalisation

Study	Design	Sample	Scope
Ellis (2000)	QUAL + quan	42 toy manufacturers	Social ties with foreign market entries
Ruokonen et al. (2008)	QUAL + quan	2 software firms	Market orientation in internationalisation
Crick (2009)	quan + QUAL	21 *born-global* firms & INVs	Performance measures between *born-global* firms & INVs
Fabian et al. (2009)	QUAN + qual	168 SMEs	Internationalise or not

Source: Compiled by author.

As in the study of SME internationalisation, mixed methods studies have been used in the study of innovation. In particular, innovation roles have been studied using the mixed methods approach with sequential or concurrent designs (see Table 3.2).

Table 3.2 Innovation roles in mixed methods studies

Study	Design	Sample	Innovation role
Howell & Higgins (1990)	QUAL + quan	153 individuals involved in IT innovations, 25 pairs for quan	Champion
Cardinal (2001)	Qual → QUAN	57 decision-makers of R&D programs	Boundary spanner & gatekeeper
Mantere (2005)	QUAL + quan	300 individuals in 12 organisations	Champion
Greenhalgh et al. (2008)	QUAL + QUAN	600 patients	Champion, boundary spanner
Alexy et al. (2012)	QUAL + quan	51 Innovation ideas in one case study	Champion

Source: Compiled by author.

Summary

In this section, the research design was justified. A mixed methods approach to data collection and analysis was required due to the nature of the research purpose, research questions and hypotheses. Coupled with this approach are the philosophical assumptions for the present study that include a pragmatic worldview and ontology. The epistemology also reflects a pragmatic approach due to the nature of the population and need for a longitudinal perspective. Innovation is the theoretical lens for the present study.

The present study uses a concurrent mixed methods approach with data from a qualitative data collection method cross-validated with data from a quantitative method. This approach has been used previously in SME internationalisation and innovation studies. The next section discusses the qualitative method and its application.

3.2 Qualitative phase

As stated above, the present study's primary method is that of qualitative inquiry. This section discusses how case studies were developed from semi-structured interviews using a Critical Incident Technique with key informants/respondents. Finally, the section discusses the qualitative analysis techniques used.

3.2.1 Case studies

A case study "can be used to develop an initial in-depth understanding of a phenomenon" (Tharenou, Donohue & Cooper, 2007 p. 75). The focus of the present study's case study collection was to determine the 'how and why' of *decision-maker* innovation roles and the influence of *stimuli* in the first and subsequent export in their real-life context (Yin, 1994; 2009). Tharenou et al. (2007 p. 76) advise that "the emphasis is on understanding processes alongside their contexts." In the present study, the context is an SME that is initiating exporting.

The approach to case study development and interpretation was guided by validity and reliability considerations (Yin, 1994; 2009). There are four tests used in case studies: construct validity, internal validity, external validity and reliability (Yin, 2009). Each test will be discussed below.

Construct validity

Construct validity is where a "measure empirically reflects the construct of interest" (Cooksey & McDonald, 2011 p. 431). The constructs of interest for the present study were innovation roles and *stimuli*. These constructs were informed by empirical findings from the literature as presented in Chapter 2. Evidence of the constructs was sought in interviews with those involved in the initial and subsequent export. The specific interview protocols and analysis codebooks are discussed below.

Yin (2009) points out that to obtain construct validity in case studies requires multiple sources of evidence. In the present study, where possible, multiple respondents in cases were interviewed and multiple cases were collected. Similarly, multiple sources of evidence were also secured through the use of documents or similar data to corroborate information provided by respondents. Documentary and website data have been used previously in SME internationalisation case studies to check and add to accounts by respondents (Agndal, Chetty & Wilson, 2008; Nummela et al., 2006; Smolarski & Wilner, 2005). In addition, case study data were triangulated with quantitative data. Triangulation is discussed further below (see Section 3.4).

The final test for construct validity is having the key informants/respondents review the interview transcript or draft case study report (Creswell & Plano Clark, 2011; Yin, 2009). Respondent review has also been conducted previously with key informants/respondents in SME internationalisation case studies (Ellis & Pecotich, 2001; Sedoglavich, 2012; Stoian & Rialp-Criado, 2010). In the present study, the researcher enabled key informants/respondents to review their first interview transcript at a subsequent interview.

Internal validity

In a qualitative study, "internal validity is the extent to which the investigator can conclude that there is a cause and effect relationship among variables" (Creswell & Plano Clark, 2011 p. 211). Threats to internal validity can be salience, projection, deviant cases and data inaccuracy. Yin (2009) identifies several tactics to address these threats, comprising pattern matching, time-series, and addressing rival explanations. These and other tactics are explained below.

Pattern matching in case studies is where an empirically derived pattern is matched against a predicted pattern. When the two match, internal validity is evident (Yin, 2009). Pattern matching has been performed previously in SME internationalisation case studies (Bell et al., 2004; Sedoglavich, 2012). The present study applied pattern matching to all cases involved. The predicted pattern matching is defined by the findings in the literature review and summarised in the conceptual model at the conclusion of Chapter 2. For example, behaviours of *champions* and other innovation role actors from the literature were identified in the cases. Observations of these behaviours can be found in Chapter 4.

A threat to the internal validity of a case study is that of salience (Neck, Godwin & Spencer, 1996). This bias is where a researcher chooses information due to his/her pre-existing cognitive structures, for instance, having a preformed mental categorical prototype such as a *champion* role that substitutes the actual data in a case study (Neck et al., 1996). In the present study, salience was overcome with the matching of key informant/ respondents' statements against "a priori" codebooks (Miles & Huberman, 1994). *A priori* codebooks can be found in Appendix 3.2.6.

A researcher's interpretation of the case data can be another threat to internal validity (Tharenou et al., 2007). This issue known as projection is where a researcher's biases and assumptions influence case interpretation (Neck et al., 1996). Neck et al. (1996 p. 60) suggest that the researcher continually asks him/herself "what are other possible explanations for this event or that action?" Yin (2009) observes that this question is based on the need to consider rival explanations. The present study partly addresses this issue through data triangulation with quantitative data and the use of multiple sources such as documents (Tharenou et al., 2007). See section 3.4 below on triangulation methods and the next chapter for triangulation results. Neck et al. (1996) also propose that another person not related to the case analysis can independently review assumptions and conclusions. In the present study the researcher's supervisors fulfilled this role.

The present study also considered several alternative (Tharenou et al., 2007) or deviant cases (Silverman, 2011). For example, a large firm provided a comparison in relation to firm size. Another alternative case was a firm that did not initiate the first export, *i.e.* a non-exporting firm. Finally, cases were also included where the firms did not have a subsequent export in the following year. These alternative cases assist with internal validity.

The use of a time series enable a case study to "trace changes over time" (Yin, 2009 p. 145). It provides the ability to observe a theoretical event, the first and subsequent export in the present study. Other rival trends may also be prevalent as a result of a time series, for example the sale of the business. These rival trends may provide an alternative explanation to the theoretical event (Yin, 2009). The present study provides a time series for each case to indicate when the first and subsequent export occurred for the firm as well as other significant events. These other significant events, when they occur, are discussed in relation to the first and subsequent export, as outlined in the next chapter.

"The accuracy of the information collected is increased in case study research by cross checking" (Tharenou et al., 2007 p. 80). Cross checking in single cases can be achieved with repeated data collection in the same site (Miles & Huberman, 1994). In SME internationalisation studies, cross-checking through repeated interviews has

occurred with the same *actors* at different times (Deakins & Wyper, 2010) or interviews with multiple *actors* within the same firm (Ellis & Pecotich, 2001; McGaughey et al., 1997). Both approaches were employed in the present study. In all cases, the key informant was interviewed twice. Other respondents, if they were involved in the first or subsequent export, were also interviewed (see Chapter 4).

External validity

"External validity is the extent to which the investigator can conclude that the results apply to a larger population" (Creswell & Plano Clark, 2011 p. 211). This is the ability of the case study findings to be generalised to other groups or settings (McCutcheon & Meredith, 1993). "Case studies rely on analytic generalisation. In analytical generalisation, the investigator is striving to generalise a particular set of results to some broader theory" (Yin, 2009 p. 43). The use of theory for analysis purposes in individual case-studies is one way to enable analytic generalisation (Yin, 2009). The present study uses theory about internationalisation, innovation and *stimuli* derived from the literature to analyse individual case data.

Another way that case studies can derive analytic generalisation is through the use of multiple case studies. A theory is tested through replication with multiple case studies treated as separate experiments (Yin, 2009). "Multiple cases enable comparisons that clarify whether an emergent finding is simply idiosyncratic to a single case or consistently replicated by several cases" (Eisenhardt & Graebner, 2007 p. 27). This approach has also been used in SME internationalisation studies (Matanda, 2012; Nummela et al., 2006).The present study uses multiple case studies to derive analytic generalisation (see Sub-section 3.2.3 below on sample size).

Reliability

"The goal of reliability is to minimize the errors and biases in a study" (Yin, 2009 p. 45). One aspect of reliability in qualitative research has to do with intercoder agreement where there are multiple individual researchers coding (Creswell & Plano Clark, 2011). The present study had only one researcher coding the transcripts, therefore intercoder agreement was not required. However, to avoid the issue of coder bias, verbatim quotations from the transcripts are provided in the case studies to verify the rater's understanding of the coding. Verbatim quotations have appeared

previously in SME internationalisation studies (Matanda, 2012; Mort & Weerawardena, 2006; Sedoglavich, 2012).

A specific action to improve reliability in case studies is to develop a database (Yin, 2009). For the present study, a case study database was established through the use of NVivo software. Each site (a firm and in one case a division) was a case study and comprised all transcripts related to the site, plus other documents and website information when it could be obtained. In addition, coding files, as developed with the use of NVivo, were linked to each case study or site. NVivo has been used similarly in SME internationalisation studies (Matanda, 2012; Spence et al., 2008; Welch et al., 2008).

Another approach to enhancing reliability in case studies is to document research procedures (Yin, 2009). The documentation of research procedures for the present study is documented later in this section.

In summary, this sub-section has explained that case studies were the main qualitative data collection method. Validity and reliability were discussed in relation to case study data collection and the way the present study deals with such issues was explained. The next sub-section considers how the case study data collection integrates with a longitudinal design.

3.2.2 Longitudinal design

A subsidiary purpose of the present study is to provide a better understanding of *decision-makers* and their innovation roles following the first export and whether their involvement leads to subsequent export/s. To obtain such data requires repeated measurement. “In longitudinal designs, a fixed sample of population elements is measured repeatedly” (Malhotra, Shaw & Oppenheim, 2004 p. 67). Kimberly (1976 p. 329) argues that, “longitudinal organizational research consists of those techniques, methodologies and activities which permit the observation, description and/or classification of organizational phenomena in such a way that processes can be

identified and empirically documented." Similarly, the present study documented the processes that *decision-makers* followed for both the first and subsequent export.

A common longitudinal method of data collection in SME internationalisation studies has been retrospective case studies. Eisenhardt and Graebner (2007 p. 28) identified that "retrospective cases rely on interviews (and archival data) that build up the number and depth of cases efficiently and so enable a researcher to cover more informants." There has been a prevalence of retrospective or ex post facto longitudinal case studies performed in SME internationalisation (Evers & Knight, 2008; Matthyssens & Pauwels, 2000; Nummela et al., 2006). The collection points are often a considerable time after the first export. For example, in Nummela et al. (2006) the three cases had details of the first export 10 to 20 years before the interview. Similarly, in the Evers and Knight (2008) study, the respondents gave information some 20 years after the first export.

Eisenhardt and Graebner (2007 p. 28) observed that "interviews are particularly accurate when the focal events are recent." However, respondents in studies such as those noted above (Evers & Knight, 2008; Nummela et al., 2006) rely heavily on the memory and recall of key informants or respondents about events taking place many years earlier. Cavusgil (1984a) observed that discrepancies in export initiation seen some 20 years later are often due to flaws in respondent recall. This is an acknowledged limitation with a 'one-shot' collection approach (Crick, 2009). In the present study, the initial interviews were conducted within 3 years of the first export. For details of SME longitudinal internationalisation 'one-shot' studies, see Table 3.3.

Table 3.3 SME longitudinal internationalisation 'one-shot' studies

Study	Length of time covered	Collection points	Collection method (sample)
Matthyssens & Pauwels (2000)	1992-96	Single – ex post facto	Case studies (n=2)# from interviews
Andersson (2002)	1966-87, 1920s-75, 1950s-87	Single – ex post facto	Case studies (n=3) from interviews & documents
Nummela et al. (2006)	1994-96, 1997-2002, 1983-2002	Single – ex post facto	Case studies (n=3) from interviews
Evers & Knight (2008)	1985-2008@	Single – ex post facto	Case studies (n=3) from interviews
Hagen & Zucchella (2011)	1999-2010	Single – ex post facto	Case studies (n=2) from interviews & documents

@ No collection date provided therefore study publication date used
# Only one case was an SME
Source: Compiled by author.

A more robust approach to longitudinal data collection is that of 'real time' with more than one data collection point and "repeated interviews with the protagonists as events unfold" (Buckley & Chapman, 1997 p. 44). For example, collection at pre-initiation of export and then 18 months later enabled Crick and Chaudhry (2006) to determine which firms initiated export. Hohenthal (2006) used data collection methods such as interviews, documents and observation over a number of occasions to determine the process of market entry for medium sized firms. Similarly, Melen and Norman (2009) collected data from their case studies several times over a period of five years. Unlike 'one-shot' studies, multiple collection point SME internationalisation studies considered shorter time spans (see Table 3.4). In light of the advantages of 'real time' data acquisition, a multiple collection strategy was performed for the present study. Most cases had a minimum of 2 collection points.

Table 3.4 SME longitudinal internationalisation multiple collection point studies

Study	Time span	Collection points	Collection method (sample)
Chetty & Blankenburg Holm (2000)	1992 & 1995	Multiple	Case studies (n=4) from interviews
Smolarski & Wilner (2005)	1996-2001	Multiple	Case studies (n=6) from interviews, documents
Crick & Chaudhry (2006)	1.5 years	Multiple	Case studies (n=12) from interviews
Hohenthal (2006)	Not mentioned	Multiple	Case studies (n=10) from interviews, documents, observation
Melen & Nordman (2009)	2004-08	Multiple	Case studies from interviews (n=8)

Source: Compiled by author.

The longitudinal collection methods reported so far have been confined to firm-based studies. Andersson et al. (2004 p.31) suggested that, for internationalisation in SMEs,"a fruitful research design for intensified studies could be to do longitudinal studies with individuals as [sic] focus." Of the few studies that have pursued this suggested direction, all were multilevel with both firms and individual *actors* as units of analysis. A retrospective case study of an Australian SME used three individual *actors* over a decade to construct the internationalisation process (McGaughey et al., 1997). The Westhead et al. (2001) study on SME internationalisation had hypotheses that focused at the level of both the firm for context and the behaviour of individual *actors*, a sequential (QUAN → qual) design. Similarly, Collinson and Houlden (2005) examined *decision-maker's* market perceptions in a sequential (QUAN → qual) study. The qualitative case study component explored both the firm to provide context and perceptions of individual *actors*. In another study by Freeman and Cavusgil (2007), the foci were *decision-makers*' attitudes and their entrepreneurial tendencies as well as firm-based data. No multiple collection, longitudinal SME internationalisation studies have focused on the role of individual actors in the process (see Table 3.5). The present study will take this novel approach.

Table 3.5 SME longitudinal internationalisation multilevel studies

Study	Length of time covered (years)	Collection points	Collection method (sample)
McGaughey et al. (1997)	1980-91	Single ex post facto	Case study from interviews
Westhead et al. (2001)	1990-97	Multiple	Initial survey questionnaire (n=621), follow-up interviews (n=116)
Collinson & Houlden (2005)	1985-2000	Multiple	Initial survey questionnaire (n=41), follow-up interviews (n=8)
Freeman & Cavusgil (2007)	Not mentioned	Single ex post facto	Case studies from interviews (n=14 firms, 29 respondents)

Source: Compiled by author.

Longitudinal case studies have also been used in innovation role studies. For example, Smith (2007) used documentary evidence to derive longitudinal case studies that identified a 'godfather' role similar to that of an innovation *sponsor*. Harland and Knight (2001) identified *sponsors* in a single longitudinal case study. Similarly, Jones (2006) identified *boundary spanners* and *gatekeepers* in a case study using a 'one-shot', ex post facto longitudinal approach. Ellis and Pecotich (2001) is the only study that has considered an innovation role in export initiation using a 'one-shot' longitudinal approach (see Table 3.6). The present study takes an alternative approach by identifying innovation roles using a multiple collection point, longitudinal design.

Table 3.6 Longitudinal studies of innovation roles

Study	Length of time covered (years)	Collection points	Collection method (sample)
Ellis & Pecotich (2001)	1964-94	Single ex post facto	Case studies (n=11) from 100 interviews & documents
Harland & Knight (2001)	1996-2001@	Multiple	Case study (n=1) from interviews & observations
Jones (2006)	1951-2000	Single ex post facto	Case study (n=1) from 15 Interviews, observation & documents
Smith (2007)	1956-75, 1979-82, mid 1950s-mid 1990s	Single ex post facto	Case studies from biographies (n=3)

@ No secondary collection date provided therefore study publication date used
Source: Compiled by author.

This sub-section began with a definition of *export* that required the present study to put in place a repeated measurement of exporting, hence mandating a longitudinal design. Past internationalisation studies have mainly used ex post facto collection, with few undertaking a 'real time' approach. Similarly, of the few longitudinal innovation role studies that have been conducted, only one had multiple collection points. The only exporting related study considering innovation roles had a single ex post facto collection point. The present study will have 'real time' multiple collection points.

The next consideration is the sampling process required to arrive at a suitable number of cases to answer the research questions and test hypotheses.

3.2.3 Sampling process

The sampling process comprised a number of steps, beginning with identifying the target population and then the sample frame. A selection of a sampling procedure and determining the sample size followed. The concluding step was the execution of the sampling design (Aaker, Kumar, Day & Lawley, 2005). Each step in the present study will be explained below.

Target population

A population is "an entire group of people, events, or things of interest that the researcher wishes to investigate" (Sekaran, 2003 p. 265). The target population for the present study were manufacturing SMEs in Victoria. An SME is defined in Australia is a firm that has less than 200 employees (ABS, 2000).

Sample frame

In the present study, SMEs had to be Australian and not foreign owned, a similar approach used by other Australian SME internationalisation studies such as Chandra et al. (2009). SMEs also had to be independent and have their head offices in Victoria that enabled the researcher to have repeated access to them, thus facilitating longitudinal data collection. SMEs that did not have their head offices in Victoria at the time of the first export were not included in the population. The SME

also had to have taken up exporting in the three years prior to commencement of the research. To locate SMEs involved in exporting, past studies have used exporter directories (Bell, McNaughton & Young, 2001; Freeman & Cavusgil, 2007). In the present study, contact was made by telephoning or emailing firms listed in the Australian Exporters database, available *via* the Internet.

The novelty of an innovation is 'emic' in nature (Bicen, Kamarudin & Johnson, 2014) where an *emic* approach is a culture-specific construct (Trevor-Roberts, Ashkanasy & Kennedy, 2003). Conversely, an 'etic' approach would treat an export as a universal construct, where contact is made with "buyers in the international market and either sells direct to the end-user or arranges for firms in the target market to act as agents and/or distributors for their products" (Fletcher & Crawford, 2014 p. 271). Therefore, by applying an innovation lens, the key informant's perception of exporting was based on an *emic* rather than an *etic* approach. That is, if the key informant considered export to New Zealand as a domestic market, the researcher accepted this *emic* view of export.

Specific details on how the sampling took place are supplied next.

Sampling procedures

In contrast to Aaker et al. (2005), multiple sampling procedures, rather than one specific procedure, were undertaken. Purposeful and maximal variation sampling procedures were used.

Purposeful sampling is where the sample participants, due to their experience with the phenomena, is intentionally sought by the researcher. Selection of sites or participants that show experience in the phenomena in question are selected (Creswell & Plano Clark, 2011). In the present study, the phenomena are export initiation. Therefore, firms with evidence of the first export were selected. Coupled with purposeful sampling is the strategy of achieving maximal variation. Maximal variation sampling aims to obtain sites or participants with divergent experience that will serve to contrast with the central phenomena (Creswell & Plano Clark, 2011). Specific details on how these sampling strategies were applied to the present study appear below.

Sample size

Eisenhardt (1989 p. 545) proposed that between four and ten cases should be obtained for a qualitative method involving case studies; “with more than 10 cases, it quickly becomes difficult to cope with the complexity and volume of data.” This has been the approach for recent SME exporting case study research (Chandra et al., 2009; Hilmersson & Jansson, 2011; Moini, Kalouda & Tesar, 2008; Stoian & Rialp-Criado, 2010). Miles and Huberman (1994) suggest a maximum case limit of 15 due to complexities of data management. Interestingly, SME internationalisation studies using a concurrent mixed methods approach with a qualitative component involving case study method range from two cases (Ruokonen et al., 2008) to 21 (Crick, 2009). Details of the sample for the present study are below.

Executing the sampling design

After contacting approximately 1,000 Victorian exporting firms of all sizes from the Australian Exporters database, 32 SMEs were identified as having begun exporting in the three years prior to 2008. Not all SMEs contacted were included in the present study. For instance, some *decision-makers* would not consent to an interview to discuss their exporting history. Other firms were mainly involved in services, not product manufacturing, or did not internationalise using exporting. Finally, some SME sites could not be used as the key informant and/or respondents did not complete the quantitative survey questionnaires thus impacting on the triangulation of data between qualitative and quantitative methods (discussed below).

In light of the discussion above, the case study method led to 14 cases. Ten SME cases had an initial and subsequent export. Two additional SME cases had an initial export only, and another SME had no export at all. A further case of a large firm with a first and subsequent export was added. A preliminary case analysis was made to identify firm size and the nature of the manufacturing process. Details of each sampling frame are below.

Purposeful & maximal variation sampling frame

Purposeful sampling enabled the researcher to recruit *decision-makers* who had experienced export initiation from SME sites. The site was selected: when those involved were willing and available to be interviewed (more details are provided in the

next sub-section); the SME was involved in product manufacturing; and had exported for the first time within the previous 3 years. A purposeful sampling frame was developed comprising a matrix of 12 cells. The matrix axes were firm size and export activity. Six cells (shaded) represent the target population of SMEs that have begun exporting. The other six cells that are partly populated (unshaded), represent the maximal variation sample. The focal area under research (shaded cells) should be sufficiently populated in a purposeful sample (Miles & Huberman, 1994). Cases were allocated on the key informant's self-rating of export activity and the number of employees. This sampling frame matrix appears in Table 3.7.

Table 3.7 Sampling frame firm size matrix

Business size (ABS, 2000)	No export Cases	First export Cases	Subsequent export Cases
Micro business (1-4 employees)	I	H	H
Small business (5-19 employees)		A, D, E, G	A, D, E, G
Medium business (20-199 employees)		B, C, F, J, K, L, M	B, F, J, K, L
Large business (>199 employees)		N	N

Source: Compiled by author

A purposeful sampling approach used in the present study relates to the type of manufacturing conducted by firms. According to the OECD (1999) manufacturers can be either "knowledge-based" or "traditional". The OECD (1999) defines *knowledge-based* firms as involving high or medium-high technology. *Traditional* manufacturing involves medium-low or low technology. Cases in accordance with the OECD definition were allocated in the sampling frame by the researcher after interviews with the key informant and/or respondents had been conducted (see Table 3.8).

Table 3.8 Sampling frame manufacturing type matrix

Manufacturing type	No export	First export	Subsequent export
Knowledge-based		A, C, F, G, M, N#	A, F, G, N#
Traditional	I%	B, D, E, H, J, K, L	B, D, E, H, J, K, L

Large exporting firm
% Non-exporting firm
Source: Compiled by author

This sub-section developed the sampling process using the steps as proposed by Aaker et al. (2005). The next sub-section will explain how key informants or respondents were located and case study data were collected.

3.2.4 Level of analysis

The level of analysis for the present study was the individual *actor/s* involved in export initiation employed in an SME site. It was established in Chapter 2 that exporting decisions can be made by one or a small number of *decision-makers* in an SME (Collinson & Houlden, 2005; Garnier, 1982; Lee & Brasch, 1978). Samiee et al. (1993 p. 21) propose that "a more accurate assessment of export innovation requires multiple measurements from several informants within each firm." That is, each case site is likely to have one or a number of *decision-makers* involved in export initiation.

The first person to be approached as a key informant at each site was either the contact for export stated in the Australian Exporters database, or the SME owner, Managing Director or CEO. The selection of the owner, managing director or CEO has been carried out previously in SME internationalisation studies (Ellis & Pecotich, 2001; McGaughey et al., 1997; Nordman & Melen, 2008). Other respondents involved in the export initiation were subsequently identified by the key informant, consistent with previous internationalisation studies (Matthyssens & Pauwels, 2000). In relation to the case study method, "a key approach is using numerous and highly knowledgeable informants who view the focal phenomena from diverse perspectives" (Eisenhardt & Graebner, 2007 p. 28). The use of multiple respondents has been applied previously in SME internationalisation studies using the case study method (Ellis & Pecotich, 2001; McGaughey et al., 1997; Nordman & Melen, 2008). An issue may arise with the use of multiple respondents if they have differing competence or if one or more have inadequate knowledge of the focal issue (Kumar, Stern & Anderson, 1993). To overcome this criticism of respondent selection, the collection of data on export initiation at each SME site was conducted using a Critical Incident Technique (Flanagan, 1954).

Critical Incident Technique (CIT)

Critical incidents are distinct phenomena that are investigated by asking for an account based on the respondent's memory (Edvardsson & Roos, 2001). For example, respondents may be asked what they recall of the influence of ownership changes in their SME's internationalisation (Bell et al., 2004). CIT has been used previously in SME internationalisation studies (Evers & O'Gorman, 2011; Nummela et al., 2006; Scharf, Bell, Loane & Fletcher, 2004). These studies consider a 'critical incident' as a deviation from the norm of progressive internationalisation, that is; "one that contributes to or detracts from the general aim of the activity in a significant way" (Bitner, Booms & Tetreault, 1990 p. 73). For example, to identify an exporting 'worst nightmare' to illustrate problems and barriers perceived by SME exporting *decision-makers* (Scharf et al., 2004). Another application of CIT in SME internationalisation was the Nummela et al. (2006) study where the critical incident chosen was a downturn in demand for consulting services. Similarly, a critical incident approach was used to research why SMEs discontinue exporting (Crick, 2004).

Critical incidents have also been described in the internationalisation literature as 'epochs', 'episodes' (Bell et al., 2004; Oesterle, 1997) or 'events' (Evers & O'Gorman, 2011). Bell et al. (2004 p. 27) took the stance that critical incidents may impact on firms' overall business strategies and market focus. In the present study, the *stimulus*, plus the first and subsequent export orders (if applicable) were the critical incidents, each having an impact on business strategies or the market focus of an SME. The CIT approach requires that the key informant and respondents as participants should "be able to place the incident in time and place and give a rather detailed account of it" (Mattsson, 2000 p. 25). The CIT approach was used to collect data from *decision-makers* involved in the process and to identify all of the *decision-makers* and their activities associated with the critical incident. The data collection process following the CIT approach involved semi-structured interviews, discussed in the next sub-section.

3.2.5 Interviews

Interviews with those involved with the critical incident are seen as an appropriate method of collecting CIT data (Edvardsson & Roos, 2001; Flanagan, 1954). In

particular, semi-structured interviews are suited to CIT (Miller & Crabtree, 1992). “The researcher uses semi-structured interviews when he or she knows enough about a topic to create the question stems, but not enough to anticipate all of the possible responses” (Morse & Niehaus, 2009 pp. 129-30). This describes the situation in the present study.

Semi-structured interviews were used previously in relation to SME longitudinal internationalisation case studies (Freeman & Cavusgil, 2007; McGaughey et al., 1997), longitudinal innovation role case studies (Jones, 2006) and CIT in SME internationalisation (Nummela et al., 2006; Scharf et al., 2004). In the present study, a short semi-structured interview guide was used with all key informants and respondents to determine their role in export initiation.

“Semi-structured interviews usually have an overarching topic, general themes, targeted issues and specific questions, with a predetermined sequence for their occurrence” (Lee, 1999 p. 62). The present study follows a similar structure. The first and subsequent exports are the overarching focus, with the identity of those involved and their innovation role activities as themes. A targeted issue was the nature of the *stimuli* and how these influenced *decision-makers* in relation to export initiation. Some specific questions related to the first export, such as the personal obstacles encountered in securing the export sale.

In a semi-structured interview, the interviewer has some degree of freedom to follow points made by respondents, although, where possible the interviewer must direct the respondent from his/her open ended comments back to the questions in the guide (Lee, 1999). Responses to open ended questions provide a richness that is desirable in the case study method (Eisenhardt & Graebner, 2007). In the present study, key informants were allowed to freely discuss the first export opportunity and other related matters, partly for the rich data and also to develop a rapport between the interviewer and the key informant (Fontana & Frey, 2008). See Appendix 3.2.5a for the semi-structured interview guide. Each interview was conducted face to face, lasting between 45 minutes and two hours, similar to previous export initiation studies (Bell et al., 2004; Matanda, 2012).

Interview considerations

There are a number of challenges related to semi-structured interviews (Foddy, 1993; Yin, 2009). Each is identified in Tables 3.9-11 below and comments are made about how the present study dealt with each.

Table 3.9 Semi-structured interview considerations - who was involved

Consideration	Present study approach
Respondents need to have the information required (Foddy, 1993). Or "The relationship between what respondents say they do and what they actually do is not always strong" (Foddy, 1993 p. 3) Or "Respondents often answer questions even when it appears that they know very little about the topic" (Foddy, 1993 p. 8) Or "Respondents' attitudes, beliefs, opinions, habits, interests often seem to be extraordinarily unstable" (Foddy, 1993 p. 4) Or One respondent per firm resulting in bias (Leonidou & Katsikeas, 1996)	Using CIT and locating the decision-makers directly involved addresses this concern. The key informant/respondent recounted what they did, rather than speculating on what they might do (Cardinal, 2001). When others were implicated in the first export, their role was checked with those respondents personally rather than relying on a third party account of their role or activities. In addition, some factual checking is enabled by semi-structured interviews where the interviewer can check understanding and follow-up on facts noted in the concurrently collected questionnaires and secondary data (see data triangulation Section 3.4).
Key informants/respondents asked to "reconstruct behaviour that may have taken place years ago" (Jaffe & Pasternak, 1994 p. 19) Or "Inaccuracies due to poor recall" (Yin, 2009 p. 102)	Key informants were asked about their involvement in the recent export initiation. Most comments from key informants and respondents were on activities conducted in the previous 3 three years.
Respondents must be willing to provide information to the researcher (Foddy, 1993)	Key informants/respondents had consented to be interviewed about the first export. If they were not happy to do so then the interview would not have taken place. See also ethical considerations in Section 3.5.
Respondents capable of verbalising information (Foddy, 1993)	The researcher was not aware of any factor limiting discussion; the key informants/respondents did not appear to have any trouble in responding to the semi-structured interview questions.

Source: Compiled by author.

Table 3.10 Semi-structured interview considerations - how they were conducted

Consideration	Present study approach
The topic of discussion and the information required needs to be clearly defined (Foddy, 1993; Yin, 2009)	Key informants/respondents were given an explanatory statement covering details of the study and its objectives. See Appendices 3.2.5 b, c & d.
Interviews require the provision of consistent instructions (Fowler & Mangione, 1990)	Instructions were provided prior to the commencement of the semi-structured interview. See Appendices 3.2.5 b, c & d.
"Small changes in wording sometimes produce major changes in the distribution of responses" (Foddy, 1993 p. 4) Or Question wording (Fowler & Mangione, 1990)	When alternate or additional questions are asked they are potentially more ad-hoc and could be subject to this criticism. The researcher rechecked the answers with key informant/respondents when they reviewed interview transcripts.
"Changing the order in which response options are presented sometimes affects respondents' answers" (Foddy, 1993 p. 7)	The open ended questions asked in the semi-structured interviews followed a pre-prescribed order.
Even handedness (Foddy, 1993)	The nature of the present study is that there is no speculation by the interviewer about an opposite view to that of the key informant/respondent; therefore the issue is not relevant.
Selection, training and supervision of interviewers (Fowler & Mangione, 1990)	The researcher was the only interviewer; therefore these issues were not relevant. The researcher was in control of data collection (Punch, 2004)

Source: Compiled by author.

Table 3.11 Semi-structured interview considerations - what they answered

Consideration	Present study approach
Questions could elicit invalid answers (Foddy, 1993) Or Obtain social desirability in relation to answers given (Moorman & Podsakoff, 1992; Robinson, Shaver & Wrightsman, 1991; Spector, 1987) Or "Reflexivity – interviewee gives what interviewer wants to hear" (Yin, 2009 p. 102)	The present study adopts a mixed methods approach. Consequently it has a number of cross-checks available with the triangulation between data from the semi-structured interviews and quantitative data received. In addition, triangulation occurs with respondents in the case study firm confirming or disconfirming the key informant's account. Details about the present study's triangulation strategies are dealt with in Section 3.4.
"Respondents' answers are sometimes affected by the question format per se" (Foddy, 1993 p. 7) Or Poorly articulated questions result in bias (Yin, 2009). Or "Respondents commonly misinterpret questions" (Foddy, 1993 p. 6)	Fowler & Mangione (1990) recommend reading the question as worded, was done by the interviewer. When misinterpretation occurred the interviewer asked the same question in another way or additional questions were used to elicit further information to avoid misinterpretation where possible.
"Answers to earlier questions can affect respondents' answers to later questions" (Foddy, 1993 p. 7).	This risk was avoided with general questions asked earlier and later questions being more specific.
Respondents can sometimes be frustrated by the use of open ended questions when they have to develop the answer (Foddy, 1993)	Key informants/respondents seemed to be happy to discuss export initiation and their role in it. Most gave extensive accounts.
"Psychological need to be consistent" (Foddy, 1993 p. 67)	This issue is alleviated by the semi-structured interview approach where answers were not confined to monosyllabic responses but consisted of statements of many words describing the first export and associated matters. In addition, some questions were reverse worded to avoid 'consistency'.

Source: Compiled by author.

Interview notes and audio recordings

Each semi-structured interview was audio recorded that enabled the researcher to review respondent answers (Foddy, 1993). Audio recording can also increase reliability of interviews (McCutcheon & Meredith, 1993) by preserving participants' responses (Seidman, 2006). It provides "a more accurate rendition of any interview than any other method" (Yin, 2009 p. 109). Audio recordings were used previously in SME internationalisation studies (Matanda, 2012; Spence et al., 2008; Welch et al., 2008). However, Lincoln and Guba (1985) caution that consciousness of the audio recorder can inhibit free flowing answers from respondents due to distrust. The

researcher in the present study spent the first few minutes of the interview building trust with the key informant or respondent. In addition, Seidman (2006) found that respondents soon forget that the recorder is there. A strategy of using a small, unobtrusive unit was the approach used in the present study.

Eisenhardt and Bourgeois (1988) also mention that all information and impressions should be recorded at or immediately after the interview. “Field notes are an essential part of qualitative data collection” (Bernard & Ryan, 2010 p. 46). In the present study, detailed notes and observations by the researcher were prepared within 24 hours of the interview, a recommended practice (Eisenhardt & Bourgeois III, 1988). However, these notes were ancillary to the audio recordings and were mainly on key observations and impressions. By taking this approach, the researcher did not need to rely on memory when compiling case studies. A similar approach was undertaken in a study on SME internationalisation (Seifert, Child & Rodrigues, 2012).

Recording transcription

Each interview was professionally transcribed verbatim. Transcripts “provide an excellent record of ‘naturally occurring’ interaction” (Silverman, 2011 p. 44). Verbatim transcription has been performed previously in SME internationalisation case studies (Matanda, 2012). Bazeley (2007) argues that accuracy is maximised when the researcher who did the interview also edits the transcript with the recording. To accommodate this, the audio tape was compared to the typed transcript by the researcher for accuracy and completeness. Seidman (2006 p. 116) proposed that the transcript “can reflect the interview as fully as possible by being verbatim.” Transcripts were then sent back to key informants and respondents to be checked for inconsistencies, adding to the construct reliability (Creswell & Plano Clark, 2011; Yin, 2009). Transcripts were then ready for analysis.

This sub-section described the data collection technique of semi-structured interviews, the resultant notes, recordings and transcripts. The next sub-section describes how this data were analysed and developed into case studies.

3.2.6 Qualitative analysis

Qualitative analysis for the present study encompasses NVivo analysis, coding and cross-case analysis (Miles & Huberman, 1994). These are explained below.

NVivo analysis

The transcripts of each semi-structured interview were the main source of data. These were analysed thematically using NVivo 10 software. The principal idea of content analysis is to reduce data to coded categories derived from theory and defined by the research question (Flick, 2009). Software such as NVivo can assist in processing large amounts of text (Yin, 2009). In the present study, each case transcript was analysed in NVivo using the theory associated with the research questions as a basis for analysis (Bazeley, 2007). This approach has been used previously in innovation role activity research and SME exporting studies. Fletcher and Harris (2012) analysed interview notes and secondary data that led to identification of issues for SMEs in their internationalisation intentions. Similarly, Howell and Higgins (1990) analysed interviews of managers using theories on constituent behaviours of *champions*. The present study has used the same approach. An analysis of the transcripts searching for common themes was developed from the theory discussed in Chapter 2. Other literature from the research sites such as brochures, websites and government reports were also used to obtain background information and data.

One approach to illustrating themes is that of citing interview text verbatim in a report (Bernard & Ryan, 2010). Yin (2009) argues that this is a suitable approach to building a chain of evidence in case studies. Verbatim quotations have been used previously in SME internationalisation studies (for example Spence et al., 2008; Welch et al., 2008). The present study uses direct quotations. Whilst themes can be illustrated in this manner, transcripts and other supporting materials required coding.

Coding

The process of coding is the identification of themes of interest and their categorisation (Seidman, 2006). Themes can be derived from the data or from theory developed previously (Bernard & Ryan, 2010). Themes from theory developed

previously can be words or phrases used as *a priori* codes (Miles & Huberman, 1994). Using *a priori* codes is a way of identifying text in transcripts that relate to a specific theme (Bernard & Ryan, 2010). The categorisation of themes using *a priori* codes was the approach used in the present study.

In NVivo, coding is the allocation of selected thematic passages in a transcript into nodes (Bazeley, 2007). In the present study, coding into nodes in NVivo was conducted within-case, and aggregated for a cross-case analysis. This approach is similar to previous SME internationalisation studies (Spence et al., 2008; Tseng & Johnsen, 2011; Welch et al., 2008). *A priori* codes are indicated in the cases in italics as they appear in Chapter 4 and the appendices. These *a priori* codes derived from the literature are recorded in codebooks.

Codebooks

Codebooks are hierarchies of *a priori* codes (Bernard & Ryan, 2010). In the present study, these were developed from groups of codes or themes identified previously from the extant theory discussed in the literature review in Chapter 2. NVivo 10 developed a system for the coding of text such that grouped *a priori* codes are designated as nodes and their codebooks as tree nodes (Bazeley, 2007). For example, the *champion* construct has five codebooks based on Shane's (1994) factors. The *decisions outside hierarchy* codebook has several *a priori* codes, for example; the *champion* "made decisions without higher officials*"* (Schon, 1963). Using the NVivo software, each node when applicable was linked to comments made in the interview by respondents. The *a priori* codebooks associated with each research question derived from Chapter 2 are in Appendix 3.2.6.

Cross-case analysis

A cross-case analysis was also conducted. This enhances generalisability (Miles & Huberman, 1994), an aim of the present study. The cross-case analysis did "deepen understanding and explanation" (Miles & Huberman, 1994 p. 173) through the examination of multiple cases, as recommended by Yin (2009). According to Eisenhardt (1989 p. 540), "one tactic is to select categories or dimensions, and then look for within-group similarities coupled with intergroup differences. Dimensions can be suggested by the research problem or by existing literature." In the present study,

the existing literature was used to develop research questions. Coding and codebooks were used as a basis for the cross-case analysis. This approach has been followed in previous SME exporting studies (Moini et al., 2008; Spence et al., 2008; Stoian & Rialp-Criado, 2010).

Matrix displays have been recommended as a useful tool to display cross-case analysis (Bernard & Ryan, 2010; Miles & Huberman, 1994). The "cross-case searching tactics enhance the probability that the investigators will capture the novel findings which may exist in the data" (Eisenhardt, 1989 p. 541). The cross-case analysis for the present study was conducted with "the creation of word tables that display the data from the individual cases according to some uniform framework" (Yin, 2009 p. 156). The framework was a variable oriented strategy, where themes or behaviours across a number of cases are identified (Miles & Huberman, 1994). The findings of the cross-case qualitative analysis, including word tables, appear in the next chapter.

Summary

As demonstrated in this section, the most common qualitative method used to analyse SME internationalisation is that of case studies. The present study has followed this approach. Expected validity and reliability issues were identified and how the study addressed these issues was then described. It was then explained how the study adopted a multiple collection, longitudinal approach.

A sampling process was developed after identifying the target population of independent manufacturing SMEs owned and operated in Victoria. Purposeful and maximal variation sampling strategies were used to identify suitable firms and participants. A sample size was determined in light of similar studies requirements.

The level of analysis was established as the individual *decision-maker*, where each case would have a key informant involved in export initiation, along with other respondents if involved. Data were collected using Critical Incident Technique by semi-structured interviews. Considerations in the conduct of interviews were stated and explanations provided as to how the present study dealt with these issues.

The final part of this section explained how the analysis of qualitative data would be undertaken. Coding and codebooks used in NVivo were developed *a priori* from extant theory. Finally, details were given as to how a cross-case analysis was performed. The next section discusses the quantitative phase.

3.3 Quantitative phase

In a concurrent mixed methods (QUAL + quan) study, data from the quantitative phase can provide support to the conclusions of a qualitative analysis (Cooksey & McDonald, 2011). Quantitative evidence "can keep researchers from being carried away by vivid but false impressions in qualitative data, and it can bolster findings when it corroborates those findings from qualitative evidence" (Eisenhardt, 1989 p. 538). Quantitative data collection has been used similarly in previous SME internationalisation (Crick, 2009; Ellis, 2000; Ruokonen et al., 2008) and innovation role studies (Howell & Higgins, 1990; Mantere, 2005). In the present study, the quantitative phase gathered survey questionnaire data from those involved in the first and/or subsequent export for the purpose of testing hypotheses relating to innovation roles.

3.3.1 Hypotheses

Hypotheses can contain variables defined by the literature or by the researcher (Creswell, 2003). The existing theory as explained in the literature review in Chapter 2 provided that those involved in the first and subsequent export/s will be more likely to perform innovation role activities (*championing, sponsoring, boundary spanning* & *gatekeeping*) than *decision-makers* who were not fully or occasionally involved in the first and subsequent export. This comparison, from the literature is further developed below.

It has been previously established that an owner-manager can be a *champion* in an SME (Chakrabarti & Hauschildt, 1989; Elliott & Boshoff, 2009). It was also established in the literature that export initiation decisions in SMEs are made by one to four people (Collinson & Houlden, 2005; Garnier, 1982; Lee & Brasch, 1978). As *champions* are team leaders that push innovation teams towards a new strategy

(Kanter, 1985), they would be expected to be a *decision-maker* involved in export initiation.

Some *championing* activities suggest an interface with other innovation team members, such as the *team as equals* factor derived by Shane (1994). This factor comprises of activities working on the innovation for instance: *involved all participants in decisions*, *met all participants* or *enabled all participants to act as equals* (Gailbraith, 1982; Souder, 1981). Therefore, other members of the export initiation team would be less likely to perform *championing activities* but would be members of a team that the *champion* interfaces with. Similarly, *sponsors* have been found to have *protected the innovation team* or the *champion* (Roberts & Fusfeld, 1981; Smith, 2007). In addition, a *boundary spanner* liaises directly with the innovative team (Rivera & Rogers, 2006). Finally, *gatekeepers* are sought out by *champions via sponsors* for *innovation approval* (Markham et al., 2010). These interrelationships from the literature suggest that innovation roles would be performed by one or more export initiation team members.

Teams also feature with *regular export*. *Regular exporters* have *more staff involved* than *sporadic exporters* (Diamantopoulos & Inglis, 1988). *Regular exporters hired export related staff* and/or appointed *export managers* (Rao & Naidu, 1992; Samiee & Walters, 1991). These actions suggest that these new staff may not have innovation roles from inception, but would work alongside *decision-makers* who have these roles. As such, innovation roles would exist only for *decision-makers* involved with the first and subsequent export.

It was theorised that *decision-makers* in *sporadic exporters* would not display innovation roles. For example, *championing* behaviour is central to the successful confirmation of an innovation (Knight, 1987), or in the present study context, a subsequent export. In the situation of a *sporadic exporter* who did not complete a subsequent export, *decision-makers* would not be expected to have *championing* activities. A *sponsor* role is also expected in a *regular export,* as they are important for continued innovation (Maidique, 1980) where their influence increases between implementation and the confirmation stage (Markham et al., 2010). However, in a *sporadic exporter*, a *sponsor* would not be expected. The seeking of export

opportunities through *boundary spanning* or *gatekeeping – knowledge handling* has been observed in *regular export* (Ellis & Pecotich, 2001). In *sporadic export*, opportunities are not sought but are provided by external sources (Welch & Wiedersheim-Paul, 1980). As such, it is expected that *decision-makers* in *sporadic exporters* would be only partly or occasionally involved with export initiation and not perform innovation roles. This argument forms the basis of H1.

> H1 Those who initiate the first and subsequent export perform innovation role activities

Stimuli to export also have an influence on innovation roles. In Table 2.8, *proactive stimuli* are generally linked to SME *regular export*, while *reactive stimuli* are more likely for SME *sporadic exporters*. Similarly, *decision-makers* in *regular exporters* were more proactive in export development (Samiee et al., 1993). In addition, successful organisation innovation requires proactive input by *decision-makers* (Kandemir & Acur, 2012). Conversely, *decision-makers* in *sporadic exporters* display passive behaviour that is reactive, opportunistic and half-hearted (Leonidou et al., 1998).

Champions through their internal locus of control (Howell & Shea, 2001) are more *proactive* (Durand & Shea, 1974) and would act on *proactive stimuli*. *Sponsors* through their symbiotic relationship with *champions* (Wolf et al., 2012), would respond proactively to export *stimuli*. *Boundary spanners* also have an internal locus of control (Dailey, 1979) and would be expected to act on *proactive stimuli*. Given the symbiotic relationship between *gatekeepers* and *boundary spanners* (Reid & de Brentani, 2004; Tushman, 1977), a *gatekeeper* would act on *proactive stimuli*.

As such, *decision-makers in regular exporters* would have innovation roles and expected to be involved with the first and subsequent exports instigated by *proactive stimuli*. Those *decision makers* in *sporadic exporters* would be occasionally involved without innovation roles and less likely to act on *proactive stimuli.* This argument forms the basis of H2.

> H2 When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform innovation role activities

The next sections discuss how the above hypotheses will be operationalised and measured.

3.3.2 Preparation for data collection – champion scale

The approach to operationalising the hypotheses and to measure innovation roles, was to use a previously developed scale for *champions* (Shane, 1994). The scale had 22 items that differentiated *champions* from *non-champions* on a five point Likert scale. This degree of differentiation conceptually can test the hypotheses. Several validity and reliability tests were used with the Shane (1994) *champion* scale, as discussed below.

Champion scale validity

The use of established scales required their validity to be demonstrated (Cooksey & McDonald, 2011). The content, construct, convergent and discriminant validity of Shane's (1994) *champion* scale are detailed below.

Champion scale content/face validity

Content validity for the Shane (1994) *champion* scale was obtained through agreement among professionals (or scholars) that the scale represents the construct (Zikmund, Ward, Lowe, Winzar & Babin, 2011). The scale has been published in peer reviewed academic journals such as the Journal of Business Venturing (Shane, 1994), Entrepreneurship Theory and Practice (Shane, 1994a), Journal of International Business (Shane, 1995), Organisation Studies (Shane & Venkataraman, 1996) and the Journal of Management (Shane et al., 1995). Other scholars have also included commentary on the scale in their own *champion* research (Greene, Brush & Hart, 1999; Jenssen & Jørgensen, 2004; Mansfeld et al., 2010; Markham et al., 2010; Rost et al., 2007). From the evidence above, the Shane (1994) *champion* scale has content/face validity.

Champion scale construct validity

The construct validity of the Shane (1994) *champion* scale can be demonstrated statistically (Cooksey & McDonald, 2011). Shane (1994) used a principal components analysis with orthogonal rotation. The six factors explained 51.5% of the

variance. However, one factor (comprising two items) had high multicollinearity and was dropped from the scale. The five factors of the scale can be used for the present study. Malhotra et al. (1996) also recommend convergent and discriminant validity to determine construct validity.

Champion scale convergent validity

Convergent validity of the Shane (1994) *champion* scale is obtained from support of previous findings in relation to the *champion* scale items. The scale has substantial convergent validity from previous studies, see Table 3.12.

Table 3.12 Champion scale items & previous findings

Shane (1994) champion item	**Previous finding**	**Shane (1994) champion item**	**Previous finding**
Avoided financial justification	Souder (1981), Burgelman (1984)	Made decisions based on intuition	Burgelman (1984)
Made decisions outside hierarchy	Schon (1963) Van de Ven (1986)	Made decisions without higher officials	Schon (1963)
Took initiative without approval	Sathe (1989), Howell & Higgins (1991)	Worked without formal plans	Burgelman (1983)
Bent organisation rules	Curley & Gremillion (1983), Burgelman (1983)	Bypassed the budgetary process	Burgelman (1983), Pinchot (1987), Schon (1963)
Bypassed personnel procedures	Howell & Higgins (1991)	Bypassed standard operating procedures	Burgelman (1983), Howell & Higgins (1991), Schon (1963)
Involved all participants in decisions	Souder (1981), Galbraith (1982)	Enabled all participants to act as equals	Souder (1981), Galbraith (1982), Kanter (1986)
Included the idea generator	Knight (1987), Kanter (1988)	Met all participants	Souder (1981), Galbraith (1982)
Provided benefits to the organisation	Kanter (1988), Howell & Higgins (1991)	Obtained employee support before approval	Burgelman (1983), Howell & Higgins (1991)
Obtained other department support	Galbraith (1982), Howell & Higgins (1991)	Presented financial updates	Howell & Higgins (1991)
Tested but trusted decisions	Kanter (1988)	Worked with senior management	Burgelman (1983)
Other departments gave staff	Galbraith (1982), Howell & Higgins (1991)	Offered personal rewards	Howell & Higgins (1990)

Source: Compiled by author.

Champion scale discriminant validity

The discriminant validity or measurement of concepts is the opposite to what the Shane (1994) *champion* scale represents. It has been theorised previously that a *champion* demonstrates aberrant behaviour. They pursue innovation extensively and this behaviour is different from that of the bulk of people in an organisation (Shane, 1994). The opposite of aberrant behaviour is a strong corporate culture achieved through the socialisation of staff in the organisation (Shane, 1994). Whilst the Shane (1994) *champion* scale has not been demonstrated as having discriminant validity, other attempts at comparing *champions* and *non-champions* have borne out a 'renegade' characteristic (Howell & Higgins, 1990). The present study attempts to determine discriminant validity of the Shane (1994) *champion* scale through the inclusion of a maximal variation case (I) where the respondents were involved in preparation for the first export, but it didn't take place.

Champion scale reliability

The only reliability test that has been published by Shane (1994) was the internal consistency reliability test. Using the Cronbach coefficient alpha, the scale alpha was 0.8 and factors ranged from 0.53 to 0.73 on the five factors, see Table 3.13.

Table 3.13 Champion scale factors alphas

Factor	Items	Cronbach coefficient alpha
1. Decision-making outside of hierarchy	6	0.69
2. Rule bending	4	0.73
3. Treat members of innovation team as equals	4	0.69
4. Plans & projections as a way to gain the support of others	6	0.59
5. Cross-functional appeal	2	0.53

Source: Shane (1994).

Typically, scales and factors with Cronbach coefficient alphas of under 0.7 would be rejected (Nunnally, 1978). However, when considering exploratory research such as Shane's (1994) *champion* scale, Hair et al. (1998) argue that a Cronbach coefficient alpha can be as low as 0.6. Of the factors in Table 3.13, factor 4 with a 0.59 alpha is very close to the minimum of 0.6 and was retained. In contrast, factor 5 at 0.53 was well below the Hair et al. (1998) minimum and was removed. Reliability of the adapted *champion* scale and factors was compared to the previously reported

results. These are reported in the next chapter. The adapted *champion* scale appears as question 2a in Appendix 3.3a. As such, it is a reliable and valid measure to test the hypotheses in Table 3.14.

Table 3.14 Championing activities hypotheses

H1a Those who initiate the first and subsequent export perform championing activities
H2a When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform championing activities

3.3.3 Preparation for data collection – sponsor scale

There were no published *sponsor* scales available at the time of conducting the present study. The literature reviewed in Chapter 2, revealed that in innovations *champions* and *sponsors* can be the same *actor* (Maidique, 1980) or the roles are linked (Mansfeld et al., 2010; Rost et al., 2007; Wheelwright & Clark, 1992; Witte, 1973). Therefore, the researcher chose to use 13 items from the Shane (1994) *champion* scale that best matched the extant theory on *sponsoring* activities as outlined in Chapter 2. For example, it has been found previously that *sponsors* have "advocated the innovation to influence others*"* (Roberts & Fusfeld, 1981; Witte, 1973). The researcher deemed there to be three equivalents from *championing* items: 7. Work closely with senior management to get their support for an innovation at a very early stage (Shane, 1994); 11. "Seek the organisation's support for an innovation by presenting regular financial updates demonstrating the value of the innovation" (Shane, 1994a p. 40); and 19. "Convince people in other departments that an innovation deserves their support by showing the benefits of the innovation to them as individuals" (Shane et al., 1995 p. 941). Similarly, each *sponsoring* activity identified in Chapter 2 has corresponding *championing* items drawn from Shane's (1994) *champion* scale. Table 3.15 indicates *sponsoring* activities from past studies and the relevant items from the Shane (1994) *champion* scale.

Table 3.15 Sponsoring activities & champion items

Sponsoring activities	Champion items
Advocated the innovation to influence others (Roberts & Fusfeld, 1981; Witte, 1973)	7. Work closely with senior management to get their support for an innovation at a very early stage (Shane, 1994). 11. "Seek the organisation's support for an innovation by presenting regular financial updates demonstrating the value of the innovation" (Shane, 1994a p. 40). 19. "Convince people in other departments that an innovation deserves their support by showing the benefits of the innovation to them as individuals" (Shane et al., 1995 p. 941).
Bootlegged funds for innovation team (Roberts & Fusfeld, 1981)	3. "Be allowed to bypass certain budgetary procedures to get funds for an innovation" (Shane et al., 1995 p. 941). 12. "Make it possible for the people working on an innovation to avoid having to justify the innovation financially at every stage of the development process" (Shane et al., 1995 p. 941).
Coached or mentored innovation team (Maidique, 1980; Wheelwright & Clark, 1992)	8. Shane et al. (1995 p. 941) "Create support for an innovation among employees before approval of the innovation by senior" management. 22. Offer personal rewards to individuals to get them to work on an innovation (Shane, 1994).
Obtained financial assistance for innovation team (Smith, 2007)	3. "Be allowed to bypass certain budgetary procedures to get funds for an innovation" (Shane et al., 1995 p. 941). 12. "Make it possible for the people working on an innovation to avoid having to justify the innovation financially at every stage of the development process" (Shane et al., 1995 p. 941).
Obtained resources for innovation team (Markham et al., 2010; Smith, 2007)	4. "Be allowed to bypass certain personnel procedures to get people committed to an innovation" (Shane et al., 1995 p. 941). 20. "Attempt to get people in other departments to commit their resources to an innovation by showing them the benefit of the innovation to the organisation as a whole" (Shane et al., 1995 p. 941). 21."Get people in other departments to contribute manpower to an innovation by appealing to the employees' sense of commitment to the organisation" (Shane, 1994a p. 41).

Sanctioned the innovation (Markham et al., 2010)	9. “Make it possible for people working on an innovation to make decisions without referring them to higher level officials” (Shane et al., 1995 p. 941). 6. “Test but trust the decisions of the people working on an innovation” (Shane et al., 1995 p. 941).
Protected the innovation team (Roberts & Fusfeld, 1981; Smith, 2007)	9. “Make it possible for people working on an innovation to make decisions without referring them to higher level officials” (Shane et al., 1995 p. 941). 10. “Make it possible for people working on an innovation to make decisions outside traditional hierarchy of the organisation” (Shane et al., 1995 p. 941).

Source: Compiled by author.

Therefore, the use of some *champion* items as a synthetic *sponsor* scale provides some scale validity (content/face & convergent) as a measure to test the hypotheses, see Table 3.16.

Table 3.16 Sponsoring activities hypotheses

H1b Those who initiate the first and subsequent export perform sponsoring activities
H2b When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform sponsoring activities

Finally, reliability of the adapted *sponsor* scale was compared to theoretical standards stated previously in the literature. These are reported in the next chapter.

3.3.4 Preparation for data collection – boundary spanner scale

The *boundary spanner* scale developed by Jemison (1979) has 21 items that encompass activities of *boundary spanners* measured with a five point Likert scale. The 21 items are added to create a *boundary spanner* score (Jemison, 1984). Several validity and reliability tests were used with the Jemison (1979) *boundary spanner* scale, as discussed below.

Boundary spanner scale validity

The validity of the Jemison (1979) *boundary spanner* scale has been tested in a number of ways. Validity tests such as content and construct tests were conducted previously. These will be discussed below.

Boundary spanner scale content/face validity

Jemison (1979) pre-tested the *boundary spanner* scale with two CEOs. In addition, the scale has been published in peer reviewed journals including *Strategic Management Journal* (Jemison, 1981), *Journal of Management Sciences* (Jemison, 1984) and *Management Science* (Jemison, 1987). The scale has also been referred to in literature reviews of the *boundary spanner* construct (Golden & Veiga, 2005; Matsuno & Mentzer, 2000; Russ, Galang & Ferris, 1998; Schwenk, 1989). From the evidence above, the scale has the content/face validity necessary for the present study.

Boundary spanner scale construct validity

The construct validity of the Jemison (1979) *boundary spanner* scale can be demonstrated statistically (Cooksey & McDonald, 2011) in this instance through the use of a factor analysis with orthogonal rotation (Jemison, 1984). This resulted in a six factor solution explaining 73% of the variation but due to some high inter-correlations, a second order factor analysis was run resulting in three factors explaining 70.8% of the variation (Jemison, 1984). These latter three factors (*information acquisition & control*, *domain determination & interface* and *physical input control*) were used by the present study. Apart from statistical support, construct validity also depends on convergent and discriminant validity (Malhotra et al., 1996).

Boundary spanner scale convergent validity

The Jemison (1979) *boundary spanner* scale was based on several past studies, providing convergent validity, see Table 3.17.

Table 3.17 Boundary spanner scale items & previous findings

Item	Previous finding	Item	Previous finding
Acquired information formally for organisation from external sources	Leifer & Huber (1976) Miles (1976)	Acquired information informally for organisation from external sources	Keller & Holland (1975), Leifer & Huber (1976)
Decided what external information to distribute	Aldrich & Herker (1977)	Decided when external information to distribute	Miles (1976)
Decided to whom external information to distribute	Miles (1976)	Provided formal reports for the organisation external sources	Leifer & Huber (1976)
Provided informal reports for the organisation external sources	Leifer & Huber (1976)	Acquired information formally for another department	Keller & Holland (1975), Leifer & Huber (1976)
Acquired information informally for another department	Keller & Holland (1975), Leifer & Huber (1976)	Decided how product/s would be provided	Aldrich & Herker (1977)
Decided which customers	Aldrich & Herker (1977)	Provided information formally to outside groups	Keller & Holland (1975), Miles (1976)
Provided information informally to outside groups	Keller & Holland (1975), Miles (1976)	Provided organisation information formally to outsiders for positive outcomes	Leifer & Huber (1976)
Provided organisation information informally to outsiders for positive outcomes	Leifer & Huber (1976)	Made speeches to outside groups	Miles (1976)
Met with customers	Leifer & Huber (1976)	Acquired resources for organisation function	Aldrich & Herker (1977)
Decided quality of physical inputs	Adams (1976)	Decided when to acquire inputs	Aldrich & Herker (1977)
Decided which physical inputs	Aldrich & Herker (1977)		

Source: Compiled by author.

Boundary spanner scale discriminant validity

Discriminant validity is the measurement of concepts opposite to what the Jemison (1979) *boundary spanner* scale represents. A test of non-relationship with the Jemison (1979) *boundary spanner* scale would most likely centre around *non-boundary spanning* roles having the same or more environmental awareness than *boundary spanners*. No study has compared the *boundary spanners* or their peers in this manner. The present study will attempt to consider such a non-relationship.

Boundary spanner scale internal reliability

The only internal reliability test published for the Jemison (1979) *boundary spanner* scale was Cronbach's coefficient alpha. In the 1984 iteration, the coefficient alpha for the entire scale was 0.89, with three factors ranging from 0.81 to 0.89 (Jemison, 1984). In a subsequent study, Jemison (1987), using different data, achieved a range of alphas from 0.65 to 0.90 providing evidence of retest reliability. All but one of the factors in the test-retest were above the 0.7 minimum level of reliability (Nunnally, 1978). However, the 0.65 alpha is acceptable for exploratory research as it is above the cut-off of 0.6 (Hair et al., 1998). Therefore, the Jemison (1984) *boundary spanner* scale has sufficient internal reliability, see Table 3.18. The reliability of Jemison's (1984) *boundary spanner* scale and constituent factors were also checked. These results appear in the next chapter. The Jemison (1984) *boundary spanner* scale appears as question 2b in Appendix 3.3a.

Table 3.18 Boundary spanner scale & factor alphas

Jemison study & factor	**Items**	**Cronbach coefficient alpha**
1979 entire scale	21	0.89
1984 factor – information acquisition & control	9	0.82
1984 factor – domain determination & interface	8	0.81
1984 factor – physical input control	4	0.89
1987 factor – customer contact	3	0.82
1987 factor – input acquisition	4	0.88
1987 factor – information control	3	0.90
1987 factor – representing the firm to outsiders	5	0.73
1987 factor – information acquisition	6	0.65

Source: Jemison (1984; 1987; 1979)

From the discussion above, the Jemison *boundary spanner* scale is a reliable and valid measure to test to the following hypotheses as they appear in Table 3.19.

Table 3.19 Boundary spanning activities hypotheses

H1c Those who initiate the first and subsequent export perform boundary spanning activities
H2c When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform boundary spanning activities

3.3.5 Preparation for data collection – gatekeeper scale

There were no published *gatekeeper* scales available at the time of conducting the present study. According to the literature discussed in Chapter 2, *boundary spanners* and *gatekeepers* were observed as being the same *actors* in innovations (Hoch, 1990; Jones, 2006; Lievens & Moenaert, 2000). Other studies see *gatekeepers* as performing a separate but related role (Reid & de Brentani, 2004; Tushman, 1977). The researcher chose to use items from the Jemison (1984) *boundary spanner* scale that best matched the extant theory on *gatekeeping* activities, as outlined in Chapter 2. Table 3.20 indicates *gatekeeping* activities found in previous literature and links them with the relevant items from the *boundary spanner* scale (Jemison, 1984), as selected by the researcher.

Table 3.20 Gatekeeping activities & boundary spanner items

Gatekeeping activity	**Boundary spanner (Jemison, 1984) Items**
Collected information on external environment (Allen & Cohen, 1969)	13. Acquire information formally from specific individuals or groups outside your organisation that is needed by a department in your organisation other than your own. 14. Acquire information informally from specific individuals or groups outside your organisation that is needed by a department in your organisation other than your own. 20. Acquire information formally from specific individuals or groups outside your organisation that is needed by your department or office. 21. Acquire information informally from specific individuals or groups outside your organisation that is needed by your department or office.
Controlled the distribution of information (Pettigrew, 1972)	7. Decide what portions of information acquired from sources outside your organisation to transmit to others in your organisation that will make use of it. 8. Decide when to transmit to others in your organisation information acquired from outside the organisation. 9. Decide to whom information received from outside your organisation should be sent. 18. Prepare formal reports for others in your organisation about information that you've acquired about external factors that could influence your organisation. 19. Prepare informal reports for others in your organisation about information that you've acquired about external factors that could influence your organisation.
Determined the value of information to potential recipients (Macdonald & Williams, 1993)	7. Decide what portions of information acquired from sources outside your organisation to transmit to others in your organisation that will make use of it. 8. Decide when to transmit to others in your organisation information acquired from outside the organisation. 9. Decide to whom information received from outside your organisation should be sent. 18. Prepare formal reports for others in your organisation about information that you've acquired about external factors that could influence your organisation. 19. Prepare informal reports for others in your organisation about information that you've acquired about external factors that could influence your organisation.

Interpreted or filtered information (Pettigrew, 1972)	7. Decide what portions of information acquired from sources outside your organisation to transmit to others in your organisation that will make use of it. 8. Decide when to transmit to others in your organisation information acquired from outside the organisation. 9. Decide to whom information received from outside your organisation should be sent. 18. Prepare formal reports for others in your organisation about information that you've acquired about external factors that could influence your organisation. 19. Prepare informal reports for others in your organisation about information that you've acquired about external factors that could influence your organisation.
Set selection criteria (Markham et al., 2010)	No match
Reviewed innovation against criteria (Markham et al., 2010)	No match
Selection criteria met, then innovation accepted (Cooper & Edgett, 2012; Markham et al., 2010)	No match
Assigned resources (Markham et al., 2010)	1. Decide on the kinds of physical inputs to acquire from outside the organisation. 2. Decide on the quality requirements for physical inputs to be acquired from outside the organisation. 3. Decide when to acquire certain physical inputs from outside the organisation. 6. Acquire the physical resources needed for the organisation's functioning.
Withholds resources (when innovations don't meet criteria) (Markham et al., 2010; Pettigrew, 1972)	No match

Number in the right hand column is the item number in the Jemison (1984) boundary spanner scale, see Appendix 3.3a Decision-maker survey questionnaire.
Source: Compiled by author.

Therefore, the use of Jemison's (1984) *boundary spanner* items have been used to create a surrogate *gatekeeper* scale and provide scale validity. The adapted *gatekeeper* scale was also subjected to reliability measurement using Cronbach's coefficient alpha. Results appear in the next chapter. The scale was used as a measure to test the following hypotheses, see Table 3.21.

Table 3.21 Gatekeeping activities hypotheses

H1d Those who initiate the first and subsequent export perform gatekeeping activities
H2d When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform gatekeeping activities

3.3.6 Preparation for data collection–descriptive characteristics of participants

In addition to the scales referred to above, a set of questions was adapted by the researcher to obtain data on demographic and other characteristics of each key informant or respondent. The items for these characteristics are summarised in relation to the measurement unit and reference source (see Table 3.22).

Table 3.22 Descriptive characteristics of participants

Question	Measurement unit	Item reference/s
1a Age	Years	Moini (1998)
1b Education	Levels*	Moini (1998)
1ci Foreign language/s	No. of languages*	Dichtl et al. (1990)
1cii Use in negotiation	No. of languages*	Researcher
1ciii Which languages	Description*	Khan (1975)
1d Australian born	Yes/No*	Evangelista (1994)
1e Foreign travel – work	Time *	Moini (1998)
1f Foreign travel – non-work	Time *	Moini (1998)@
1g Foreign living (not Australia)	Time *	Moini (1998)@
1h Foreign work (not Australia)	Time *	Moini (1998)@
1i Gender	Male/Female*	Researcher
1j Position/Job title	Description*	Czinkota (1982)
1ki Levels of management to CEO	Number*	Researcher
1kii Report to	Description*	Researcher
1l Years worked for the organisation	Years	Moini (1998)
1m Years in full time work	Years	Moini (1998)
1n Years in exporting role	Years	Moini (1998)
1o Involvement with first export	Description*	Researcher
1p % of time involved in exporting	Description*	Fletcher (2001)

* Researcher adaptation
@ Response categories used from item 1e in the present study
Source: Compiled by author.

The questionnaire used to collect characteristics of key informants/respondents appears in Appendix 3.3a.

3.3.7 Preparation for data collection – organisation information

Demographic and operational data were also sought for each SME site. Specific information was also requested, such as the export details and the *stimulus* to export. The data from these questions were used to describe the firm, see Table 3.23.

Table 3.23 Organisation information

Question	Measurement unit	Item reference/s
1a Annual turnover	Dollars*	Moini (1998), ABS (2000)
1b Export turnover	Dollars*@ 1a	Moini (1998), ABS (2000)
1c Employee no.	Number *	Moini (1998), ABS (2000)
1d Employees with >50% of their time on international activities	Number*@ 1c	Reuber & Fischer (1997), Moini (1998), ABS (2000)
1e Years in business	Years*	Moini (1998), ABS (2000)
1f Years exporting	Years*@ 1e	Moini (1998), ABS (2000)
1g Foreign ownership	Number	ABS (2000)
1h Change agent for initial export	Nominal	Czinkota & Ronkainen (2007)
1i Export destination	Description*	Holmlund & Kock (1998)
1j Stimulus	Yes/No	See Appendix 3.2.6
1k Export again?	Yes/No	Researcher
1l Export this year	Yes/No	Researcher
1m Change agent for next order	Nominal	Czinkota & Ronkainen (2007)
1n Type of business	Description	Researcher

* Adapted by researcher
@ Response categories used from another item in this study
Source: Compiled by author.

The questionnaire used to obtain this organisational information appears in Appendix 3.3b.

3.3.8 Preparation for data collection – other

Survey questionnaires can be beset with design difficulties (Malim & Birch, 1997). In order to avoid issues with design, both the *decision-maker* and organisation survey instruments were tested prior to data collection to ensure clarity for participants (Sekaran, 2003). The survey questionnaires were pre-tested with six international business academics and practitioners.

The questions asked comprised:

1. “How long did it take you to complete?
2. Were the instructions clear?
3. Were any of the questions unclear or ambiguous? If so, will you say which and why?
4. Did you object to answering any of the questions?
5. In your opinion, has any major topic been omitted?
6. Was the layout of the questionnaire clear/attractive?
7. Any comments?” (Bell, 1993 p. 85).

Apart from layout and typographical issues, the survey instrument was acceptable to all test panel respondents during this pre-test procedure.

3.3.9 Data collection

The organisation information survey questionnaire was completed, mainly by the key informant, at the conclusion of the interview, with little interviewer intervention. The *decision-maker* survey questionnaire completed after the interview was self-administered by the key informant/respondent, with no interviewer involvement. The completed *decision-maker* survey questionnaire was then sent back to the researcher. This arrangement avoids interviewer bias (Aaker et al., 2005), avoids common method variance (Chang, van Witteloostuijn & Eden, 2010) and provides economy in coverage (Malim & Birch, 1997) as well as time. A disadvantage of self-administered questionnaires can be a lack of meaningful responses to open ended questions (Aaker et al., 2005). For the present study, open ended questions were kept to a minimum for survey questionnaires. Self-administered questionnaires can also be subject to distortions or memory failure by key informants/respondents (Malim & Birch, 1997). In the present study, the first and subsequent export were recent, occurring most often in the preceding year or two, therefore this issue is largely mitigated. All other items were personal characteristics related to the *decision-maker* and were considered easy for them to answer. Another issue can be response and behaviour mismatches (Malim & Birch, 1997). This issue will be addressed in the triangulation section below.

Quantitative population & sample

Given the mixed methods focus, the concurrent quantitative phase was limited to key informants and respondents employed in the SME case study sites. 13 sites were visited for the 14 cases in the qualitative phase. One of these (Case N) was a large firm and was excluded from the quantitative analysis. From previous studies, it was expected that there are likely to be between one and four exporting *decision-makers* in SMEs (Collinson & Houlden, 2005; Garnier, 1982; Lee & Brasch, 1978). Therefore, the expected population of this study was estimated to be between 13 and 52 key informants/respondents. The actual population and sample are discussed in the next chapter.

The identification of *decision-makers* in SME sites using CIT did not guarantee their participation in the study as it was voluntary (see ethical considerations below). Also participation in semi-structured interviews did not necessarily mean that a key informant/respondent would also complete a questionnaire. In summary, small populations and even smaller samples do present some challenges for quantitative analysis, however as outlined above, the challenges were managed in a way to ensure the quality of the data. These challenges are addressed in the next section and in Chapter 4.

3.3.10 Quantitative analysis

There are several stages in data analysis: data management, data entry, initial data analysis and data analysis to test hypotheses (Tharenou et al., 2007). This sub-section is divided accordingly.

Data management

There are a number of steps to prepare and process data for analysis: questionnaire checking and editing, data coding, data entry and adjusting the data (Malhotra et al., 2004). Questionnaires were checked for completeness and edited before data entry. Editing was mainly to identify missing values, erroneous multiple answers or ineligible answers (Cooksey & McDonald, 2011). All questions and responses in the survey instruments were allocated codes in subscript on the survey questionnaire (see Appendices 3.3 a & b). These codes were entered into Statistical Package for

the Social Sciences (SPSS) version19 software to develop a codebook of expected values for each field.

Data entry

The data for each key informant/respondent were entered directly into SPSS as a single entry. Data were entered twice to ensure accuracy (Tharenou et al., 2007). In addition, each item in data entry was subjected to online editing with the pre-input of expected codes in the SPSS spreadsheet.

Calculations were performed for *champion*, *sponsor*, *boundary spanner* and *gatekeeper* scales in the SPSS spreadsheet. Each scale (five point Likert) was added to derive a total. When the total of each case was more than the mean value (no. of questions X 3) then the case had that innovation role. For example, the adapted *champion* scale had 20 questions resulting in a mean of 60. When a case had a sum of 80 then the respondent was deemed by the researcher to be a *champion*. This was the same approach as used by Shane (1994) for the *champion* scale and Jemison (1984) for the *boundary spanner* scale. See Table 3.24.

Table 3.24 Scale interpretation

Scale	No. of items	Range (min-max)	Mean value
Champion (Shane, 1994)	20	20-100	60
Sponsor (adapted from Shane, 1994)	12	12-60	36
Boundary spanner (Jemison, 1984)	21	21-105	63
Gatekeeper (adapted from Jemison, 1984)	13	13-65	39

Source: Compiled by author.

A missing value analysis was performed for the *champion* and *boundary spanner* scales to identify potential problems with analysis techniques. In the present study, no missing data were encountered in either scale. Therefore, missing value techniques were not required.

Initial data analysis

The initial data analysis included checking data for scale reliability, sample adequacy and normality. Scale and subscale reliability was performed with a Cronbach coefficient alpha. Whilst, sampling adequacy was performed using Kaiser-Meyer-Olkin (KMO) measure. Dependent and independent variable data were checked for violations of normality. Allen and Bennett (2010) recommend four tests to measure normality: skewness, kurtosis, statistical significance and visual inspection of histograms. Results of these tests appear in the next chapter.

Data analysis to test hypotheses

The tests for relationships are dependent on sample size (Allen & Bennett, 2010). Should the sample be above 40 then parametric analysis procedures would apply, providing normality was achieved. Should the sample be below 40, or if it is non-normal, then non-parametric procedures would apply (Allen & Bennett, 2010). Testing hypotheses required the use of t Tests for normal scalar data and Mann-Whitney U Test (M-W U) for non-normal scalar data (Allen & Bennett, 2010). T Tests have been used with internationalisation and innovation studies (Crick, 2009; Hagen, Zucchella, Cerchiello & De Giovanni, 2012). Similarly, M-W U Tests have been used in internationalisation and innovation studies (Crick, Bradshaw & Chaudhry, 2006; Millán López, Zazueta Beltrán, Alonso Bajo & López Leyva, 2012).

To test hypotheses using either the t Test or the M-W U Test required significance measured as a one tail due to the directional nature of the hypotheses (Field, 2009; Malim & Birch, 1997). Statistical significance was the probability (p) of making a type I error[6], set at a maximum of 0.1 (Aaker et al., 2005). Finally, the M-W U Test also had Fischer's Exact Test "computing the exact probability of a statistic" (Field, 2009 p. 786). Fischer's Exact Test was applied for comparative groups of less than 20 due to its improved accuracy of significance (Allen & Bennett, 2010). Statistical power of effect sizes was checked post-hoc (Mone, Mueller & Mauland, 1996) with effect sizes measured using Cohen's d for t Tests or Clark-Carter's (2004) conversion formula of z derived from the M-W U Test, depending on whether each group under study exceeded 20 (Allen & Bennett, 2010). Effect sizes are applied against Cohen's

[6] A Type I error "occurs when we believe that there is a genuine effect in our population when in fact there isn't." Field, A. 2009. Discovering Statistics Using SPSS. 3rd ed. Los Angeles: Sage.

(1988) conventions. Results of the hypotheses using these tests appear in the next chapter.

Summary

This section considered the quantitative phase of the study. Hypotheses derived from the literature in Chapter 2 were operationalised through the use of pre-existing *champion* (Shane, 1994) and *boundary spanner* (Jemison, 1984) scales. Past validity and reliability were demonstrated for both scales. In addition, these scales were adapted to collect data for *sponsoring* and *gatekeeping* activities.

Demographic data were also identified for collection to enable a comprehensive description of the *decision-makers*. Similarly, organisation information from each SME site was developed for identification purposes. These demographic and organisational items combined with questions relating to the innovation role scales made up the survey questionnaires. The survey questionnaires were pre-tested to ensure their suitability for respondents.

Survey data were gathered from key informants/respondents involved in the first and/or subsequent export. As such, the expected population for the 13 SME sites was between 13 and 52 key informants/respondents. Firm-based survey data were collected at the conclusion of the interviews by the researcher, whilst personal demographics and innovation role scales were self-administered by the respondent and mailed back to the researcher.

The management of data from the returned survey questionnaires was then discussed. Processes such as questionnaire checking and editing, data coding, data entry and adjusting the data were considered. Similarly, the issue of missing value analysis was addressed.

The sub-section on data analysis dealt with data normality and the selection of analysis techniques to test hypotheses. The next section explains how data were triangulated.

3.4 Triangulation

Qualitative and quantitative research, when conducted on the same case/s, can enable more focus or convergence through triangulation (Flick, 2009; Yin, 2009). The purpose of triangulation is “to end up with valid and well-substantiated conclusions about a single phenomena [*sic*]” (Creswell & Plano Clark, 2007 p. 64). The phenomena under study here is the innovation role activities undertaken by the *decision-makers* involved in the first and subsequent export.

Denzin (1989) proposed four types of triangulation: data, investigator, theory and methodological. Data triangulation enables the researcher to consider data from different times or individuals (Denzin, 1989). The use of Critical Incident Technique with multiple exporting *decision-makers* enabled the triangulation of data concerning the exporting decision process in SME sites. Data triangulation has been performed previously with SME internationalisation (da Rocha et al., 2012; Fletcher & Harris, 2012; Smolarski & Wilner, 2005). Evidence of data triangulation is provided in the cases in the next chapter.

Investigator triangulation is the use of multiple observers and interviewers to avoid the biases of a specific researcher (Denzin, 1989) and has been performed previously with SME internationalisation (Seifert et al., 2012). In the present study, the researcher’s supervisors to some extent triangulated the interview data, as discussed in section 3.2.4.

Theory triangulation is “approaching data with multiple perspectives and hypotheses in mind...Various theoretical points of view could be placed side by side to assess their utility and power” (Denzin, 1989 pp. 239-40). The present study used four different qualitative codebooks and two different quantitative scales (four variations) to identify innovation role activities, thus theoretically triangulating different perspectives on their presence among exporting *decision-makers*. The resultant data from the application of codebooks and scales were also subject to methodological triangulation.

Methodological triangulation

As noted earlier in this chapter, the present study uses a concurrent mixed methods approach. The data collected were both qualitative and quantitative (Denzin, 1978). Apart from the specific analysis expected of a particular method, for example, t Tests for quantitative data, triangulation enables one data collection method to support or contradict the other (Flick, 2009). In order to understand the first export from an individual *decision-maker's* point of view within the SME setting, it is necessary to compare and contrast the results of both types of data.

"Triangulation made possible by multiple data collection methods provides stronger substantiation of constructs and hypotheses" (Eisenhardt, 1989 p. 538). Triangulation can be the transformation of data from one form to the other or the linking of qualitative and quantitative results. The latter method was selected for the present study. Primarily, the linking will "mutually validate the findings of both approaches" (Flick, 2009 p. 30). Methodological triangulation has been performed previously with SME internationalisation (da Rocha et al., 2012; Smolarski & Wilner, 2005; Stoian & Rialp-Criado, 2010).

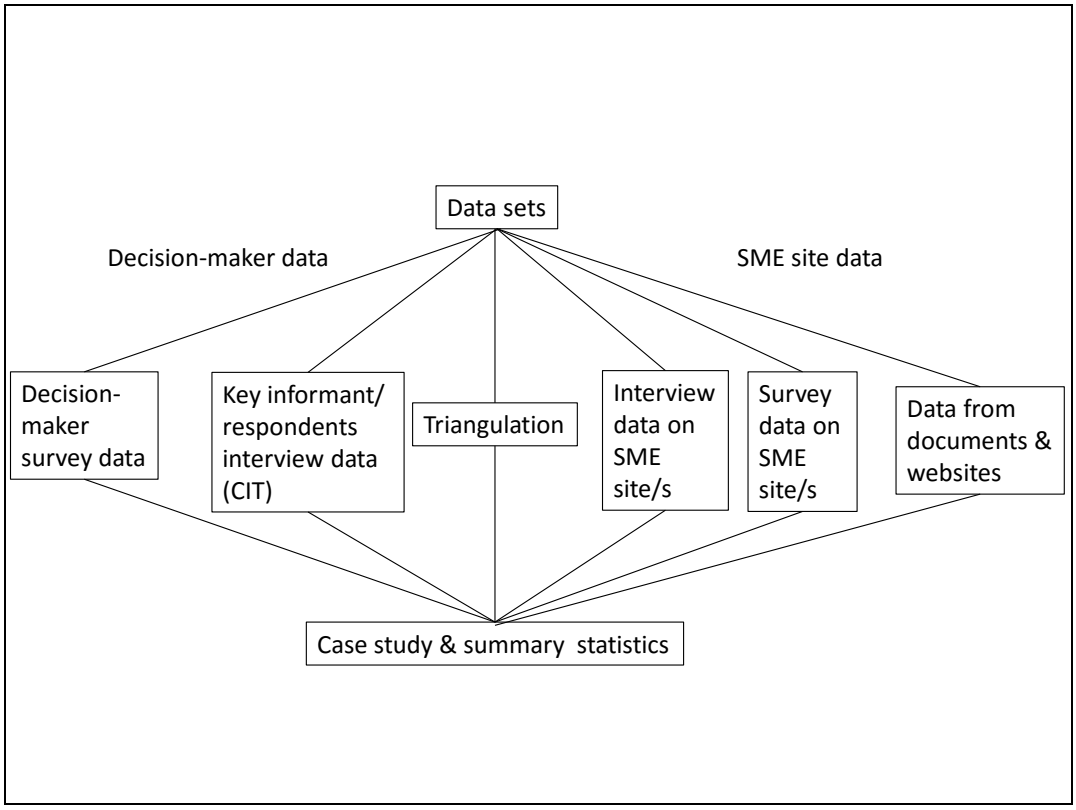
Flick (2009) notes that triangulation can be performed on data sets collected on the same phenomena using multiple methods. In the present study, data were collected concurrently from the same *actors* in the process. As stated earlier in this chapter, during semi-structured interviews, key informants described the process of the first and subsequent export and identified other *decision-makers* involved (other respondents) under a CIT approach. Those same *actors*, the key informants and respondents, completed a survey questionnaire about themselves and their involvement in the first and/or subsequent export. Chang et al. (2010 p. 178) suggest that to avoid common method variance, "the dependent variable be constructed using information from different sources." In the present study, the dependent variable of involvement in the first and/or subsequent export was established from CIT interviews in addition to the survey questionnaire.

The triangulation of this SME site data enabled a more complete view of the first and subsequent export. This was achieved by the key informant completing a survey questionnaire regarding the SME at the time of the initial interview. Data on the SME

site were also obtained from the interviews with both key informants and respondents as well as from documents and websites.

For an adaptation of Flick's (2009) model of triangulation for different methods for the present study, see Figure 3.1.

Figure 3.1 Triangulation with various forms of data



Source: Adapted by author from Flick (2009)

The remainder of this section focuses on the specific triangulation of *decision-maker* data and SME site data.

3.4.1 Decision-maker data

As explained in the previous sub-section, *decision-maker* data were subject to data, theory and methodological triangulation as detailed below.

Data triangulation

The CIT approach enabled the researcher to identify all *decision-makers* in an SME site. The use of multiple sources of information about the first and subsequent export

provided data triangulation. Each key informant or respondent was asked about his/her role and activities involved in the first and/or subsequent export. Responses were compared with those given by other *decision-makers* involved. This comparison enabled a fuller picture of the interactions of all *decision-makers*. When differences were identified in the accounts given by these *decision-makers*, follow-up questions by the researcher clarified what happened to ensure accuracy of accounts. Data triangulation of the *decision-makers* appears in the case studies in Chapter 4 and Appendix 4.1.

Theory triangulation

Analysis of the interviews of key informants and respondents involved in the first and subsequent export necessitated the use of theoretically based codebooks. These codebooks were constructed using keywords/statements from the literature associated with the innovation role. As explained in Section 3.3, the survey questionnaire also comprised innovation role scales that enabled theory triangulation.

Methodological triangulation

This triangulation method is where quantitative data are used to support the qualitative findings in line with a concurrent mixed methods study (Denzin, 1978). In the semi-structured interviews, several answers to the questions asked were compared to the responses in the survey questionnaire (if received) by the researcher (see Table 3.25). Results from methodological triangulation are found in the next chapter in Section 4.4.

Table 3.25 Semi-structured interview & decision-maker survey questions

Semi-structured interview questions to both key informants & respondents	Decision-maker survey questions
1 Directly involved in the first/subsequent export	1e Travel internationally for work 1o Involvement with first export 1p Time spent on export 2a Champion scale 2b Boundary spanner scale
1a Tasks with the first/subsequent export	1e Travel internationally for work 1o Involvement with first export 1p Time spent on export 2a Champion scale 2b Boundary spanner scale
1b Your role exactly	1e Travel internationally for work 1o Involvement with first export 1p Time spent on export 2a Champion scale 2b Boundary spanner scale
2 Did you initiate first/subsequent export	1e Travel internationally for work 2a Champion scale 2b Boundary spanner scale
2a How did first export opportunity arise	1c Languages 1d Born in Australia 1e/f Travel internationally 1g/h Living & working not in Australia? 2a Champion scale 2b Boundary spanner scale
2b How did you find out about the first/subsequent export	1e/f Travel internationally 2a Champion scale 2b Boundary spanner scale
3a Who else was involved in first /subsequent export	1e Travel internationally for work # 1o Involvement with first export # 1p Time spent on export #
3b Their connection to you in first/subsequent export	1j Your position/job title #
3c Are they still employed here	1l Years working with organisation #
4 Names/titles of others at same level as you	1j Your position/job title # 1ki Levels to CEO # 1kii Who do you report to #
5 Change to accommodate first/subsequent export	2a Champion scale 2b Boundary spanner scale
6 Personal obstacles encountered for first/subsequent export	2a Champion scale 2b Boundary spanner scale
7 How did you get into export	1c Languages 1d Born in Australia 1e/f Travel internationally 1g/h Living & working not in Australia? 2a Champion scale 2b Boundary spanner scale

Confirmed by decision-maker's completion of survey questionnaire
Source: Compiled by author.

3.4.2 SME site data

Similar to the preceding section, firm-based data was also subject to both data and methodological triangulation. These triangulation approaches are explained below.

Data triangulation

The semi-structured interviews investigated several aspects of the firm to enable the identification of such factors as type of product, firm size and export market. These firm-based characteristics were checked against the interviews of different *decision-makers* (if available) at each site. Data triangulation was achieved with the use of documents such as brochures, annual reports, case studies and websites. Data triangulation of the SME sites appears in the case studies in the next chapter and in Appendix 4.1.

Methodological triangulation

To develop triangulated data about the SME site, responses to semi-structured interview questions by the key informant were compared to his/her responses in the organisation survey questionnaire. Differences were addressed in subsequent interviews. The survey questionnaire data were incorporated in the SME site case studies in the next chapter and Appendix 4.1. Data obtained from semi-structured interview questions were triangulated with responses to organisation survey questions, see Table 3.26.

Table 3.26 Semi-structured interview questions & organisation survey questions

Semi-structured interview questions	Organisation survey questions
1 Directly involved in the first/subsequent export	1b Organisation export turnover 1d No. of employees >50% of time on international activities 1f How long organisation been exporting 1h/m Source of export 1j Why did firm export (stimulus)
1a Tasks with the first/subsequent export	1d No. of employees >50% of time on international activities 1i Export to which country 1j Why did firm export (stimulus) 1n Type of business, products & services

1b Your role exactly	1d No. of employees >50% of time on international activities 1f How long organisation been exporting 1j Why did firm export (stimulus) 1n Type of business, products & services
2 Did you initiate the first/subsequent export	1d No. of employees >50% of time on international activities 1f How long organisation been exporting 1h/m Source of export 1i Export to which country 1j Why did firm export (stimulus) 1n Type of business, products & services
2a How did the first export opportunity arise	1b Organisation export turnover 1f How long organisation been exporting 1i Export to which country 1j Why did firm export (stimulus) 1n Type of business, products & services
2b How did you find out about the first/subsequent export	1f How long organisation been exporting 1i Export to which country 1j Why did firm export (stimulus) 1n Type of business, products & services
3a Who else was involved in first/subsequent export	1c Number of employees in firm 1d No. of employees >50% of time on international activities 1k/l Has firm exported again?
3b Their connection to you in first/subsequent export	1c Number of employees in firm 1d No. of employees >50% of time on international activities 1h/m Source of export
3c Are they still employed here	1c Number of employees in firm 1d No. of employees >50% of time on international activities 1n Type of product/service
4 Names/titles of others at same level as you	1c Number of employees in firm 1h/m Source of export
5 Changes to accommodate first/subsequent export	1a Organisation total turnover 1b Organisation export turnover 1c Number of employees in firm 1d No. of employees >50% of time on international activities 1f How long organisation been exporting 1g Firm have foreign ownership 1h/m Source of export 1i Export to which country 1j Why did firm export (stimulus) 1n Type of business, products & services

Source: Compiled by author.

Summary

This section described the process of data triangulation. There are several approaches to triangulation including: data, theory, investigator and methodological.

Each was discussed in this section in relation to the present study. Data triangulation was achieved with the use of multiple respondents and documentary or website evidence. Investigator triangulation was performed by the researcher's supervisors, whilst theory triangulation was obtained from the use of theory based codebooks and scales adapted from other research on similar topics. Finally, methodological triangulation was achieved with the cross-validation of data from semi-structured interviews with *decision-maker* survey questionnaire data. The results of these triangulation approaches appear in the next chapter.

3.5 Ethical considerations

Research by students and staff at Monash University needs to be conducted to high professional standards and researchers have a duty to ensure that "their work enhances the good name of Monash University and the discipline in which they belong" (Monash University, 2000). All research is governed by ethical guidelines.

The Monash University (2007) guidelines for Research Involving Human Participants state:

1. All research involving human participants requires approval from a Human Research Ethics Committee (HREC)
2. It is Monash University's policy that all staff and students apply to the Monash University HREC for approval.

The application for approval of the present study was made under the auspices of low impact research by the researcher and supervisors to Monash University HREC in May 2008. The application received approval from Monash University HREC. Ethical considerations cover data collection, data storage and retention, as discussed in the following sub-sections.

3.5.1 Data collection

Key informants were identified with the use of publicly available information *via* a commercially available data base of exporting firms. In most cases their name and title were known to the public *via* a list on the Internet. At the interview, the key

informant/respondent was given an explanatory statement that outlined the main details of the project regarding the ethical conduct of researchers and how the data would be used. This notice was retained by the key informant/respondent; see Appendixes 3.2.5b-c.

A consent form was also given to each key informant/respondent at the first interview after he/she had read the explanatory statement. The consent form was an agreement to be interviewed, audio-taped, and to complete a questionnaire. A key informant/respondent could opt out of the research at any time and this option was made known at the time of completion of the consent form. When he/she did not sign the consent form or indicated that he/she did not want to take part in the study, that person was not included in the study. When the key informant/respondent agreed to continue, this form was retained by the researcher, see Appendix 3.2.5d.

Another aspect of ethical collection of data is reciprocity. This means offering to provide results to participants in the appropriate form on completion of the study (Creswell & Plano Clark, 2011). The researcher gave assurances that, when requested, a copy of the results in aggregated, de-identified form would be provided to key informants/respondents on completion of the study.

Data collected from each organisation was confidential to that organisation. Identifying data such as characteristics were not divulged to others in the course of data collection.

3.5.2 Data storage & retention

Researchers have a responsibility to the “welfare and interests of people involved in their research; and in reflecting on the social and cultural implications of their work” (NHMRC, ARC & AVCC, 2007 p. 11). This responsibility is particularly pertinent to the ethical issues relating to data storage and retention. These considerations fall under four distinct areas: privacy, identification of ‘at risk’ individuals, sensitive information and retention of data for future analysis. These are discussed below.

Privacy

Privacy and confidentiality needed to be maintained whilst data analysis was undertaken. Apart from the researcher and supervisors, no other person has seen the data linked to particular key informant/respondents or their organisations. Key informants/respondents were identified by their position title (for example, CEO) but their names were not used. Similarly, all companies were de-identified by using a pseudonym, for example, Case A.

'At risk' individuals/sensitive information

'At risk' individuals can comprise: children, those with an indigenous background and patients with serious illnesses (NHMRC et al., 2007). The sample did not include any of these groups. Therefore, there were no 'at risk' individuals involved in the present study.

Sensitive or embarrassing information can potentially harm participants in research (NHMRC et al., 2007). Sensitive information was either de-identified or not recorded. Initially, this judgement was made by the key informant/respondent, either at interview or after their review of the interview transcript. If, after these steps, the information was still deemed by the researcher to be sensitive, it was left out of the analysis.

Retention of data

Only de-identified data were retained by the researcher for future analysis or publication. As stated in the Monash Research & Research Training Operational Manual (Monash University, 2000 p. 13):

> Researchers must be responsible for ensuring appropriate security for any confidential material, including that held in computing systems. Where computing systems are accessible through networks, particular attention to security of confidential data is required. Security and confidentiality must be assured in a way that copes with multiple researchers and the departure of individual researchers.

In accordance with Monash University policy on data retention, the survey questionnaires will be retained in a locked cabinet for a period of five years after

collection. Security of de-identified electronic files is ensured by use of a password secure computer network.

Use of data for publications

The aggregated data when used for publication is de-identified by the use of pseudonyms. *Actors* within cases are identified by position titles only. Verbatim quotes that identify specific *actors* have also been de-identified.

Summary

This section discussed the ethical requirements of the present study. Ethical considerations comprise data collection, storage and retention. These considerations are guided by the Monash University Human Research Ethics Committee.

3.6 Chapter conclusion

This chapter discussed the methods used in the present study. The research design used both qualitative and quantitative methods to answer research questions and test the hypotheses. Coupled with the concurrent mixed methods approach are the philosophical assumptions that the study has a pragmatic worldview ontology and epistemology.

The present study used a case study approach. Data on the case study firms were collected using semi-structured interviews with supporting evidence such as documentary and website data. The study also used a 'real time' multiple collection longitudinal approach.

A purposeful sample was used to identify suitable firms. The level of analysis were also discussed, where each case would have at the very least one key informant. Other respondents involved in exporting were included when this circumstance was identified using the Critical Incident Technique.

Collection of qualitative data comprised interview notes and transcripts from audio recordings. Coding and codebooks for NVivo software analysis were developed *a*

priori from extant theory identified in Chapter 2. In addition, details on the cross-case analysis were also provided.

The quantitative phase gathered survey data from those involved in the first export for the purpose of testing for innovation roles and activities. Hypotheses were operationalised through the use of pre-existing and adapted innovation role scales.

A discussion was included as to how the present study handled the management of data received from survey questionnaires. Once data was processed, data analysis involved either t Tests or Mann-Whitney U Tests, depending on data normality and the size of the sample received.

The concurrent mixed methods approach was strengthened by the triangulation of data. Data, theory, investigator and methodological triangulation were addressed. Finally, ethical considerations conclude the chapter. This section demonstrated how the researcher dealt with ethical issues. The application for the present study was approved by Monash University Human Research Ethics Committee.

The next chapter presents the analysis of the data, utilising the methods described in this chapter.

Chapter 4 Results & Analysis

Fourteen case studies were developed for the qualitative analysis section of the present study. Each research question, as developed in Chapter 2, is analysed using a within-case analysis in the first part of this chapter and appendices; then a cross-case analysis is conducted on the research questions. Following on from the qualitative section, is the quantitative analysis that considers the hypotheses developed in Chapter 2. Completing this chapter is a section triangulating qualitative and quantitative data.

4.1 Qualitative within-case analysis

In this section, there is a summary of every case in relation to each research question. In addition, the background information for each case is summarised in chronological tables situated at the beginning of each case. Further background information also appears in the relevant appendices.

4.1.1 Case A

This small firm is a specialist footwear manufacturer based in the northern suburbs of Melbourne. It manufactures footwear for military and emergency services applications, particularly fire-fighting footwear. Prior to the first export, the firm dominated this niche market in Australia with a 75 to 85 per cent share.

The key informant was the General Manager who had been with the company for 12 years at the time of the first interview. He was with the firm at the inception of its first export, employed at the time as Marketing Director. For the purposes of the case study, he will be referred to as the Marketing Director as this was his title at the time of the first and subsequent exports in question.

The decision to begin export was made by the Marketing Director. According to him, the previous owner did not care if the firm exported or not and simply wanted to sell the family business. The business was sold prior to the first export occurring. With the change of ownership, the new owner-directors (Director (Finance) & Director

(Sales)) became involved in the decision to approve the first export order as proposed by the Marketing Director. No-one else was involved in *decision making* with the initiation of the first export. The first export sale was to the USA in 2008 and this was closely followed by an export sale to Indonesia. See Table 4.1.

Table 4.1 Brief chronology of Case A

Year & Month	Events
1962	Company formed
1996	Marketing Director joined the firm
1997	Current brand of boots was launched
1998	Marketing Director became a member of the relevant subcommittee of Standards Australia
2000-01	Marketing Director went to Greece, talked to a prospective customer but no order resulted
2002	Marketing Director commenced going to international trade shows in USA but no international orders were received
2006	Business was sold to new investors; new owner-directors retained the current middle management and operated as a going concern
2007	Export to USA (first export)
2008	Export order from Indonesia (subsequent export)
2009	Marketing Director was promoted to General Manager
2009 April	Interviews with researcher
2009	Firm expecting (at time of interview) an order from the Greek customer that the General Manager (Marketing Director) met in 2000-01
2009	Seeking government funding to expand business export operations

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"I decided as a Marketing Director to take it offshore." The Marketing Director, Case A, stating that it was his decision, rather than that of the owner-manager, to initiate export.

In Case A, there were many observations of innovation role activities being associated with *decision-makers* who were involved in the first export initiation. Innovation role activities were delineated between different *decision-makers*. The Marketing Director performed several roles, with his *championing, boundary spanning* and *gatekeeping* activities related to the first export. The owner-directors performed *sponsoring* activities. This relationship between owner-directors as *sponsors* and Marketing Director as *champion* has been observed in previous studies

(Maidique, 1980; Wheelwright & Clark, 1992). Similarly, the owner-directors as *sponsors* were at a more senior level than the Marketing Director, another reflection of past studies (Dougherty & Bowman, 1995; Wheelwright & Clark, 1992). In addition to *championing*, the Marketing Director performed both *boundary spanning* and *gatekeeping* activities, supporting the findings of past studies (Hoch, 1990; Lievens & Moenaert, 2000). Whilst the three roles have been linked before in research on innovation (Reid & de Brentani, 2004), they have not been observed in relation to one *actor*. See Table 4.2.

Table 4.2 Case A - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Marketing Director	Champion - made decisions without higher officials	The Marketing Director made export decisions without the previous owner's input.
Marketing Director	Champion – took initiative without approval	The Marketing Director made export decisions without the previous owner's input.
Marketing Director	Champion - worked with senior management	The Marketing Director cleared export initiation decisions with the new owner-directors.
Marketing Director	Champion – provided benefits to the organisation	The Marketing Director persuaded the new owner-directors of the benefits of exporting to firm A.
Owner-directors	Sponsor-sanctioned	The owner-directors approved the Marketing Director to undertake the first export.
Owner-directors	Sponsor-obtained financial assistance	The owner-directors provided the Marketing Director with financial support for the first export.
Director (Finance)	Sponsor-obtained resources	The Director (finance) provided the Marketing Director with support on obtaining customer, marketing information and planning.
Marketing Director	Boundary spanner - acquired information informally for the firm from external sources	The Marketing Director obtained information from trade fairs that informed his owner-directors about the export market potential (*awareness knowledge*). He also obtained information from his involvement with Standards Australia.

Marketing Director	Boundary spanner – provided information informally to outside groups	The Marketing Director made many presentations overseas through international trade fairs.
Marketing Director	Boundary spanner - met with customers	The Marketing Director made contact through international trade fairs.
Marketing Director	Boundary spanner - decided how product would be provided	The Marketing Director identified from meetings what customer's requirements were for specialised footwear.
Marketing Director	Boundary spanner – provided information formally to outside groups	The Marketing Director made presentations to foreign groups on behalf of Standards Australia.
Marketing Director	Gatekeeper - collected information on external environment	The Marketing Director obtained information from trade fair and Standards Australia activities.
Marketing Director	Gatekeeper - filtered information	The Marketing Director's information on the market selection of was filtered for the new owner-directors to avoid change.
Marketing Director	Gatekeeper - controlled distribution of information	The Marketing Director relied on his years of experience in the industry and Standards Australia involvement to potentially dictate product standards to enable firm A to obtain a competitive advantage.
Marketing Director	Gatekeeper - set selection criteria	The Marketing Director determined that the export market selection criterion was based on product performance.
Marketing Director	Gatekeeper - selection criteria met then innovation accepted	The Marketing Director perceived that product performance in Australia meant that firm A's product would work well in the USA.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"No-one else can make a fire boot like Australia can." The Marketing Director, Case A, commenting on the uniqueness of their product.

There were a number of observations of innovation role activities associated with specific *stimuli* in Case A. The majority of *stimuli* were *proactive* with both *internal-proactive* (*unique product, technological advantage*) and *external-proactive stimuli* (*small domestic market, foreign demand/market potential*) observed. An *internal-reactive stimulus* of *seasonal product* was also observed but considered to be secondary by *decision-makers*.

In the present study, internal and *external-proactive stimuli* were linked to *championing* activities similar to the observations of Rogers (2003). Interestingly, the *internal-reactive stimulus* of the *seasonal product* was also observed in the *championing* activities of the Marketing Director. This was an unexpected *stimulus* in terms of the predicted relationships noted in the conceptual model.

The *sponsoring* activities of the owner-directors were linked to *proactive stimuli* (*internal-proactive* and *external-proactive*) *via* a *champion,* consistent with the conceptual model. In contrast, the *internal-reactive stimulus* of the *seasonal product* was unexpected for the *sponsoring* activities of the owner-directors.

The Marketing Director as *boundary spanner* did receive *external-proactive stimuli* from the external environment, as found previously by Reid & de Brentani (2004). *Internal* (*proactive* and *reactive*) *stimuli* were also observed in relation to the *boundary spanning* activities of the Marketing Director. This combination of *stimuli* has not been recorded before. This observation is in contrast with the conceptual model and will be discussed further in the next chapter.

The Marketing Director set criteria related to *stimuli* and reviewed export markets in his role as *gatekeeper*. *Gatekeepers* have been found to set and review an innovation against criteria (Markham et al., 2010). As the Marketing Director found that the USA market met the criteria and export sales could respond to the *stimuli,* he implemented the first export order. When an innovation meets the evaluation criteria, the *gatekeeper* accepts it (Cooper & Edgett, 2012). See Table 4.3.

Table 4.3 Case A - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Marketing Director	Champion – provided benefits to the organisation	The Marketing Director convinced the owner-directors of having a *unique product* with a *technological advantage* with *foreign demand/market potential* to offset the *small domestic market*, and *seasonal product stimuli.*
Owner-directors	Sponsor-sanctioned	The owner-directors gave approval to the Marketing Director to undertake the first export in response to the *unique product, small domestic market*, and *seasonal product stimuli.*
Marketing Director	Boundary spanner - acquired information informally for the organisation from external sources	The Marketing Director made the claim, through his knowledge of Australian Standards, of a *unique product* with the owner-directors. He also used information to demonstrate that Australia was a *small domestic market.*
Marketing Director	Boundary spanner - information informally to outside groups	The Marketing Director promoted firm A's fire-fighting boots as the world's best at trade fairs as a demonstration of *unique product and technological advantage stimuli.*
Marketing Director	Gatekeeper - set selection criteria	The Marketing Director set a number of criteria that were compared with products from the USA; such as the materials used, product performance and applicability of Australian Standards. These criteria were used to determine if firm A's product was unique to the USA. Also, that the USA market was bigger than Australia and counter-seasonal.
Marketing Director	Gatekeeper – reviewed innovation against criteria	The Marketing Director measured firm A's product against criteria to determine that it was unique. In addition, criteria of the market size and it being counter-seasonal were also considered.
Marketing Director	Gatekeeper - selection criteria met then innovation accepted	The Marketing Director considered firm A's product was unique, the USA market was bigger than Australia's and sales were expected in the off-season.

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

"There's huge potential in Jakarta and now they've come back and had another look at us for another couple of thousand pairs." The Marketing Director, Case A, commenting on the size of the Indonesian market.

Similar to the first export, there were many observations of innovation role activities in Case A associated with the subsequent export. Similar to the first export, the Marketing Director performed several *championing, boundary spanning* and *gatekeeping* activities with the subsequent export. The owner-directors performed *sponsoring* activities. One performed *boundary spanning* activities. The *boundary spanning* activities were not replicated with the first export. The phenomenon of an owner-director as a *boundary spanner* was in contrast with past studies that identified middle management in this role (Floyd & Wooldridge, 1997; Pauwels & Matthyssens, 2004). Interestingly, no previous study has identified *actors* who were performing both *boundary spanning* and *sponsoring* activities in an innovation. See Table 4.4.

Table 4.4 Case A - Decision-maker's innovation role activities in the subsequent export

Decision-maker	Innovation role activity	Activity evidence
Marketing Director	Champion - made decisions without higher officials !	The Marketing Director made export decisions with the full agreement of the owner-directors (contrary to *champion* theory).
Marketing Director	Champion - worked with senior management	The Marketing Director cleared subsequent export decisions with the new owner-directors.
Marketing Director	Champion – provided benefits to the organisation	The Marketing Director persuaded the owner-directors of the benefits of exporting to Indonesia.
Owner-directors	Sponsor-sanctioned	Both owner-directors approved the Marketing Director to undertake the subsequent export.
Owner-directors	Sponsor-obtained financial assistance	Both owner-directors provided the Marketing Director with financial support to visit the Indonesian market.
Director (Finance)	Sponsor-obtained resources	The Director (Finance) provided the Marketing Director with assistance in obtaining information about the Indonesian market and the customer there.
Director (Sales)	Sponsor-obtained resources	The Director (Sales) provided the Marketing Director with assistance by participating in the presentation in Indonesia.
Marketing Director	Boundary spanner - acquired information informally for the organisation	Information was obtained from the involvement of the Marketing Director with Standards Australia on Indonesian adoption of the Australian Standard.

Marketing Director	Boundary spanner - decided quality of physical inputs	Due to the size of the subsequent export order, the Marketing Director was responsible for quality control.
Marketing Director & Director (Sales)	Boundary spanner – provided information formally to outside groups	The Marketing Director and Director (Sales) gave presentations to the Indonesian customer.
Marketing Director & Director (Sales)	Boundary spanner - met with customers	The Marketing Director and Director (Sales) met the customer in Indonesia.
Marketing Director	Boundary spanner - decided how product would be provided	The Marketing Director identified from meetings what the customer's requirements were for specialised footwear.
Marketing Director	Gatekeeper - collected info on external environment	Information on the Indonesian market was obtained by the Marketing Director from Standards Australia activities.
Marketing Director	Gatekeeper - interpreted or filtered information	The Marketing Director found out that Indonesia was adopting Australian standards for fire-fighting boots.
Marketing Director	Gatekeeper - determined the value of information	The Marketing Director relied on his years of experience in the industry and Standards Australia to identify an export opportunity for firm A in Indonesia.
Marketing Director	Gatekeeper - controlled the distribution of information	The Marketing Director provided this information to his owner-directors who agreed with his assessment of the subsequent export opportunity.
Marketing Director	Gatekeeper - set selection criteria	The Marketing Director set a number of criteria such as the materials used, product performance and applicability of the Australian standards to Indonesia.
Marketing Director	Gatekeeper - reviewed innovation against criteria	The Marketing Director measured the Indonesian opportunity against the criteria of the product suitability and foreign demand.
Marketing Director	Gatekeeper - selection criteria met then innovation accepted	The Marketing Director perceived that the Indonesian opportunity met the criteria of the product suitability and foreign demand.

! Contrary finding
Source: Compiled by author

In Case A, the *stimuli* (*unique product, technological advantage, foreign demand/market potential, small domestic market & marketing advantages*) were

proactive for the subsequent export. A number of innovation role activities associated with *proactive stimuli* were observed in relation to the *decision-makers* involved in the subsequent export. All relationships between innovation roles and *stimuli* were consistent with the conceptual model. That is, *proactive stimuli* were associated with innovation roles. For example, the Marketing Director and his *championing* activities were linked to *proactive stimuli* (Rogers, 2003). *Sponsoring* activities of the owner-directors enabled them to receive *proactive stimuli* from the *champion* as expected. The Marketing Director as *boundary spanner,* acquired and provided information related to *proactive stimuli* from the external environment, consistent with Reid and de Brentani (2004). Similarly, he "collected information on the external environment" related to *proactive stimuli,* in his *gatekeeping - knowledge handling* role*.* The Marketing Director also evaluated the first export against market criteria in relation to the *stimuli*, an *innovation approval* activity of a *gatekeeper* (Cooper & Edgett, 2012). See Table 4.5.

Table 4.5 Case A - Decision-maker's innovation role activities & stimulus in the subsequent export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Marketing Director	Champion – providing benefits to the organisation	The Marketing Director convinced the owner-directors using his *awareness knowledge* of *foreign demand/market potential* for the *unique product*, both *proactive stimuli.*
Owner-directors	Sponsor-sanctioned	The owner-directors approved the Marketing Director to undertake the subsequent export, supporting his arguments for *foreign demand/market potential* and the *unique product stimuli.*
Marketing Director	Boundary spanner - acquired information informally for the organisation from external sources	The Marketing Director obtained information to develop the *unique product* through its *technological advantage* from his prior involvement with Australian Standards.
Marketing Director	Boundary spanner – provided information formally to outside groups	The Marketing Director promoted firm A's fire-fighting boots to Indonesian customers as meeting Australian standards as a demonstration of a *unique product* and *technical advantage stimuli.*

Marketing Director	Boundary spanner - decided which customers	Through information received by participation in the Standards Australia activities, the Marketing Director decided to meet the Indonesian customer's requirement for a *unique product* for the subsequent export.
Marketing Director	Boundary spanner - decided how product would be provided	From his Standards Australia the Marketing Director identified activities what the Indonesian customers' requirements were for their *unique product.*
Marketing Director	Gatekeeper - collected info on external environment	The Marketing Director obtained *unique product* information and *technological advantage stimuli* from Standards Australia activities.
Marketing Director	Gatekeeper - set selection criteria	The Marketing Director set a number of criteria such as the materials used, product performance and applicability of Australian standards to Indonesia, culminating in *unique product* and *technological advantage stimuli.*
Marketing Director	Gatekeeper - reviewed innovation against criteria	The Marketing Director measured the Indonesian opportunity against the criteria of the *unique product* and *foreign demand/market potential stimuli.*
Marketing Director	Gatekeeper - selection criteria met then innovation accepted	The Marketing Director perceived that the Indonesian opportunity met the criteria of the *unique product* and *foreign demand/market potential stimuli.*

Source: Compiled by author

From the observations in Case A, *decision-makers* in the first and subsequent export displayed all four innovation role activities, encouraged by *proactive stimuli,* consistent with the conceptual model. Further supporting evidence for Case A can be found in Appendix 4.1.1.

4.1.2 Case B

The firm in Case B is a medium-sized, specialist packaging division of a national company based in a port suburb of Melbourne. The company was purchased by a larger, national packaging company. Around the same time, it began direct exporting to international plants owned by its local customers. The initial order of specialist wrappers for confectionery came from a New Zealand plant of an existing Australian customer. The following year, a subsequent order was received from the same customer's Fiji plant. That is, the domestic customer's internationalisation caused the

export program to be unplanned. Client followership has been recognised previously as a path to internationalisation by Australian SMEs (Freeman et al., 2006).

The subsidiary acted independently of the new parent in the development of its export activities. This was because the packaging products (flexible plastic/metal) were substantially different to that of its new parent, that focused on paper/cardboard packaging. In addition, firm B's network relationship with local customers was also unique to the division. Prior to the acquisition, its new owners were not in networks with either firm B or their customers, nor were they involved with the first and subsequent exports. In addition, the first export order was placed just after the sale of the firm; however, discussions had begun prior to the sale. Therefore, for the purposes of the present study, this case study will be treated as an independent SME. The export management function resided in the purchasing and customer service department of firm B.

At the time of the first export, a Customer Service Officer managed all of the orders for the specific customers. In this case, one Customer Service Officer handled the first export order to New Zealand. The decision to export to New Zealand was considered by the Customer Service Officer to be relatively routine, according to the key informant, "similar to an interstate order." Past research recognised that export to psychically close international markets is similar to selling to interstate markets (Caughey & Chetty, 1994; Rees, 2011).

The key informant was the Procurement Manager. The Procurement Manager was hired not long after the first export order was sent to New Zealand. The new Procurement Manager worked with another Customer Service Officer on a subsequent export to Fiji. Following these early exports, further exports were made to Vietnam for a local customer. Another local customer ordered goods for their operation in Thailand. Table 4.6 provides a timeline of case details.

Table 4.6 Brief chronology of Case B

Year & Month	Events
1904	Firm B formed
2007 August	Firm B bought out by a national packaging company
2007 September	Large local customer ordered product to go to their New Zealand manufacturing operation (first export)
2008 January	Key informant (Procurement Manager) joined the firm
2008	Customer service team expanded from two to four
2008	Export order by the same domestic customer to their Fiji plant (subsequent export)
2008 September	First interview conducted by the researcher
2009	Export order to Vietnam by the same domestic customer
2009 July	Second interview conducted by the researcher
2009	Another domestic customer exporting to Thailand

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"They look after a particular customer and how you look at it is, if you are the unlucky or lucky one, the people who look after them, you get the export part as well." The Procurement Manager, Case B, commenting on customer service officers' responsibility in relation to customers and their orders, including exporting responsibilities.

In Case B, there were several observations of two innovation roles associated with export initiation. The Customer Service Officer performed both *boundary spanning* and *gatekeeping* activities. These activities centred on the acquisition and distribution of information between the freight forwarder and the local customer. However, neither the Customer Service Officer nor others in firm B were observed to perform *championing* or *sponsoring* activities. These observations suggest that not all innovation role activities are necessary for export initiation. See Table 4.7.

Table 4.7 Case B - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Customer Service Officer	Boundary spanner - information acquisition & control	The Customer Service Officer determined what, when and to whom to distribute external information.
Customer Service Officer	Gatekeeper - collected information on external environment	The Customer Service Officer received shipping information from the freight-forwarder.
Customer Service Officer	Gatekeeper - interpreted or filtered information	The Customer Service Officer interpreted shipping information from the freight-forwarder in relation to the customer's needs.
Customer Service Officer	Gatekeeper - determined the value of information to potential recipients	The Customer Service Officer determined on the value of shipping information from the freight-forwarder to the customer.
Customer Service Officer	Gatekeeper - Controlled distribution of information	The Customer Service Officer controlled distribution of information between freight-forwarder and customer.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"Australian manufacturing now is offshore… we actually deal with …New Zealand and Fiji." The Procurement Manager, Case B, commenting on the reason for the *unsolicited order*.

There were a few observations of innovation role activities associated with *external-reactive stimulus,* specifically an *unsolicited order* for the first export. The absence of *championing*, *sponsoring* and *gatekeeping* activities was consistent with the conceptual model due to the *external-reactive stimulus*. Surprisingly, *boundary spanning* activities still occurred even though the *stimulus* was *external-reactive*. Past export studies do mention *boundary spanning* activities with *external stimuli;* however, *boundary spanners* are more likely to act on *internal-proactive stimuli* for the first export (Ellis & Pecotich, 2001; Johanson & Vahlne, 1977). The *boundary*

spanning activities, mentioned in Table 4.8 below, are similar to the tasks that the Customer Service Officer would perform for a domestic order.

Table 4.8 Case B - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Customer Service Officer	Boundary spanner - information acquisition & control	The Customer Service Officer determined what, when and to whom to distribute external information as a direct result of receiving the *unsolicited order*.
Customer Service Officer	Boundary spanner - acquired information formally from external sources	Information acquired by the Customer Service Officer for the *unsolicited order* was slightly changed (inclusion of freight forwarding) from the usual routine of a domestic order from the customer.
Customer Service Officer	Boundary spanner - physical input control	The Customer Service Officer acquired freight-forwarding services as a result of fulfilling the *unsolicited order.*
Customer Service Officer	Boundary spanner - decided how product/s would be provided	The Customer Service Officer decided to ship products to New Zealand with little regard for the additional processes required by the *unsolicited order.*

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

"Expectations are a little bit, sometimes unreasonable because, yes, they don't understand that even though there is a sailing tomorrow, I would have had to book it last week." The Procurement Manager, Case B, commenting on her *gatekeeping* role of controlling the distribution of information to customers.

There were several observations of innovation role activities associated with an *external-reactive stimulus,* an *unsolicited order* from a domestic customer*,* initiating the subsequent export. The introduction of a new *decision-maker*, the Procurement Manager, meant that a *sponsor* role was observed for the subsequent export. Interestingly, no *championing* activities were observed. In previous studies, *sponsor* roles were generally linked to *champions* (Roberts & Fusfeld, 1981; Wheelwright & Clark, 1992). The appearance of the *sponsor* role was also unexpected. The

Procurement Manager accepted the export order directly from a *boundary spanner*, the Customer Service Officer, a phenomenon not observed in previous innovation studies.

The new Customer Service Officer's (not the same *decision-maker* involved in the first export) *boundary spanning* role was confined to acquiring information by taking an order for sales to Fiji from the domestic customer. A *boundary spanner* links the organisation to its external environment (Burk, 1994). The new Procurement Manager also performed *boundary spanning* activities driven by her previous importing experience. Similarly, the new Procurement Manager performed *gatekeeping* activities by controlling the information from the freight forwarders to the customer. In this way, she managed the customer's expectations. *Gatekeepers* have been known to filter and control distribution of information (Pettigrew, 1972). See Table 4.9. The subsequent export order in the following year resulted from a *reactive stimulus,* was also unexpected and in conflict with the conceptual model.

Table 4.9 Case B - Decision-maker's innovation role activities in the subsequent export

Decision-maker	Innovation role activity	Activity evidence
Procurement Manager	Sponsor-influenced others	The new Procurement Manager influenced freight-forwarders to make space for the subsequent *unsolicited order* in shipping.
Procurement Manager	Sponsor-coached	The new Procurement Manager coached the customer service staff in relation to the export document completion and export *how-to knowledge* for the subsequent *unsolicited order.*
Procurement Manager	Sponsor-protected the innovation team	The new Procurement Manager protected the customer service team from the customers when there was a mismatch of delivery expectations with the subsequent *unsolicited order* arrival.
Procurement Manager	Boundary spanner - information acquisition & control	The new Procurement Manager determined what, when and to whom to distribute external information as a direct result of receiving the *unsolicited order*.
New Customer Service Officer	Boundary spanner - acquired information formally for the organisation from external	The new Customer Service Officer took the subsequent *unsolicited order* from the domestic customer for Fiji.

	sources	
New Customer Service Officer	Boundary spanner - acquired resources	The new Customer Service Officer acquired freight-forwarding services as an input to fulfil the subsequent *unsolicited order.*
Procurement Manager	Boundary spanner – decided quality of physical inputs	Procurement for the subsequent export was identified in association with the efficient use of freight-forwarding services. The management of the freight-forwarder was made easier due to the new Procurement Manager's import experience.
Procurement Manager	Boundary spanner - decided how product/s would be provided	The new Procurement Manager decided on the use of airfreight or sea transport to export the subsequent order.
Procurement Manager	Gatekeeper - controlled distribution of information	The Procurement Manager controlled customer expectations to suit the ship sailing dates. Influencing freight-forwarders to obtain space on vessels or sailing dates, to meet customer expectations for their *unsolicited order.*

Source: Compiled by author

In Case B, *decision-makers* in the first and subsequent export were observed performing some innovation role activities with a *reactive stimulus.* This was not expected and was inconsistent with the conceptual model. The implications of this finding will be discussed in the next chapter. Further supporting evidence for Case B can be found in Appendix 4.1.2.

4.1.3 Case C

The SME in Case C is a medium-sized specialist automotive performance parts manufacturer based in the northern suburbs of Melbourne. The company does small production runs for a subsidiary of a major USA car manufacturer in Australia. It is an original equipment manufacturer (OEM) for their high performance product range, including brakes and engine superchargers. The arrival of a US competitor in Australia was identified as a *stimulus* to internationalise.

Prior to the first export, the firm had little international exposure, except with indirect exports through domestic customers who forwarded the firm's products to the UK and the Middle East. A major indirect export was through a local auto manufacturer who exported high performance vehicles to their parent company in the USA, that included firm C's components. Firm C provided stock to the USA to support spare

part availability. The firm hired a representative in the USA to manage their parts stock. The representative also had a business development function, which resulted in Firm C's first export to a parts wholesaler in the USA for after-market sales. Firm C was sold shortly after the first export.

The firm was planning subsequent exports *via* an industry association export cluster that they had recently joined. They were also hoping that the business development representative in the USA would secure OEM orders from other auto manufacturers. A further project was the development of a direct export market in the Middle East. A year after the first export, none of these projects had occurred.

The key informant was the National Sales and Marketing Manager who liaised with the Business Development Manager in the USA. He was not the instigator of the first export, but at the time of the interviews was working on subsequent export projects. When the researcher tried to contact the instigator (Managing Director) some months later, he had left the organisation, as had the key informant. Table 4.10 provides a timeline of case details.

Table 4.10 Brief chronology of Case C

Year & Month	Events
1954	Firm C was founded
2007	Indirect exports to the UK, Middle East and USA
2007	US competitor enters the Australian market
2008	Appointment of the Business Development Manager with stock storage in the USA
2008	Direct export to a wholesale customer in USA (first export)
2008 November	Firm C was sold to another local parts manufacturer who was a local supplier to firm C
2009 January	Key informant joined firm C
2009 January	Firm C joined the industry export cluster
2009	Firm C was developing US based products (preparation for subsequent export)
2009 April	Interviews
2009 May	Interviews
2009 September	Both the Managing Director and key informant left firm C. No further exports were reported.

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"It's good having [M] on the ground over there. He is very knowledgeable in the market so his recommendations are invaluable." The Managing Director, Case C, commenting on the US based Business Development Manager and his innovation roles in relation to *awareness knowledge*.

In Case C, many innovation role activities associated with *decision-makers* were observed in the first export initiation. Two *decision-makers* were involved in the first export, the Managing Director and the Business Development Manager. The Managing Director was the initial *champion* and *sponsor* of the first export. It has been found previously that an SME owner-manager will *champion* the innovation as well as perform *sponsoring* activities (Wolf et al., 2012). Once the US sales office was established, the Managing Director seemingly passed the *champion* role to the Business Development Manager when he was hired. The Business Development Manager used his *awareness knowledge* to identify the first export. It has been found previously in large firms that *champions* who move to other projects can become *sponsors* for another *champion* (Leifer et al., 2000). This was the situation for the Managing Director, a novel finding for SMEs.

The Business Development Manager was also a *boundary spanner*. The activities that the Business Development Manager undertook were *domain determination and interface*; *information acquisition and control* activities. This combination of *boundary spanning* activities has been found previously in SME export initiations (Ellis & Pecotich, 2001).

Both the Business Development Manager and the Managing Director were *gatekeepers*. The Managing Director was an early *gatekeeper* at the establishment of the US sales office. After his appointment, the Business Development Manager used *gatekeeping* activities to persuade the Managing Director and others in the management team to accept the first export, whilst knowing that firm C would struggle to manage its fulfilment due to its large size. However, the Business Development Manager was more concerned with the sale, than the impact it had on reserve stock based in the USA. A *gatekeeper's - knowledge handling* activities in

this situation has been identified previously as an example of self-interested power bias (Pettigrew, 1972). See Table 4.11.

Table 4.11 Case C - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Managing Director	Champion - worked without formal plans	The Managing Director set up the US sales office without any specific plans in place.
Managing Director	Champion - tested but trusted decisions	The Managing Director relied on the Business Development Manager's advice on the US market.
Business Development Manager	Champion - worked with senior management	The Business Development Manager worked with the Managing Director on setting up the US sales office to bring about the first export order.
Business Development Manager	Champion - included the idea generator	The Business Development Manager included the Managing Director in the first export order.
Business Development Manager	Champion – obtained other department support	The Business Development Manager contacted the technical department for supporting marketing materials for after-market sales from the wholesaler.
Managing Director	Sponsor-sanctioned	The Managing Director sanctioned the setting up of the sales office in the USA.
Managing Director	Sponsor-obtained financial assistance	The Managing Director provided financial assistance to set up the sales office in the USA.
Managing Director	Sponsor-obtained resources	The Managing Director provided resources through the hiring of the Business Development Manager.
Business Development Manager	Boundary spanner – acquired information formally for the organisation	The Business Development Manager obtained information on US market opportunities for firm C's products.
Business Development Manager	Boundary spanner - decided on what external information to distribute	The Business Development Manager provided information about the US market to the Melbourne office.
Business Development Manager	Boundary spanner - met with customers	The Business Development Manager met with customers in his network for the first export order.

Business Development Manager	Boundary spanner - decided how product/s would be provided	The Business Development Manager sold some of the stock located in the USA that was originally designated as spare parts stock for vehicles exported to the USA. This sale was the first export.
Business Development Manager	Gatekeeper - collected information on the external environment	The Business Development Manager obtained information on US market opportunities for firm C products.
Business Development Manager	Gatekeeper - interpreted or filtered information	The Business Development Manager identified an opportunity for sales in the US market with a contact in his wholesale network. However, he overstated the manufacturing capacity of firm C and understated the size of the order to management back in Melbourne.
Business Development Manager	Gatekeeper - determined the value of information to potential recipients	The Business Development Manager determined the size of the export opportunity and its value to firm C.
Business Development Manager	Gatekeeper - controlled distribution of information	The Business Development Manager directed the export sale information to the Managing Director.
Managing Director	Gatekeeper - assigned resources	The Managing Director assigned resources to the first export, such as the appointment of the Business Development Manager and the set-up of the US sales office.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"A company similar to us [firm C] in the USA came to Australia before we took a step to the USA. So it was kind of a tit for tat in the early days." The Managing Director, commenting on his initial *threats from multinational firms' stimulus*.

The early innovation role activities of the Managing Director were instigated by the *stimulus* of a US competitor entering the Australian market. Once the US based Business Development Manager was appointed, the *extra sales potential stimulus* was used by both *decision-makers* and mainly given as the primary reason for the first export. There were a number of observations of innovation role activities associated with both *stimuli* for the first export in Case C (See Table 4.12). These

innovation role relationships to the primary *stimulus* were as portrayed in the conceptual model.

Table 4.12 Case C - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Managing Director	Champion - worked without formal plans	The Managing Director established the US sales office and arranged the appointment of the Business Development Manager, to obtain extra sales without a formal plan.
Managing Director	Champion - tested but trusted decisions	The Managing Director trusted the Business Development Manager's assessment of the *extra sales potential* in the US market.
Business Development Manager	Champion - worked with senior management	The Business Development Manager convinced the Managing Director by working with him on the first export to obtain extra sales.
Business Development Manager	Champion - included the idea generator	The Business Development Manager included the Managing Director in obtaining extra sales.
Business Development Manager	Champion – obtained other department support	The Business Development Manager included the technical department in obtaining extra sales.
Managing Director	Sponsor-sanctioned	The Managing Director authorised the setup of an US sales office to obtain extra sales.
Managing Director	Sponsor-obtained financial assistance	The Managing Director provided financial assistance to set up a US sales office to obtain extra sales.
Managing Director	Sponsor-obtained resources	The Managing Director obtained resources in the appointment of the Business Development Manager for the US sales office to obtain extra sales.
Managing Director	Boundary spanner – acquired information informally for the organisation	The Managing Director had learned from sources that a US competitor had entered the Australian market.
Business Development Manager	Boundary spanner - decided which customers	The Business Development Manager proactively sought extra sales with US wholesalers.
Business Development Manager	Boundary spanner – acquired information formally for the organisation	The Business Development Manager obtained information from US wholesalers on *extra sales potential* of the US market for firm C's products.

Managing Director	Gatekeeper - collected information on the external environment	The Managing Director had learned from sources that a US competitor had entered the Australian market.
Business Development Manager	Gatekeeper - collected information on the external environment	The Business Development Manager obtained information from US wholesalers on *extra sales potential* of the US market for firm C's products.
Business Development Manager	Gatekeeper - interpreted or filtered information	The Business Development Manager filtered information obtained from US wholesalers about *extra sales potential* of the US market.
Business Development Manager	Gatekeeper - determined the value of information to potential recipients	The Business Development Manager determined the value of the filtered information from US wholesalers about *extra sales potential* to the Managing Director.
Business Development Manager	Gatekeeper - controlled the distribution of information	The Business Development Manager obtained information about *extra sales potential* from a specific US wholesaler. It was then provided to the Managing Director.
Managing Director	Gatekeeper - set selection criteria	Criteria for *extra sales potential* was established by the Managing Director at the inception of the US sales office.
Managing Director	Gatekeeper - reviewed innovation against criteria	The export opportunity presented by the Business Development Manager was reviewed by the Managing Director against the *extra sales potential* criteria.
Managing Director	Gatekeeper - selection criteria met then innovation accepted	The first export opportunity met the *extra sales potential* criteria. Therefore the Managing Director accepted the first export.
Managing Director	Gatekeeper - assigned resources	The Managing Director assigned additional stock to support extra sales.

Source: Compiled by author

At the conclusion of the final interviews, firm C was preparing for, but had not executed, the subsequent export. Three separate projects were taking place in preparation to export. The first was to join an industry based export cluster, an initiative fostered by AUSTRADE. The key informant (National Sales and Marketing Manager), a *new staff* member, was involved in this cluster activity and was working with other suppliers in identifying market opportunities. They aimed at piggy-backing off their members' opportunities in the USA.

Another project was initiated by the US based Business Development Manager who was trying to secure OEM supply to other engine and vehicle manufacturers. Unlike the first export, this project required adapted and new components to suit different engines and vehicles, a significant step beyond the previous practice of selling existing stock in the USA. This project involved significant liaison with the technical department.

The third export project described by the key informant was the development of the Middle East market, where the firm's products had been sold previously as indirect exports. The National Sales and Marketing Manager was interested in expanding this market. Before this, a local customer had sold vehicles with firm C's components through Middle East based distributors, an indirect export. The National Sales and Marketing Manager felt that there could be a direct export market for the firm's products in the Middle East, a growing market for performance vehicles and parts.

In relation to the first export, consistent with the conceptual model *decision-makers* displayed all four innovation role activities in association with predominantly *proactive stimuli*. Surprisingly, the subsequent export did not occur in spite of several opportunities and the involvement of innovation roles in the first export, in contrast to the conceptual model. The implication of this finding is discussed in the next chapter.

Further information about Case C can be found in Appendix 4.1.3.

4.1.4 Case D

Case D is a small firm based in the suburb of Geelong, a regional city of Victoria. Firm D manufactures a warming system for use with patients during surgery or post-operative recovery, to maintain body temperature and prevent hypothermia. The system comprises a disposable blanket, connected to a machine that inflates it with warm air. Before the first export, the firm had received a few *unsolicited orders* from New Zealand. These were treated by the key informant as interstate orders, an example of an *emic* perception noted in sub-section 3.2.3 above. Past studies have identified that export to psychically close international markets are considered similar

to sales interstate (Caughey & Chetty, 1994; Rees, 2011). The Managing Director applied for government subsidies (federal and state) to participate in a trade fair in Germany. The key informant, a Director (responsible for manufacturing), was involved in the first export, along with the Managing Director. The first planned export to the Middle East occurred soon after the Managing Director and Director (manufacturing) had attended the trade fair supported by the subsidies. The subsequent export order was to Hong Kong, stemming from another lead from the trade fair. At the time of the interview, the Managing Director had recently sold his share of the business to the other two Directors. Table 4.13 provides a timeline of case details.

Table 4.13 Brief chronology of Case D

Year & Month	Events
1996	Firm D was founded
2005	AUSTRADE and Victorian government offer support for trade fair attendance
2005 November	The Managing Director and Director (manufacturing) attended the Medica trade fair in Germany
2006	Export to Middle East (first export)
2006	Export to Hong Kong (subsequent export)
2007 October	Conformity assessment with Australian Therapeutic Goods Administration
2008 May	Conformité Européenne (CE) mark approved
2008	The Managing Director sold his half share to the other two Directors
2008 August	Relocation of the office from Melbourne to Geelong where the manufacturing plant was located
2008 September	Interviews

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"We're not interested in one-off sales; we're not interested in just fly-by-nighters or back-yarders." The Director (manufacturing), Case D, commenting on his *gatekeeper - innovation approval* role, in which the value of the customer is a central consideration.

The Managing Director performed *championing, sponsoring* and *boundary spanning* activities for the first export. Owner-managers in SMEs can be *champions* (Elliott &

Boshoff, 2009), as well as *sponsors* (Wolf et al., 2012). Interestingly, the linking of *boundary spanning* activities to those of *championing* and *sponsoring* was not consistent with the conceptual model, as the relationship has not been identified in previous research.

The Director (manufacturing) only performed *boundary spanning* and *gatekeeping* roles. These roles can be embodied in the same *actor* (Hoch, 1990; Jones, 2006; Lievens & Moenaert, 2000). The Director (manufacturing) approved the first export innovation as presented by the *champion/sponsor* Managing Director. The Director (manufacturing) applied the criteria of "financial capacity" and "potential for a long term relationship" to approve the first export. *Gatekeepers* have been observed previously approving innovations presented to them from *champions* and *sponsors* (Markham et al., 2010). The Director (manufacturing) in firm D was junior to the Managing Director but was able to approve or reject the export sale due to his *gatekeeping* capacity. In contrast, *gatekeepers* have been found to be more senior than those seeking their approval (Macdonald & Williams, 1993). See Table 4.14 for a summary of innovation role activities by the *decision-makers* in firm D.

Table 4.14 Case D - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Managing Director	Champion - made decisions outside hierarchy	The Managing Director obtained subsidies to participate in an international trade fair without the other directors' knowledge and before firm D was ready to export.
Managing Director	Champion - worked with senior management	Once the funding was obtained the Managing Director persuaded other two Directors to support trade fair participation. The Director (Manufacturing) was directly involved in the first export, see below.
Managing Director	Sponsor-influenced others	Once the funding was obtained, the Managing Director persuaded the other two Directors to support trade fair participation.
Managing Director	Sponsor-bootlegged funds	The Managing Director prepared an application for subsidies to fund participation in international trade fair before the firm was ready to export.
Managing Director	Sponsor-obtained resources	The Managing Director prepared an application for subsidies to obtain resources to participate in an international trade fair, for example, to prepare promotion materials.

Director (manufacturing)	Boundary spanner – provided information formally to outside groups	The Director (manufacturing) made presentations to prospective customers at the trade fair.
Director (manufacturing)	Boundary spanner – decided quality of physical inputs	The Director (manufacturing) considered quality issues of products at the time of the trade fair and delivery of the first export.
Managing Director	Boundary spanner - provided information formally to outside groups	The Managing Director made presentations to prospective customers at the trade fair.
Managing Director	Boundary spanner - met with customers	The Managing Director met customers at the trade fair and at other locations, including customers' home market.
Director (manufacturing)	Boundary spanner - met with customers	The Director (manufacturing) met customers at the trade fair and other locations, including prospective customers in their host market.
Director (manufacturing)	Boundary spanner - decided which customers	The Director (manufacturing) checked the customer's information on the Internet to ensure their bona fide status.
Director (manufacturing)	Boundary spanner – acquired information informally for the organisation	The Director (manufacturing) obtained macro information (political, economic, socio-cultural, technological [PEST]) on Middle Eastern countries from the Internet prior to the first export.
Director (manufacturing)	Gatekeeper - collected information on the external environment	The Director (manufacturing) obtained macro information (PEST) on Middle Eastern countries from the Internet prior to the first export.
Director (manufacturing)	Gatekeeper - set selection criteria	The Director (manufacturing) set criteria of "financial capacity" and "long-term relationship potential".
Director (manufacturing)	Gatekeeper – reviewed innovation against criteria	The Director (manufacturing) reviewed prospective customers against criteria of "financial capacity" and "potential for a long-term relationship".
Director (manufacturing)	Gatekeeper - selection criteria met then innovation accepted	The Director (manufacturing) perceived that the potential customer and their details met the selection criteria and initiated the first export order.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"We're competing heavily against American manufactured products." The Director (manufacturing), Case D, discussing an *external-reactive stimulus* he identified in his *boundary spanning/gatekeeping* roles for the first export.

The Managing Director was observed performing all four innovation roles (*championing, sponsoring*, *boundary spanning* & *gatekeeping*) in relation to *home government export promotion program,* the primary *external-proactive stimulus,* consistent with the conceptual model. The Director (manufacturing) performed only *boundary spanning* and *gatekeeping* activities, where he perceived *external-proactive* and *reactive stimuli*. As such, the Managing Director displayed an internal locus of control through the seeking of export opportunities (*awareness knowledge*) in the knowledge phase of the innovation-decision process (Rogers, 2003). Moreover, *champions* have been known to have an internal locus of control (Howell & Shea, 2001). The Director (manufacturing) displayed both an internal and external locus of control (Durand & Shea, 1974) with his prevarication between prioritising *proactive (small domestic market)* and *reactive stimuli (threats from multinational firms)*. As demonstrated in this case, a *decision-maker's* perception of a *stimulus* to export in relation to their locus of control may indicate if *championing* activities occur with export. See Table 4.15.

Table 4.15 Case D - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Managing Director	Champion - made decisions outside hierarchy	The Managing Director obtained subsidies to participate in the *home government export promotion program* before firm D was ready to export.
Managing Director	Champion - worked with senior management	The Managing Director persuaded the two other Directors to support the *home government export promotion program.*
Managing Director	Sponsor-influenced others	The Managing Director persuaded the two other Directors to support the *home government export promotion program.*
Managing Director	Sponsor-bootlegged funds	The Managing Director prepared an application for subsidies from the *home government export promotion program* before the firm was ready.

Managing Director	Sponsor-obtained resources	The Managing Director prepared an application for subsidies to obtain resources from the *home government export promotion program*, for example, promotion materials.
Managing Director	Boundary spanner - acquired information formally for the organisation from external sources	The Managing Director located information on the application for the *home government export promotion program* providing assistance for trade fair display and attendance.
Managing Director	Boundary spanner – provided information formally to outside groups	The Managing Director submitted application to the *home government export promotion program.*
Director (manufacturing)	Boundary spanner - acquired information informally for the organisation from external sources	The Director (manufacturing) obtained information about the *threat from multinational firms* entering the *small domestic market.*
Managing Director	Gatekeeper - collected information on the external environment	The Managing Director obtained information about the *home government export promotion program.*
Director (manufacturing)	Gatekeeper - collected information on the external environment	The Director (manufacturing) obtained information from customers about the *threat from multinational firms* entering the *small domestic market.*
Managing Director	Gatekeeper - controlled the distribution of information	The Managing Director did not explain issues such as the need for high product quality with the other Directors until after they were committed to the *home government export promotion program.*
Director (manufacturing)	Gatekeeper - interpreted or filtered information	The Director (manufacturing) interpreted the situation from information obtained, that entry of international competitors (*threat from multinational firms)* would reduce opportunities in the *small domestic market.*
Director (manufacturing)	Gatekeeper - determined the value of information to potential recipients	The Director (manufacturing) determined the value of information on the *threat from multinational firms* entering the *small domestic market* and its impact on firm D.

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

"Tackling the world, you know, we take the lid off that and can take that a lot further." The Director (manufacturing), Case D, explains his view on potential sales after the first export.

The Managing Director's innovation role was diminished with the subsequent export with only *boundary spanning* activities observed. Shortly after the trade fair attendance, the Managing Director delegated the export function to the Director (manufacturing), an activity associated with *regular export* (Julien et al., 1997). Significantly, the Director (manufacturing) became more involved with the subsequent export and showed more evidence of innovation role activities (*boundary spanning* & *gatekeeping*). The added confidence of a successful first export also redirected the Director (Manufacturing)'s locus of control, to being internal with a perception of *external-proactive stimuli* (*home government export promotion program, foreign demand/market potential & small domestic market)* rather than *external-reactive stimulus* (*threats from multinational firms*). See Table 4.16.

Table 4.16 Case D - Decision-maker's innovation role activities in the subsequent export

Decision-maker	Innovation role activity	Activity evidence
Director (manufacturing)	Boundary spanner - acquired information informally for the organisation from external sources	The Director (manufacturing) used DFAT website to obtain macro information (PEST) on Hong Kong (*foreign demand/market potential*) for the subsequent export.
Managing Director	Boundary spanner – provided information formally to outside groups	The Managing Director made presentations to customers at the trade fair (*home government export promotion program*) that led to a subsequent export.
Managing Director	Boundary spanner - met with customers	The Managing Director met customers at the trade fair (*home government export promotion program*) and at other locations, including customers' home market.

Director (manufacturing)	Boundary spanner – provided information formally to outside groups	The Director (manufacturing) made presentations to customers at the trade fair (*home government export promotion program*) that led to a subsequent export.
Director (manufacturing)	Boundary spanner - met with customers	The Director (manufacturing) met customers at the trade fair (*home government export promotion program*) and at other locations, including customers' home market that led to a subsequent export.
Director (manufacturing)	Boundary spanner - decided which customers	The Director (manufacturing) checked subsequent export customers' information on the Internet to ensure their bona fide status.
Director (manufacturing)	Gatekeeper - collected information on the external environment	The Director (manufacturing) used DFAT website to obtain macro information (PEST) on Hong Kong (*foreign demand/market potential*) for the subsequent export.
Director (manufacturing)	Gatekeeper - set selection criteria	The Director (manufacturing) set criteria of "financial capacity" and "long-term relationship".
Director (manufacturing)	Gatekeeper – reviewed innovation against criteria	The Director (manufacturing) reviewed prospective subsequent export customer against "financial capacity" and "potential for a long-term relationship" criteria.
Director (manufacturing)	Gatekeeper - selection criteria met then innovation accepted	The Director (manufacturing) perceived the potential subsequent export customer met the selection criteria and the first export order resulted.

Source: Compiled by author

From the observations in Case D, both *decision-makers* in the first export displayed all four innovation role activities with predominantly *proactive stimuli,* consistent with the conceptual model. Interestingly, with the increased responsibility for the subsequent export passed to the Director (manufacturing), he did not take up either the *championing* or *sponsoring* roles. However, he did adopt a greater internal locus of control, probably from the success of the first export observed with his change in perception to *proactive stimuli* (*home government export promotion program, foreign demand/market potential & small domestic market)* for the subsequent export. Further supporting evidence for Case D can be found in Appendix 4.1.4.

4.1.5 Case E

This case focused on a small manufacturing firm in the eastern suburbs of Melbourne. Firm E makes equipment used in retrofitting vehicles to allow access for wheelchair-bound passengers. The key informant was the Managing Director who identified the USA as the company's first export market. He attended trade fairs that allowed him to identify vehicle manufacturing firms suitable for their product. Approaches were made to these potential clients and a display vehicle was fitted out in Canada for use in North American exhibits. However, after several attempts over a six year period, the Managing Director was unsuccessful in gaining access to the American market. A chance encounter at a US trade show with a UK firm interested in firm E's products encouraged the Managing Director to visit a trade fair in the UK where a new lead from a potential customer consequently resulted in the first and subsequent UK export orders. Table 4.17 provides a timeline of case details.

Table 4.17 Brief chronology of Case E

Year & Month	Events
2001	Firm was founded
2003 August	Visit to US trade fair
2004 February	Second trade fair visit with demonstration/display vehicle
2004	Negotiation with a US vehicle manufacturer that was not successful
2005	Another display vehicle fitted out in Canada by North American agent for use in US promotional use
2007	Met the UK lead in the USA
2007 June	Went to the UK trade fair
2007 June	Met the first UK export customer at the UK Trade Fair
2007	Another visit to the UK to meet the first export customer
2008 June	The UK first export agreement concluded (first export)
2009 February	The Managing Director went to Canada to meet new owners of North American agent
2009	Installation kits sent to UK to complete the first export
2009	Adapted installation kits sent to the UK customer (subsequent export)
2009 May	Interviews
2009 July	Expected visit to North American agent in Canada
2009	Export to USA expected

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"One of my various trips to the US is a big mobility show, which every year I go to. I got a contact from the UK that subsequently followed up that contact and I went to the UK and had a meeting there with one company who were lacking some direction, but then that sort of opened the doors for me going to an equipment mobility show in the UK … I met with a company there." The Managing Director, Case E, demonstrating the *championing* behaviour where he *worked without formal plans*.

In Case E, a number of innovation role activities were observed relating to the *decision-maker* (Managing Director) involved with the first export initiation. No *sponsoring* activities were observed as the Managing Director did not answer to anyone else in the firm nor did he seek any advice from subordinates in the initiation of the first export. *Sponsors* are not always observed along with *champions* in innovations in SMEs (Wolf et al., 2012). In Case E this was also the situation, with the Managing Director performing some *championing* activities. This circumstance was not consistent with the conceptual model.

The Managing Director also performed several *boundary spanning* activities. He demonstrated aspects of all three *boundary spanning* factors (*physical input control, information acquisition, domain determination and interface*) identified by Jemison (1984). The Managing Director also performed the *knowledge handling* activity of a *gatekeeper*, similar to the *information acquisition* activity of a *boundary spanner*. As such, the *boundary spanner* and *gatekeeper* roles were performed by the same *actor* (Hoch, 1990; Jones, 2006; Lievens & Moenaert, 2000). Whilst the three roles (*championing, boundary spanning & gatekeeping*) have been linked before in research on innovation (Reid & de Brentani, 2004), they have not been observed in one *actor*. See Table 4.18.

Table 4.18 Case E - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Managing Director	Champion - worked without formal plans	The Managing Director made market and customer decisions by chance.

Managing Director	Champion - made decisions based on intuition	The Managing Director made market and customer decisions using his intuition.
Managing Director	Boundary spanner - acquired information formally for the organisation from external sources	The Managing Director met with potential customers and agents to acquire information (*awareness* and *how-to knowledge*) about the US and UK markets *via* trade fairs and follow-up visits.
Managing Director	Boundary spanner - acquired information informally for the organisation from external sources	The Managing Director met with potential customers and agents to acquire information about the US and UK markets *via* trade fairs and follow-up visits.
Managing Director	Boundary spanner - decided quality of physical inputs	The Managing Director scrutinized the quality of components from a US supplier around the time of the first export order.
Managing Director	Boundary spanner - met with customers	The Managing Director met prospective customers at trade fairs, or at their place of business.
Managing Director	Boundary spanner - decided which customers	The Managing Director decided who to deal with, based on interest in firm E's products and the size of the firm.
Managing Director	Boundary spanner - decided how product/s would be provided	The Managing Director determined that access kits would be exported rather than whole cars.
Managing Director	Gatekeeper - collected information on the external environment	The Managing Director gathered information (*awareness* and *how-to knowledge*) over five years on the US, Canadian and UK markets for firm E's products.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"What we do is convert by lowering the floor down a little bit but a part of that is we also then convert it to independent rear suspension. Nobody in the world does that."

The Managing Director, Case E, stressing the uniqueness of their product.

The Managing Director differentiated the importance of the various *stimuli*, choosing the *unique product* and its core technologies as the most important. Firm E had a patent pending on the product that was reported in the company literature. *Unique products* have featured in the literature as a *stimulus* for export initiation (Rundh, 2001), being categorised as *internal-proactive* (Leonidou, 1998).

Proactive stimuli perceived by the Managing Director interfaced with his innovation role activities. As a *champion*, he used intuition in relation to the *stimuli* of a *unique product* and the *foreign demand/market potential* of the USA to provide manufacturing *economies of scale*. To back up his intuition the Managing Director acquired information (*awareness knowledge*) from trade fair attendance and field trips, an example of *boundary spanning* and *gatekeeping* activities. The link between *proactive stimuli* and these innovation roles was outlined in the conceptual model. See Table 4.19.

Table 4.19 Case E - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Managing Director	Champion - made decisions based on intuition	The Managing Director made market decisions based on intuition about *stimuli*. He did not obtain any formal information on how distinctive firm E's product was nor its *foreign demand/market potential.*
Managing Director	Boundary spanner - acquired information informally for the organisation from external sources	The Managing Director met with potential customers and agents to acquire information about the US and UK markets to understand the market potential for the *unique product via* trade fairs and follow-up visits.
Managing Director	Boundary spanner - decided which customers	The Managing Director decided who firm E would sell to based on the size of the potential customer, a reflection of the *foreign demand* and expected *economies of scale.*
Managing Director	Boundary spanner - decided how product/s would be provided	The Managing Director determined that the unique access kits rather than whole cars would be exported.

Managing Director	Gatekeeper - collected information on the external environment	The Managing Director gathered information over a five year period to identify potential of firm E's *unique product*, *foreign demand/market potential* and subsequent *economies of scale* of the US, Canadian and UK market.

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The next export was to the same firm in the UK. This export was in contrast with the working definition of 'subsequent export' outlined in Sub-section 1.5.10, where a different customer or market was expected for confirmation/adoption of export. The implications of the inclusion of this export are discussed in Chapter 5. Nevertheless, the Managing Director's innovation role activities remained unchanged from the first export. The primary *stimulus* of *unique product* and the secondary *stimuli* of *economies of scale* and *foreign demand/market potential* were unchanged from the first export.

In Case E, a single *decision-maker* was observed in the first and subsequent export performing three of the four innovation role activities with *proactive stimuli,* consistent with the conceptual model. As noted above, the absence of *sponsoring* activities was not consistent. The implications of this finding are discussed further in Chapter 5.

Further supporting evidence for Case E can be found in Appendix 4.1.5.

4.1.6 Case F

Case F comprised a small manufacturing firm in the south-eastern suburbs of Melbourne that makes niche market confectionery, a patented wine-infused chocolate. The first export was made soon after the firm was established. It could be considered a *born-global* firm (Laanti, Gabrielsson & Gabrielsson, 2007), an innovative product based on a patented world-first technology with limited growth prospects in its domestic market. This niche product had the potential for first-mover advantage in international markets.

Firm F was founded by two Directors who were previously with a MNC producing confectionery. The knowledge to develop this product was gained in the MNC but the MNC was geared for high volume rather than niche confectionery. The business began in a suburban garage and production was initially outsourced to a contract manufacturer. The inclusion of an investor and new shareholders meant that the firm could now become a manufacturer. The first export was a result of a shareholder's family connections. Around the same time, the key informant (Business Development Manager) was hired as the Operations Manager. His role was to move firm F to a bigger factory and engage in export. Following his attendance at a Trade fair in Germany he changed his title to Business Development Manager and his role became focused on export activities. The Business Development Manager was directly involved in both the first and subsequent exports in firm F. Table 4.20 provides a timeline of case details.

Table 4.20 Brief chronology of Case F

Year & Month	Events
2006	Firm was founded with two Directors
2006	The shareholders joined Directors
2006	The firm moved to a warehouse/factory premises
2006	New investor joined
2006 July	Export order to the UK was arranged by shareholder (first export begins)
2006 October	The Business Development Manager joined the firm as Operations Manager
2006 November	Export order registration documentation and product certification (CE mark) was processed for UK
2006 November	Discussions begin with Japanese distributors
2006 December	The firm moved to new factory
2007 January	The Business Development Manager attended Trade fair in Germany
2007 January	The Business Development Manager's role changed totally to export
2007 March	Export order was sent to the UK (first export completed)
2007	Firm finances restructured and original shareholders leave organisation
2007	Export to Sweden (subsequent export)
2007	German distributor was appointed
2007	Asia Pacific distributors were set up
2009	Japanese export distribution channel was set up
2009	Export manager was hired to conduct export activities in Asia Pacific
2009 August	First Japanese order was received
2009 September	Interviews

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"In the beginning of October 2006 I said in that first meeting, 'well, you're not ready for export'. And that was a bit hard for the owners of the business, at the time to take in, because we weren't ready for export. We didn't have registrations. We didn't have product knowledge. We didn't have documents and there's nearly five months of work that went in to just getting that all up and running and being able to send someone confidently to get products registered… The argument that I had to use to this business that if we're going to … trade in some countries we have to give that knowledge." The Business Development Manager, firm F, demonstrating how he exercised his *boundary spanning* and *gatekeeping* roles.

The Business Development Manager performed *championing, boundary spanning* and *gatekeeping* activities, whilst the firm's Directors undertook *sponsoring* roles. Whilst the three innovation roles that the Business Development Manager performed have been linked in innovation research before (Reid & de Brentani, 2004), they have not been observed to operate through a single *actor*. The combination of innovation role activities by the Business Development Manager is consistent with the conceptual model due to the export *how-to knowledge* he possessed prior to his appointment at firm F. Pre-existing *how-to knowledge* has been observed as a factor in exporting initiations in previous studies (Lee & Brasch, 1978). With the use of this knowledge, the Business Development Manager acquired opportunity *awareness knowledge* during the persuasion stage and, with the Directors *sponsoring* the decision, the first export was achieved. *Gatekeeping* control in this case was primarily based on *how-to knowledge* of the Business Development Manager. As explained above, the use of *how-to knowledge* is not new in export initiation, however the role of *gatekeepers* in this context has not been observed in previous studies. See Table 4.21.

Table 4.21 Case F - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Business Development	Champion - worked with	The Business Development Manager consulted with Directors and a shareholder on the first export.

Manager	senior management	
Business Development Manager	Champion – provided benefits to the organisation	The Business Development Manager used a 'benefits to the organisation' argument with the Directors to obtain product information required by product certification authorities before the first export could be made.
Directors	Sponsor-sanctioned	The Directors approved the first export opportunity presented by one of the shareholders.
Directors	Sponsor-obtained resources	The Directors hired the Business Development Manager to implement export.
Directors	Sponsor-obtained financial assistance	The Directors obtained financial assistance from an investor.
Business Development Manager	Boundary spanner - acquired information formally for the organisation from external sources	The Business Development Manager obtained product certification information requirements from authorities in the UK.
Business Development Manager	Boundary spanner - decided what external information to distribute	The Business Development Manager decided on what information from the UK authorities required for product certification that he distributed to the Directors persuading them to invest in quality control.
Business Development Manager	Gatekeeper - collected information on the external environment	The Business Development Manager obtained certification requirements from the UK authorities.
Business Development Manager	Gatekeeper - interpreted or filtered information	The Business Development Manager interpreted the information received from the UK authorities about the product information necessary for certification.
Business Development Manager	Gatekeeper - determined on the value of information to potential recipients	The Business Development Manager determined that the certification information requirements could be used for the European market entry, not just for the UK.
Business Development Manager	Gatekeeper - controlled the distribution of information	The Business Development Manager used the certification information requirements to persuade the Directors and shareholder that the first export initiation was under-prepared and premature.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"We believe that we are the only company in the world that has wine-infused chocolate." The Business Development Manager, Case F, commenting on the primary *unique product stimulus*.

There were a number of observations of innovation role activities associated with *proactive stimuli* (*unique product, & small domestic market*) for the first export in Case F. These *proactive stimuli* observations were predicted to be found with innovation roles in the conceptual model. See Table 4.22.

Table 4.22 Case F - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Business Development Manager	Champion - worked with senior management	The Business Development Manager consulted with Directors and a shareholder before the first export to take advantage of the uniqueness of the product and overcome the limitations of the *small domestic market.*
Business Development Manager	Champion – provided benefits to the organisation	*Principles knowledge* was gauged to ensure that the candidates for the Business Development Manager position had export experience. The Business Development Manager provided his experience and benefits resulting from exporting, to apply to the *unique product* export.
Directors	Sponsor-sanctioned	The Directors approved the appointment of the experienced Business Development Manager to export their *unique product.*
Business Development Manager	Boundary spanner – acquired information formally from external sources	The Business Development Manager obtained certification information requirements from UK authorities for their *unique product.*
Business Development Manager	Boundary spanner - decided what external information to distribute	The Business Development Manager requested Directors to approve his provision of intellectual property to product certification authorities in the UK in relation to their *unique product.*
Business Development Manager	Boundary spanner – provided information formally to outside groups	The Business Development Manager provided *unique product* information required for certification to UK authorities.

Business Development Manager	Gatekeeper - collected information on the external environment	The Business Development Manager obtained certification information requirements from UK authorities for their *unique product.*
Business Development Manager	Gatekeeper - interpreted or filtered information	The Business Development Manager interpreted the information received from UK authorities about the product information necessary for certification of the *unique product.*
Business Development Manager	Gatekeeper - determined the value of information to potential recipients	The Business Development Manager used the Directors' expectation on export sales when he sought permission to release intellectual property to meet the certification information requirements for the *unique product.*
Business Development Manager	Gatekeeper - controlled the distribution of information	The Business Development Manager used certification information requirements to persuade the Directors to release intellectual property of their *unique product.*

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

"We went to Germany, to ISM (Internationale Süßwarenmesse) *which is the biggest chocolate fair in the world, in January of 2007 and from there we were just swamped with enquiries with people wanting to take us on."* The Business Development Manager, Case F, commenting on his *boundary spanning/gatekeeping* activities.

There were several observations of innovation role activities performed by the Business Development Manager associated with the subsequent export in Case F. Interestingly, the Directors as *sponsors* were not involved. The lack of a *sponsor* for the subsequent export was not consistent with the conceptual model. Both *boundary spanning* and *gatekeeper - knowledge handling* activities were observed for the subsequent export. The absence of *gatekeeper - innovation approval* activities was also not consistent with the conceptual model, suggesting that this role is not always required for the subsequent export.

In Case F, there were various *stimuli* observed with the subsequent export. *Internal* (*unique product & extra sales potential*) and *external-proactive* (*small domestic market*) as well as *internal-reactive* (*excess production capacity*) *stimuli* were observed with innovation roles. The *unique product* was still the primary *stimulus*.

The interaction between an *internal-proactive stimulus* of a *unique product* and innovation roles was consistent with the conceptual model. See Table 4.23.

Table 4.23 Case F - Decision-maker's innovation role activities in the subsequent export

Decision-maker	Innovation role activity	Activity evidence
Business Development Manager	Champion - made decisions without higher officials	The Business Development Manager chose to attend a trade fair because of the *unique product* and its *extra sales potential* from exports. He arranged for the subsequent export order immediately upon his return without the involvement of the Directors.
Business Development Manager	Champion - avoided financial justification !	The Business Development Manager was acutely aware of the financial implications of performing export particularly in response to their *unique product* and utilisation of *excess production capacity stimulus* (contrary to *champion* theory).
Business Development Manager	Boundary spanner - acquired information informally for the organisation from external sources	The Business Development Manager obtained information about the European markets from the trade fair to identify possible markets for the *unique product* to fulfil their *extra sales potential* in response to a *small domestic market.*
Business Development Manager	Boundary spanner - decided which customers	The Business Development Manager chose to deal with a customer from the trade fair to obtaining extra sales for the *unique product* and utilising *excess production capacity*. He also dropped the UK distributor from the first export order.
Business Development Manager	Boundary spanner – decided quality of physical inputs	Oversaw the quality of chocolate from the firm's suppliers.
Business Development Manager	Gatekeeper - collected information on the external environment	The Business Development Manager obtained information about European markets from the trade fair. The aim was to identify possible markets for the *unique product* to fulfil their *extra sales potential.*

! Contrary finding
Source: Compiled by author

In the first export, *decision-makers* were observed in the first export to display all four innovation role activities with predominantly *proactive stimuli,* consistent with the conceptual model. The *sponsoring* activities were not apparent for the subsequent export as the Directors were not involved in this export. These findings are discussed

in the next chapter. Further supporting evidence for Case F can be found in Appendix 4.1.6.

4.1.7 Case G

The firm in Case G was a small *born-global* firm based in the western suburbs of Melbourne. That is, exports accounted for more than 25 per cent of their turnover within two years of establishment (Fletcher, 2001). Firm G had developed a process for using second and third grade fruit for juicing, using a “new to the world” process. This unique technology was a high pressure cold process that preserved taste and texture, retained vitamins and extended shelf life. Firm G was established once the technology was proven through trials by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) in Sydney and Melbourne. However, the technology was not the reason for the start-up. Rather the motivation was the better use of fruit seconds and thirds that were often pulped or dumped as waste due to their poor quality.

The aim to export to East Asia was foremost in the *decision-maker’s* mind, but it took two years from the firm’s establishment to the first export. The choice of the market was mainly to do with the initial focus on a fruit coulis topping for adding into yoghurt. He felt that this product would take advantage of the emerging market for yoghurt in Asia, linked to rising Asian affluence, coupled with health and nutrition motives. But after some host market analysis, the opportunity for pressure infused fruit yoghurt seemed to be weaker than anticipated, with many competitors already in the product category. However, he identified a gap in the market for high-end, long-life fruit juice. The key informant had established firm G as the Managing Director but had stepped back from the role to that of Export Director, his title at the time of the interview. His son had become Managing Director.

The first export was to Singapore in 2008, a result of a series of previous visits and contacts. In 2006, the Export Director identified a Singaporean retail chain as a potential customer. He learned that representatives of the firm would be at an AUSTRADE function run concurrently with the Commonwealth Games in 2006. The Export Director met the retailer’s purchasing manager and began their business

relationship, culminating in the first export order. The firm has since developed several export markets, won local and international awards and is now on major national supermarket shelves. Table 4.24 provides a timeline of case details.

Table 4.24 Brief chronology of Case G

Year & Month	Events
2001	The problem of second and third grade fruit identified
2002	The Export Director started work on the project
2002	Process technology shelf life trial with fruit occurred with CSIRO in Sydney
2003	Discussions were held with fruit growers
2005	The business plan was prepared
2005	Financial backers withdrew
2006	Firm was founded
2006	The list of attendees for Commonwealth Games AUSTRADE function was received by the Export Director who identified potential Singaporean customer to meet at event
2006 March	Met the Singaporean customer at the Commonwealth Games AUSTRADE function
2007 March	Use of a third party processor (CSIRO) in Victoria
2007 March	Coulis product appears in Australian supermarkets
2007	Set up New Factory and purchase of new processing machine
2007 December	First production at New Factory occurs
2008 January	A paper on process presented at a US Food Processing conference
2008 June	The new machine commissioned
2008 June	First visit to the customer in Singapore
2008 August	Second visit to the customer in Singapore and introduced to Indonesian intermediary
2008 September -October	More discussions with Indonesian intermediary occurs
2008 October	Stock delivered for in-store promotion in Singapore
2008 December	Export to the Singaporean customer through Indonesian intermediary (first export)
2009 February	Attended the Dubai food show
2009 February	Export to Hong Kong through Indonesian intermediary (subsequent export)
2009 March	Visit to Singapore to deal with labelling quality issues
2009	Product appears in major Australian supermarkets
2009 August	Export to Thailand through Indonesian intermediary
2009 September	Capital raising with new investors
2009 September	Receives beverage innovation awards from show in Munich, Germany
2009 October	First interview
2010	Another new processing machine arrives at firm G
2010	The Export Director and Managing Director sell balance of their holding in firm G to existing investors

2011 August	Second interview
2011	Victorian Small Business Award received

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"I love the product and I love the concept and I've not been focused on making money." The Export Director, Case G, demonstrating a *championing* activity of *avoided financial justification.*

The Export Director performed *championing, boundary spanning* and *gatekeeping* activities for the first export. For this initiative, the Export Director answered to the Board of Directors who performed *sponsoring* activities. This relationship between *champions* and *sponsors* has been observed previously (Maidique, 1980; Wheelwright & Clark, 1992). The Export Director performed boundary *spanning* and *gatekeeping* activities, supporting findings of past studies (Hoch, 1990; Lievens & Moenaert, 2000). Whilst the three roles of the Export Director have been linked before in innovation studies (Reid & de Brentani, 2004), they have not been observed in relation to a single *actor*. See Table 4.25.

Table 4.25 Case G - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Export Director	Champion - avoided financial justification	The Export Director was not focused on making money for the first export.
Export Director	Champion - bent organisation rules	The Export Director self-funded his early trips to Singapore to secure the first export order.
Export Director	Champion – enabled all participants to act as equals	The Export Director worked alongside and extensively consulted the intermediary team in the first export initiation process.
Export Director	Champion - met all participants	The Export Director went to the sites store tastings and was involved with all the intermediary team in the promotion of the product.
Export Director	Champion - worked with senior management	The Export Director persuaded Directors to fund promotion associated with the first export.
Board of Directors	Sponsor-sanctioned	The Board of Directors approved Export Director to go ahead with the first export.
Board of Directors	Sponsor-obtained financial assistance	The Board of Directors approved the Singapore promotional expenditure for the first export.
Export Director	Boundary spanner - acquired information informally for the organisation from external sources	The Export Director obtained information from the growers, AUSTRADE, the Singaporean customer and the Indonesian intermediary (*awareness knowledge* of market opportunities and *how-to knowledge* to gain access and marketing to Singaporean market).
Export Director	Boundary spanner - decided what external information to distribute	The Export Director persuaded the board of Directors to support the in-store promotion with the intermediary in Singapore.
Export Director	Boundary spanner - decided which physical inputs	The Export Director identified fruit types and varietals for processing from his market *awareness knowledge* gained from past research.
Export Director	Boundary spanner - decided quality of physical inputs	The Export Director had to deal with quality of labelling used for the product at the first export.

Export Director	Boundary spanner - decided which customers	The Export Director selected customers prior to the AUSTRADE function at the Commonwealth Games.
Export Director	Boundary spanner - decided how product/s would be provided	The Export Director sold the product concept (juice taste/colour, packaging and labelling) to customers before it was in production.
Export Director	Boundary spanner -made speeches to outside groups	The Export Director made a presentation to the Food Processing conference in the USA.
Export Director	Gatekeeper - collected information on the external environment	The Export Director obtained information from contact with growers, customers, AUSTRADE and intermediaries (*awareness knowledge* of market opportunities and *how-to knowledge* to gain access and marketing to Singaporean market).
Export Director	Gatekeeper - interpreted or filtered information	The Export Director ascertained how to access the market initially for yoghurt and then for high quality juice.
Export Director	Gatekeeper - determined the value of information to potential recipients	The Export Director had to put the information in terms that the Board of Directors could relate to, *i.e.* financial results (*principles knowledge*).
Export Director	Gatekeeper - controlled the distribution of information	The Export Director gave the Board of Directors enough information for them to approve the first export.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"I can't see the value at the end of the day in Europe or in America because it's just going to be too costly and there's not the volume." The Export Director, Case G, on *demand/foreign market potential stimulus*.

Proactive stimuli (*process innovation, managerial urge & demand/foreign market potential*) were central to innovation role activities for the first export. This is consistent with the literature and the conceptual model. See Table 4.26.

Table 4.26 Case G - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Export Director	Champion - bent organisation rules	The Export Director self-funded his early trips to Singapore in the belief that there was *demand/market potential* for the product resulting from the *process innovation* and his belief in Australian produce (*managerial urge*).
Export Director	Champion - worked with senior management	The Export Director persuaded the Board of Directors to fund promotion associated with the first export due to *foreign demand/market potential.*
Board of Directors	Sponsor-sanctioned	The Board of Directors approved the Export Director to go ahead with the first export on receiving *foreign demand/market potential* information.
Export Director	Boundary spanner - acquired information informally for the organisation from external sources	The Export Director obtained *foreign demand/market potential* information from AUSTRADE, Singaporean customer and the Indonesian intermediary (*awareness knowledge*).
Export Director	Boundary spanner - decided what external information to distribute	The Export Director persuaded the Board of Directors using *foreign demand/market potential* to gain their support for the in-store promotion with the Indonesian intermediary in Singapore.
Export Director	Boundary spanner - decided which physical inputs	The Export Director identified fruit types and varietals (e.g. Fuji Apple) for processing in relation to *foreign demand/market potential.*
Export Director	Boundary spanner - decided which customers	The Export Director decided on the customer cohort that could afford the product and valued the long life and taste resulting from the *process innovation.*
Export Director	Boundary spanner - decided how product/s would be provided	The Export Director decided that the products from the *process innovation* had to be changed from coulis topping to high-end long-life fruit juice.
Export Director	Boundary spanner -made speeches to outside groups	The Export Director made presentations to AUSTRADE and Department of Primary Industry stressing the *process innovation.*
Export Director	Gatekeeper - collected information on the external environment	The Export Director collected *foreign demand/market potential* Information (*awareness knowledge*) from contact with the Singaporean customer, AUSTRADE and the Indonesian intermediary.

Export Director	Gatekeeper - interpreted or filtered information	The Export Director interpreted *foreign demand/market potential* for the high quality fruit juice.
Export Director	Gatekeeper - controlled the distribution of information	The Export Director gave the Board of Directors information (*principles knowledge*) about the *foreign demand/market potential* to obtain their approval for the first export.

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The subsequent export was of fruit juice to Hong Kong. The approach used for the Singaporean market was replicated. The Indonesian intermediary in Singapore introduced the product to another customer in the Hong Kong market. No additional innovation activities were identified for the *decision-maker* involving the subsequent export. The *process innovation* and *foreign demand/market potential stimuli* remained unchanged.

In Case G, *decision-makers* in the first and subsequent export displayed all four innovation role activities with predominantly *proactive stimuli,* consistent with the conceptual model. One *decision-maker* performed *championing*, *boundary spanning* and *gatekeeping* activities not observed previously in relation to a single actor. Further supporting evidence for Case G can be found in Appendix 4.1.7.

4.1.8 Case H

Case H was a micro business based in Melbourne with four employees. This firm produced specialised packaging for ambient temperature maintenance of sensitive goods on shipping pallets. This niche packaging enables the movement of stock between cold and warm environments without spoilage. This system is very important for some products such as refrigerated food. The key informant was the Managing Director who was involved in the first and subsequent export decisions.

The *decision-makers* developed an export plan that was part of their requirement to obtain funds from the AUSTRADE Export Market Development Grant (EMDG). Part of this export planning involved selecting markets where the *decision-makers* felt the

firm might have a competitive advantage. They chose New Zealand, India and Malaysia. New Zealand was chosen because, according to the Managing Director: “It’s a lot like Australia” and a “test market”. India was perceived as having a climate that was a lot like Australia’s. No reason was given for Malaysia

AUSTRADE duly performed some opportunity analysis for the *decision-makers* and advised that contacts in the Indian and New Zealand market were very interested in their products. However, AUSTRADE advised that there was little interest from Malaysia. As part of the AUSTRADE service they identified potential distributors in India and New Zealand. AUSTRADE provided some background information on each country.

The Managing Director commented that: “India was right on to it and said, yes, this is fantastic; we want to do something.” Consequently, the Managing Director and his team consequently selected distributors in India using their turnover and staff numbers. The Indian contact wanted to meet, so the Managing Director and his life partner went to India to meet with the distributor and end customers. Three months after this visit, firm H received their first export order. A subsequent export went to New Zealand. Table 4.27 provides a timeline of case details.

Table 4.27 Brief chronology of Case H

Year & Month	Events
2005	Firm H was founded
2007	Pre-export discussions with AUSTRADE, Export Market Development Grant (EMDG) application
2007 February	The first trip to India
2007 May	Export to India (first export)
2007	The second trip to India
2007	Export to New Zealand (subsequent export)
2007	The third trip to India, distributor was removed
2008	Winner of small business grant from City of Melbourne
2008	Life partner of MD left the firm
2008	Office manager left the firm
2008	The new office manager was hired
2008 September	Interviews

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"*We had a list of criteria that we wanted people to meet*". The Managing Director, Case H, commenting on how *decision-makers set selection criteria*, a *gatekeeping* activity.

There were three *decision-makers* involved with the Case H first export. Interestingly, the innovation team was large for such a small firm (4 employees & Business Coach). The Managing Director was a *champion, sponsor, boundary spanner* and *gatekeeper*. Whilst three innovation roles have been identified together in an innovation; *champions*, *sponsors* and *boundary spanners* (Kanter, 1986) or *champions*, *sponsors* and *gatekeepers* (Markham et al., 2010), no previous study has identified all four roles fulfilled by a single *actor*. Another *decision-maker* was the business coach who counter-*sponsored* the first export and also performed *gatekeeping* activities. The life partner to the Managing Director, an employee, also performed *boundary spanning* and *gatekeeping* activities. See Table 4.28.

Table 4.28 Case H - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Managing Director	Champion - worked without formal plans !	The Managing Director worked with a formal plan for the first export that was contrary to *champion* theory.
Managing Director	Champion – enabled all participants to act as equals	The Managing Director involved his life partner and Business Coach in decisions on the first export.
Managing Director	Champion – involved all participants in decisions	The Managing Director involved his life partner and Business Coach in the first export decision.
Business Coach	Sponsor-coached or mentored !	The Business Coach was sceptical of firm H's ability to get a timely export order to and payment from India and did not coach or mentor but discouraged the other team members from completing the first export order.
Managing Director	Sponsor-obtained financial assistance	The Managing Director sought AUSTRADE EMDG funding.
Managing Director	Sponsor-obtained resources	The Managing Director obtained the host market analysis by AUSTRADE for the innovation team.

Managing Director	Boundary spanner - acquired information formally from external sources	The Managing Director obtained the host market analysis from AUSTRADE (*awareness* and *how-to knowledge*).
Managing Director & life partner	Boundary spanner – provided information formally to outside groups	The Managing Director and his life partner provided information on firm H's products and their choice of markets to AUSTRADE.
Managing Director	Boundary spanner - decided which customers	The Managing Director selected prospective customers from leads provided by AUSTRADE.
Managing Director	Gatekeeper – collected information on the external environment	The Managing Director obtained the host market analysis from AUSTRADE (*awareness* and *how-to knowledge*).
Managing Director, life partner & Business Coach	Gatekeeper - set selection criteria	The three *decision-makers* set criteria for distributor selection.

! Contrary finding
Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"We still feel the Australian market is big enough but to expand and really expand our product as much as we possibly can, we thought we'd go for the big market." The Managing Director, Case H, commenting on the *market expansion* primary *stimulus*.

Several observations of innovation role activities associated with *proactive stimuli* (*market expansion*, *foreign demand/market potential & managerial urge*) were made for the first export in Case H. These observations were consistent with the conceptual model. See Table 4.29.

Table 4.29 Case H - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Managing Director	Champion – involved all participants in decisions	The Managing Director involved his life partner and the Business Coach in decisions on the selection of India due to its *foreign demand/market potential* in relation to the need for growth *via* firm H's *market expansion.*
Managing Director	Sponsor-obtained financial assistance	The Managing Director sought AUSTRADE EMDG funding to meet their *managerial urge* to travel.
Managing Director	Sponsor-obtained resources	The Managing Director obtained a host market analysis by AUSTRADE to determine *foreign demand/market potential* of the Indian market to fulfil firm H's *market expansion.*
Managing Director	Boundary spanner - acquired information formally from external sources	The Managing Director obtained a *foreign demand/market potential* analysis from AUSTRADE for firm H's *market expansion.*
Managing Director & life partner	Boundary spanner – provided information formally to outside groups	The Managing Director provided information on firm H's choice of markets to AUSTRADE to take advantage of *foreign demand/market potential* of the product to fulfil firm H's *market expansion.*
Managing Director	Gatekeeper – collected information on the external environment	The Managing Director obtained a *foreign demand/market potential* analysis from AUSTRADE for firm H's *market expansion.*
Managing Director, life partner & Business Coach	Gatekeeper - set selection criteria	The three decision-makers set criteria for market selection required by AUSTRADE. The aim was to appraise growth opportunities in three host markets based on *foreign demand/market potential.*

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

"It's a lot like Australia" and a test market to iron out any creases you may have." The Managing Director, Case H, commenting on the choice of New Zealand as the first export host market. However, due to the enthusiastic response of an Indian distributor, New Zealand became the market for the subsequent export.

Similar to the first export, the three *decision-makers* performed their innovation role activities with the subsequent export. The *proactive stimuli* also remained the same.

In Case H, observations of *decision-makers* in the first and subsequent export identified all four innovation role activities with *proactive stimuli,* consistent with the conceptual model. Interestingly, this case had contrary observations for a *champion* working with plans and a *sponsor* coaching against the first export. The implications of these findings are discussed in the next chapter. Further supporting evidence for Case H can be found in Appendix 4.1.8.

4.1.9 Case I

This case provides details of an SME that did not achieve the first export order. Firm I is a micro business (two employees) that manufactures certified organic beauty products and is based in a north-western suburb of Melbourne. The production is outsourced to contract manufacturers. The CEO was a *decision-maker* for exporting. In addition, her partner, also a Director, gave input as a sounding board for the CEO and her decisions. The CEO planned to export but had to wait until an international organic certification process by the National Association for Sustainable Agriculture Australia (NASAA) of the firm's products was complete. Just prior to the completion of NASAA certification, she attended a trade fair and displayed the products, however, but no sales resulted. After certification, the CEO was approached by an Australian consultant to export firm I's products to Japan. The first export to Japan was prepared (sample sent for testing) but did not take place due to the consultant "dropping the ball", according to the CEO. Table 4.30 provides a timeline of case details.

Table 4.30 Brief chronology of Case I

Year & Month	Events
2006	The Firm was founded
2009 January	CEO went to trade fair in Hong Kong
2009 February	Organic certification completed
2009 February	Approached by an Australian export consultant
2009 September	First interview
2009 October	First export planned for Japan
2010 March	Second interview
2012 October	Third interview

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"I'm also an astrologist, so I've had a look at his [consultants] *chart and I've had a look at my chart and they seem to go pretty well, so I figure that's another reinforcing thing."* The CEO, Case I, commenting on her use of intuition, a *championing* activity.

In Case I, there were many observations of innovation role activities associated with the CEO as *decision-maker* involved with the first export initiation. The CEO performed all four innovation roles in contrast to the literature where previously three roles had been linked (Kanter, 1986; Markham et al., 2010). This observation was consistent with the conceptual model. Interestingly, the CEO was a *sponsor* to an external *actor*, an export consultant who was the *champion* of the first export. The lack of a first export is consistent with the *gatekeeping* role in the conceptual model. That is, the CEO as *gatekeeper withheld resources,* as the first export did opportunity *via* the consultant did not meet her criteria (Markham et al., 2010; Pettigrew, 1972). See Table 4.31.

Table 4.31 Case I - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
CEO	Champion - made decisions based on intuition	The CEO appointed the consultant and his market suggestion based on fate and astrological assessment rather than plans, financial analyses and other formal documentary mechanisms.
CEO	Champion - included the idea generator	The CEO included the consultant in the innovation team.

CEO	Champion - tested but trusted decisions	The CEO performed foreign market research (*awareness knowledge*) to confirm consultant's recommendations regarding the choice of Japan as market for first export.
CEO	Sponsor-sanctioned	The CEO approved the consultant's recommendation for Japanese market for firm I's products.
CEO	Sponsor-obtained financial assistance	The CEO paid consultant fees to enable products to enter the Japanese market.
CEO	Boundary spanner - acquired information informally for the organisation from external sources	The CEO acquired information from her own research (*awareness knowledge*) about the Japanese market and specifically consumer behaviour in relation to organic products.
CEO	Boundary spanner - decided which physical inputs	The CEO formulated and determined organic inputs for firm I's products.
CEO	Boundary spanner - acquired resources for organisation function	The CEO outsourced the manufacturing of the product range to contract manufacturers.
CEO	Boundary spanner - decided how product/s would be provided	The CEO determined the product formulation and organic certification performed in the pre-export phase.
CEO	Boundary spanner - decided which customers	The CEO had a perception that some international, and in particular Japanese customers, valued organic certification more than Australians.
CEO	Boundary spanner - met with customers	The CEO met customers at a Hong Kong trade fair in the pre-export phase.
CEO	Gatekeeper - collected information on the external environment	The CEO collected information (*awareness knowledge*) about the Japanese market and consumer behaviour specifically in relation to organic beauty products.
CEO	Gatekeeper - withheld resources	The CEO would not provide any more funds to the export consultant until the first export order eventuated.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"I just get the feeling that in Australia certified organic things are not really respected enough, appreciated enough. I think we've got it too good here, so I think people don't even actually think about stuff like that, whereas overseas when they've got dirty environments, certified organic is quite revered." The CEO, Case I, commenting on her *unique product* primary *stimulus*.

All four innovation roles and associated activities were observed with an *internal-proactive stimulus* (*unique product*) for the first export. These relationships were consistent with the conceptual model. See Table 4.32.

Table 4.32 Case I - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
CEO	Champion - made decisions based on intuition	The *unique product* was based on naturopathic formulation by the CEO but her intuition was supported with acquired information about the consumer interest in organic products in the Japanese market.
CEO	Sponsor-sanctioned	The CEO approved the consultant's recommendation on the Japanese market for firm I's unique organic beauty products.
CEO	Sponsor-obtained financial assistance	The CEO paid consultant fees to enable firm I's unique organic beauty products to enter the Japanese market.
CEO	Boundary spanner - acquired information informally for the organisation from external sources	The CEO acquired information about the Japanese market and specifically consumer behaviour in relation to unique organic beauty products.
CEO	Boundary spanner - decided which physical inputs	The CEO formulated and determined organic inputs for firm I's *unique products.*
CEO	Boundary spanner - decided how product/s would be provided	The CEO determined *unique product* formulation and had organic certification performed in the pre-export phase.

CEO	Gatekeeper - collected information on the external environment	The CEO collected information about the Japanese market and specifically consumer behaviour, in relation to organics and firm I's *unique products.*

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The subsequent export opportunity was not acted upon as there was no first export.

Decision-makers in Case I were observed prior to the first export as displaying all four innovation role activities with a*n internal-proactive stimulus,* consistent with the conceptual model. As there was no first export in this case, the presence of innovation role activities does not necessary result in an export. As stated earlier in this case, innovation roles such as a *gatekeeper* can quash an innovation with their lack of approval. Therefore, the activities of a *gatekeeper* are clues for the success or otherwise of export initiation. The implications of this case will be discussed in the next chapter.

Further supporting evidence for Case I can be found in Appendix 4.1.9.

4.1.10 Case J

Firm J is a medium-sized lock manufacturer located in inner suburban Melbourne. The locks were designed at this office and were manufactured in a plant located nearby. The key informant was a Product Designer with the firm. Another respondent, the prime force for internationalisation, was the National Sales and Marketing Manager. Prior to his arrival, the firm had been exporting to New Zealand for five years, but this was perceived by the National Sales and Marketing Manager to be a local order and not an export. This is an example of an *emic* perception noted in Sub-section 3.2.3 above. Past research has found that export to psychically close international markets has been considered similar to interstate markets (Caughey & Chetty, 1994; Rees, 2011).

Soon after his arrival, the National Sales and Marketing Manager and the Product Designer went to a regional trade fair in Bangkok. From this fair they appointed

distributors in Thailand and arranged the first export outside New Zealand. The subsequent export orders to Malaysia and the Philippines also resulted from the 2008 trade fair attendance. After these exports, the business was sold to a Brisbane-based national firm that had several hardware brands that they manage as independent strategic business units. Table 4.33 provides a timeline of case details.

Table 4.33 Brief chronology of Case J

Year & Month	Events
1982	The firm was founded
2003-8	Exporting to New Zealand
2008	National Sales & Marketing Manager joins firm
2008	Product Designer joins firm
2008 August	National Sales & Marketing Manager and Product Designer attend building related Trade fair (Architect) in Thailand, order from customer at fair (first export), met and worked with prospective distributors in Thailand
2008 August	First interview
2008	Second visit to Thailand, appointment of distributors in Thailand
2008	Negotiated with other distributors covering South East Asia (Malaysia, Vietnam, Singapore, Laos and India)
2008	Export to Malaysia (subsequent export)
2008	Export to the Philippines
2009 January	The Managing Director sold the business to a large Brisbane-based national hardware manufacturing firm, National Sales & Marketing Manager now manages firm J
2009 August	National Sales & Marketing Manager and Product Designer attended a building related Trade fair (Architect) in Thailand
2009 August	Second interview
2009	Export to Vietnam

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"I do have a real passion for business plans, marketing plans, sales plans, taking a new company that wants to develop in an area, understanding it and developing it. And that's what I've done here and that's why I'm really enjoying it." The National Sales and Marketing Manager, Case J, commenting on his approach to planning, contrary to a *champion's* lack of formal planning.

In Case J, there were several observations of three innovation role activities (*championing, boundary spanning & gatekeeping*) being carried out by the National Sales and Marketing Manager, who was involved in the first export initiation. Whilst the three roles have been linked before in innovation (Reid & de Brentani, 2004), they have not been observed with one *actor*. Interestingly, half of the observations of *championing* activities were contrary to those identified in the literature. The Managing Director was a *sponsor* for the first export. The hierarchical difference between *champions* and *sponsors* has been recognised before (Dougherty & Bowman, 1995). The location of the four roles in the knowledge, persuasion and decision stages were consistent with the conceptual model. See Table 4.34.

Table 4.34 Case J - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
National Sales & Marketing Manager	Champion - worked without formal plans !	Contrary to *champion* theory, the National Sales & Marketing Manager worked with formal plans.
National Sales & Marketing Manager	Champion – initiative without approval !	The National Sales & Marketing Manager obtained export approval from top management, contrary to *champion* theory.
National Sales & Marketing Manager	Champion – involved all participants in decisions	The National Sales & Marketing Manager included Product Designer in export decisions.
National Sales & Marketing Manager	Champion – enabled all participants to act as equals	The National Sales & Marketing Manager included Product Designer in export decisions.
National Sales & Marketing Manager	Champion – obtained employee support before approval !	Contrary to *champion* theory the National Sales & Marketing Manager hired a Product Designer and took him to regional trade fair; however, approval by top management was obtained before employee support.
Managing Director	Sponsor-sanctioned	The Managing Director hired the National Sales & Marketing Manager to make firm J global.
National Sales & Marketing Manager	Boundary spanner - acquired information informally for the organisation	The National Sales & Marketing Manager obtained information (*awareness* and *how-to knowledge*) from AUSTRADE.

National Sales & Marketing Manager	Boundary spanner - decided which customers	The National Sales & Marketing Manager identified potential customers in Thailand.
National Sales & Marketing Manager	Boundary spanner - met with customers	The National Sales & Marketing Manager spent time with customers identifying their needs.
National Sales & Marketing Manager	Boundary spanner – acquired resources	The National Sales & Marketing Manager hired the Product Designer to assist him in export functions
National Sales & Marketing Manager	Boundary spanner – provided information informally to outside groups	The National Sales & Marketing Manager provided information to potential distributors.
National Sales & Marketing Manager	Gatekeeper - collected information on the external environment	The National Sales & Marketing Manager obtained information (*awareness* and *how-to knowledge*) from distributors and AUSTRADE.

! Contrary finding
Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

To *"grow the business on a global basis."* was the National Sales and Marketing Manager's (Case J) description of the *market expansion* primary *stimulus* for the first export.

All four innovation role activities were associated with *proactive stimuli* ("country of origin*", market expansion & foreign demand/market potential*) for the first export in Case J. This relationship was consistent with the conceptual model. See Table 4.35.

Table 4.35 Case J - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	**Innovation role activity**	**Activity in relation to stimulus**
National Sales & Marketing Manager	Champion – involved all participants in decisions	The National Sales & Marketing Manager included the Product Designer in the Thai trade fair to discuss production and *country of origin* advantage of firm J's products.
Managing Director	Sponsor-sanctioned	The Managing Director hired National Sales & Marketing Manager to facilitate his *market expansion.*

National Sales & Marketing Manager	Boundary spanner - acquired information informally for the organisation	The National Sales & Marketing Manager obtained information from AUSTRADE on *foreign demand/market potential* and *country of origin* advantage over foreign products in Thailand.
National Sales & Marketing Manager	Gatekeeper - collected information on the external environment	The National Sales & Marketing Manager obtained information from distributors and AUSTRADE on *foreign demand/market potential* and *country of origin* advantage over foreign products available in Thailand.

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The innovation roles and activities did not change for the subsequent export that occurred a few months after the first export. Interestingly, there were some changes with the *decision-makers* and their innovation role activities immediately after the subsequent export, due to a change in the ownership of firm J. The Managing Director left the firm and the new Board of Directors oversaw the exporting activities of the National Sales and Marketing Manager who remained with firm J.

The primary *internal-proactive stimulus* of *market expansion* plus the secondary *stimuli i.e. country of origin* and *foreign demand/market potential* were unchanged for the subsequent export. Therefore, the innovation role activities associated with *proactive stimuli* observed with the first export also applied to the subsequent export. This relationship was consistent with the conceptual model.

From the observations in Case J, *decision-makers* in the first and subsequent export displayed all four innovation role activities with *proactive stimuli,* consistent with the conceptual model. Interestingly, there were several observations for *championing* activities in this case that both confirmed and were contrary to their behaviour. The implications of these findings are discussed in the next chapter. Further supporting evidence for Case J can be found in Appendix 4.1.10.

4.1.11 Case K

Firm K is a small agricultural chemical company located in the outer south-eastern suburbs of Melbourne. It is the outcome of a merger between two national firms that did not export prior to their merger. Its products are designed mainly for livestock and crop protection against pests and diseases. The first and subsequent exports were to New Zealand a few months after the firm's inception, a characteristic of a *born-global* (Fletcher, 2001). However, sales from exporting were less than 10 per cent of annual turnover, rather than more than 25 per cent of their turnover from exports within two years of establishment (Fletcher, 2001). Thus, firm K does not qualify as a *born-global*, according to Fletcher's (2001) definition. Table 4.36 provides a timeline of the case details.

Table 4.36 Brief chronology of Case K

Year & Month	Events
1987	Firm K's predecessor founded
2007 July	Original firm sold and merged with another firm to form firm K
2007	CEO hired Business Development Manager
2007	CEO and Business Development Manager visited New Zealand
2007	Export to customer in New Zealand (first export)
2007	Export to another customer in New Zealand (subsequent export)
2008 September	Interviews
2009 June	Interviews
2009 July	Preparing to visit New Zealand again for more customers
2012	Divested crop protection part of the business

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"It just gives more security to the business." The CEO, Case K, providing an explanation of the benefits of export to the organisation, a *championing* activity.

Regarding the first export initiation, numerous innovation role activities were observed with several *decision-makers*. For instance, the CEO was observed performing all four innovation role activities (*championing, sponsoring, boundary spanning & gatekeeping*). See Table 4.37. Prior research had only identified three

connected roles have been connected (Kanter, 1986; Markham et al., 2010) but not with the same *actor* as in present case.

Comparably, the Operations Manager was a *sponsor, boundary spanner* and *gatekeeper*, whilst the Business Development Manager was a *boundary spanner*. Interestingly, the relationships between *decision-makers* were at two levels. For example, the CEO and his subordinate the Business Development Manager worked together in their innovation roles to secure the first export order. In addition, the Operations Manager displayed innovation activities to implement the first export. Furthermore, the Purchasing Officer was also involved in the completion for the first export, although he did not display any innovation role activities. Whilst a member of the innovation team, the purchasing officer was not a *decision-maker* in relation to the first export and this may explain his lack of innovation role activities (more will be discussed in the next chapter). Apart from the Purchasing Officer, innovation roles were prominent for several *decision-makers* in the first export for firm K, consistent with innovation literature (Kanter, 1988) and as reflected in the conceptual model.

Table 4.37 Case K - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
CEO	Champion - worked without formal plans	The first export to New Zealand was a surprise to the Operations Manager and caused issues with stock due to the CEO not planning for export.
CEO	Champion – provided benefits to the organisation	The CEO justified export as saving jobs.
CEO	Sponsor-sanctioned	Export was not a usual practice in the previous organisation. Once firm K was formed, the CEO *sanctioned* export by initiating the search for the first export.
Operations Manager	Sponsor-coached	The Operations Manager *coached* the Purchasing Officer in export skills.
Operations Manager	Sponsor-obtained resources	The Operations Manager obtained the freight-forwarding supplier for the first export.

Operations Manager	Boundary spanner - acquired resources for organisation function	The Operations Manager arranged international freight-forwarding services to ship product to New Zealand for the first export order.
CEO & Business Development Manager	Boundary spanner – provided information formally to outside groups	The CEO and Business Development Manager provided information on firm K and its products to potential customers in New Zealand.
CEO & Business Development Manager	Boundary spanner - decided which customers	Using contacts from the Business Development Manager's previous networks, both the CEO and Business Development Manager determined which customers firm K would approach.
CEO & Business Development Manager	Boundary spanner - met with customers	Both of the *decision-makers* met with the potential customers in New Zealand resulting in the first export order.
CEO	Gatekeeper - assigned resources	The CEO appointed the Business Development Manager. The CEO provided foreign travel to secure first export order from New Zealand network contacts.
Operations Manager	Gatekeeper - assigned resources	The Operations Manager provided export skills training to the Purchasing Officer.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"The market we're in … beef and wool, we've had a horrible drought, so that's affected it a lot and, well, the herd numbers are down." The Operations Manager, Case K, commenting on the *declining domestic sales stimulus.*

In Case K, the primary *stimulus* for export was *declining domestic sales* (Aspelund & Moen, 2005), an *internal-reactive stimulus* (Leonidou, 1998). The relevance of this *stimulus* was observed in relation to the CEO's innovation roles, in contrast to the prediction of the conceptual model. The reaction of the CEO to *declining domestic sales* by seeking exports could be a reflection of his internal locus of control. *Champions* have been found to have an internal locus of control, a perceived control over self and the environment (Howell & Shea, 2001). Conversely, there is no evidence of innovation role activities by the Operations Manager in relation to the *internal-reactive stimulus*. See Table 4.38.

Table 4.38 Case K - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
CEO	Champion – provided benefits to the organisation	The CEO used arguments regarding export sales and how they would offset *declining domestic sales.*
CEO	Sponsor-sanctioned	The CEO sanctioned export sales as a means to offset *declining domestic sales.*
CEO & Business Development Manager	Boundary spanner - decided which customers	Using contacts from the Business Development Manager's previous networks, both the CEO and Business Development Manager determined which customers firm K would approach to offset *declining domestic sales.*
CEO	Gatekeeper - assigned resources	The CEO appointed Business Development Manager to offset *declining domestic sales.*

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

A subsequent export order came from another New Zealand lead generated by the Managing Director and Business Development Manager's initial visit. The *decision-makers*, innovation roles and *stimulus* were unchanged between the first and subsequent exports.

Interestingly, the *internal-reactive stimulus* did lead to a subsequent export. *Internal stimuli* are more likely to lead to *export* (Caughey & Chetty, 1994) and internally driven behaviour results in ongoing export (Samiee et al., 1993). In contrast, Crick and Chaudhry (1997) found that *declining domestic sales* were linked to *sporadic,* rather than *regular export*. As such, an *internal-reactive stimulus* leading to a subsequent export is unexpected.

In Case K, observations of *decision-makers* in the first and subsequent export displayed all four innovation role activities. However, innovation roles were linked to a *reactive stimulus* contrary to the prediction of the conceptual model. This is discussed further in the next chapter. Other supporting evidence for Case K can be found in Appendix 4.1.11.

4.1.12 Case L

Case L is a medium-sized printing firm located in the eastern suburbs of Melbourne. Firm L has two divisions, Wine Division (Case L) and Flexi Film Division (Case M) that began exporting within a few months of each other. For the purposes of analysis, each will be treated as a separate case. This case will discuss the Wine Division.

The Wine Division provided the design and printing of labels for the wine and beverage industry. Prior to the first export, the labels were exported indirectly with domestic customers exporting bottled wine with firm L's labels on them. However, the Wine Division had two direct export orders that are the focus of this case. The first export was to Indonesia and the subsequent export was to New Zealand. The key informant, the Wine Division Manager, who was involved in both export sales and was the sole *decision-maker*.

The Wine Division Manager had export experience with a previous employer, but in this circumstance he did not initiate the first export. Rather, the sale was as a result of an approach by an expatriate Australian who was involved in establishing an Indonesian wine brand (Australian wine marketed to foreigners in Bali). The expatriate Australian was a long-time contact in the manager's network. Another activity that the Wine Division Manager was required to do for the first export was to meet export regulations. Wine labels were controlled by the Australian Wine and Brandy Corporation (AWBC). The manager needed to ensure that labels conformed to *export regulations* outlined by the AWBC. Table 4.39 provides a timeline of case details.

Table 4.39 Brief chronology of Case L

Year & Month	Events
1979	Firm founded
2004 January	Key informant formed the Wine Division
2008	Approach by expatriate Australian customer to export to Indonesia
2008	Wine Division Manager contacts Australian Wine & Brandy Corporation (AWBC) regarding labels
2008 September	Export to Indonesia (first export)
2009	Approach by a contact in New Zealand who used to work in the Australian wine industry resulting in an export to New Zealand (subsequent export)
2009 May	Interviews

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"I would oversee any overt questions that may come in and either guide our staff or address them myself to find a solution." The Wine Division Manager, Case L, explaining his *sponsoring* activity of *coaching*.

The Wine Division Manager performed activities associated with all four innovation roles. This combination has not been found previously in innovation studies, where only three roles have been connected: *champions*, *sponsors* and *boundary spanners* (Kanter, 1986) or *champions*, *sponsors* and *gatekeepers* (Markham et al., 2010) with different *actors*. No other *decision-maker* was involved in the first export.

The Wine Division Manager accepted the *unsolicited order* based on his trust built upon past experience with the expatriate Australian who worked for the Indonesian customer. Trust involved in the first export had mainly to do with a compatible (to Firm L) label application processes that the expatriate contact had installed at the Indonesian customer site. See Table 4.40.

Table 4.40 Case L - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Wine Division Manager	Champion - made decisions without higher officials	The Wine Division Manager accepted the first export order without consulting the Managing Director.
Wine Division Manager	Champion - tested but trusted decisions	The Wine Division Manager tested the customer with the identification of the labelling system used to apply labels and trusted the expatriate Australian customer.
Wine Division Manager	Sponsor-sanctioned	The Wine Division Manager approved the first export and then passed it on to subordinates.
Wine Division Manager	Sponsor-coached	When issues emerged with the first export, the Wine Division Manager either guided staff or addressed the issue himself.
Wine Division Manager	Boundary spanner - acquired information formally for the organisation from external sources	The Wine Division Manager obtained information from the AWBC corporation about export regulations.
Wine Division Manager	Boundary spanner - met with customers	The Wine Division Manager met the customer to determine their needs.
Wine Division Manager	Boundary spanner - decided which customers	The choice of a customer by the Wine Division Manager was based on the label application equipment used by the customer to ensure that Firm L's labels would be suitable.
Wine Division Manager	Gatekeeper - interpreted or filtered information	The Wine Division Manager interpreted the AWBC information and incorporated this information into the label design for the first export.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"There are two wineries in Bali. There is a local printer over there but their expertise is not that strong, which is why this client has come to us." The Wine Division Manager, Case L, commenting on the *unsolicited order stimulus* for the first export.

A number of innovation role activities were observed for the first export in Case L. These were performed by the Wine Division Manager and were associated with *external-reactive stimulus* (*unsolicited order*). The interaction of innovation roles and

an *external-reactive stimulus* was in contrast with the predictions of the conceptual model. An explanation for the occurrence of innovation roles in Case L might be the Wine Division Manager's internal locus of control in relation to the *unsolicited order*. In this case the *unsolicited order* was from a customer, using a machine that the Wine Division Manager was familiar with, an example of perceived control (Rodin, 1990). *Championing* activities have been linked previously to an internal locus of control, a perceived control over self and the environment (Howell & Shea, 2001), other innovation roles have not. See Table 4.41.

Table 4.41 Case L - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Wine Division Manager	Champion - made decisions without higher officials	The Wine Division Manager accepted the unsolicited export order without consulting the Managing Director.
Wine Division Manager	Champion - tested but trusted decisions	The Wine Division Manager trusted the collaborative innovation (*unsolicited order*) from an expatriate Australian customer.
Wine Division Manager	Sponsor-sanctioned	The Wine Division Manager approved the unsolicited export order and then passed it on to subordinates.
Wine Division Manager	Sponsor-coached	When problems with the unsolicited export order emerged, the Wine Division Manager either guided staff or addressed the issues himself.
Wine Division Manager	Boundary spanner - acquired information formally for the organisation from external sources	The Wine Division Manager obtained information from the AWBC about export regulation requirements for the *unsolicited order.*
Wine Division Manager	Boundary spanner - decided which customers	The Wine Division Manager accepted the unsolicited export order based on the type of label application equipment used by the customer.

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The subsequent export was to New Zealand. This was another *unsolicited order* from an expatriate in the Wine Division Manager's network. The order was from the proprietor of an art studio in New Zealand who had earlier worked in the wine

industry in Australia. The *decision-maker's* innovation roles and the nature of the *stimulus* remained unchanged between the first and subsequent exports. There was "no formal structure for export" that entailed the utilisation of the domestic sales force, in this case, the Wine Division Manager. The lack of structure and use of domestic sales force have been described as typifying *sporadic export* behaviour (Kaynak, 1992).

The presence of innovation role activities were the same for the subsequent export and consistent with the conceptual model. Similarly, another *unsolicited order stimulus* was also involved with the subsequent export. The involvement of innovation roles with an *external-reactive stimulus* was not consistent.

Decision-makers in Case L were observed in the first and subsequent export displaying all four innovation role activities. Interestingly, these innovation roles were with an *external-reactive stimulus* which was not consistent with the conceptual model. This is discussed further in the next chapter. Further supporting evidence for Case L can be found in Appendix 4.1.12.

4.1.13 Case M

Case M is based on the second division of Firm L. It is a medium-sized printing firm located in the eastern suburbs of Melbourne. The division in this case is the flexi film division whose main product is a point of sale (POS) system involving hardware and software. In one application, the POS system allows the end user to design and apply a skin to the outer shell of their mobile telephone. The key informant, the Research and Development Manager, was the inventor of this POS system and was involved in the first export.

The first export was originally planned by the key informant. He stated, "we saw it as a worldwide concept, but it was a matter of getting a footprint in our own country first." This national strategy was stymied with an unplanned premature release by a manufacturer of the hardware associated with the POS equipment. As a result of the manufacturer displaying the POS system at a local trade fair, enquiries were received

from a New Zealand vendor. The vendor pressed for an agreement and the first export order resulted. Table 4.42 provides a timeline of case details.

Table 4.42 Brief chronology of Case M

Year & Month	Events
1979	Firm L founded
2007	Flexi film division formed with the hiring of R& D manager
2008	Hardware manufacturer at local trade fair displays system
2008 October	First local order
2009 January	Export to New Zealand (first export)
2009 February	Agency appointed in the UK
2009 April	Interviews
2011 January	Key informant left firm
2011 March	Interviews

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"Why do we just concentrate on our market where bigger and brighter and larger opportunities might be in the offshore market?" The Research and Development Manager, Case M, indicating his intuitive approach to *decision-making*.

In Case M, there are several instances of innovation role activities associated with the two *decision-makers* involved with the first export initiation. The Research and Development Manager performed *championing* and *boundary spanning* activities. Conversely, the Managing Director performed *sponsoring* and *gatekeeping* activities. This division of innovation role activities between *champions* and *sponsors* was expected due to past findings (Wolf et al., 2012). Similarly, the hierarchical relationship between *gatekeepers* and *champions* has been recognised before (Markham et al., 2010). Interestingly, no study has identified a hierarchical relationship between *boundary spanners* and *gatekeepers*. See Table 4.43.

Table 4.43 Case M - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
Research & Development Manager	Champion - avoided financial justification	The R & D Manager used arguments based on domestic market limitations and international opportunities, rather than financial justification.
Research & Development Manager	Champion - made decisions based on intuition	The R & D Manager used arguments based on domestic market limitations and international opportunities, without any hard data on markets.
Research & Development Manager	Champion – provided benefits to the organisation	The R & D Manager used an expansion of the firm's markets as an argument for the first export.
Research & Development Manager	Champion - worked with senior management	The R & D Manager went with the Managing Director to New Zealand to negotiate and appoint the vendor.
Managing Director	Sponsor-sanctioned	The Managing Director agreed to go ahead with the first export.
Managing Director	Sponsor-obtained financial assistance	The Managing Director enabled first export.
Managing Director	Sponsor-obtained resources	The Managing Director enabled the employment of a new staff member to support the first export.
Research & Development Manager, Managing Director	Boundary spanner - met with customers	The R & D Manager and Managing Director visited, negotiated with and appointed the New Zealand vendor.
Research & Development Manager, Managing Director	Boundary spanner - decided which customers	The R & D Manager and Managing Director visited, negotiated and appointed New Zealand vendor.
Managing Director	Gatekeeper - assigned resources	The Managing Director enabled a new staff member to be employed in support of the first export.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"We've put together a world-first concept." The Research and Development Manager, Case M, commenting on the primary *unique product stimulus*.

In Case M, there are a number of instances of innovation role activities associated with both *proactive* (*unique product*) and *reactive* (*unsolicited order*) *stimuli* for the first export. The Research and Development Manager performed *championing* activities with *proactive stimuli* in accordance with the conceptual model. In contrast, he performed his *boundary spanning* activities with an *external-reactive stimulus*, not consistent with the conceptual model. Similarly, the Managing Director performed *sponsoring, boundary spanning* and *gatekeeping* activities with an *external-reactive stimulus*. See Table 4.44.

Table 4.44 Case M - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
Research & Development Manager	Champion - avoided financial justification	The R & D Manager used arguments based on domestic market limitations and the opportunity presented by the *unique product* benefits rather than financial justification.
Research & Development Manager	Champion - made decisions based on intuition	The R & D Manager used arguments based on *unique product* and the opportunity presented by the new system with no supporting information or data on the market.
Research & Development Manager	Champion – provided benefits to the organisation	The R & D Manager developed an argument that a *unique product* would expand the firm's markets.
Research & Development Manager	Champion - worked with senior management	The R & D Manager went with the Managing Director to New Zealand to respond to the *unsolicited order* request.
Managing Director	Sponsor-sanctioned	The Managing Director agreed to go ahead with the first export arising from an *unsolicited order.*
Managing Director	Sponsor-obtained financial assistance	The Managing Director enabled funds for first export in response to the *unsolicited order.*
Managing Director	Sponsor-obtained resources	The Managing Director enabled a new staff member to be employed in support of the first export in response to the *unsolicited order.*
Research & Development Manager, Managing Director	Boundary spanner - met with customers	The R & D Manager and Managing Director visited, negotiated and appointed New Zealand vendor with the *unsolicited order.*
Research & Development Manager, Managing Director	Boundary spanner - decided which customers	The R & D Manager and Managing Director visited, negotiated and appointed New Zealand vendor with the *unsolicited order.*

Managing Director	Gatekeeper - assigned resources	The Managing Director enabled a new staff member to be employed in response to the *unsolicited order.*

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

"*Once it's out in the marketplace you can't hide it too much longer and you know, you're damned if you do and you're damned if you don't, but now that it's out, it's a matter of all guns blazing and trying to find as many markets as we can*." The Research and Development Manager, Case M, commenting on the aftermath of the first export.

A subsequent export had not eventuated at the time of this interview. It was expected that another export market would be developed either in the UK, where a vendor had been appointed, or in the USA. Discussions were being held with a prospective vendor in the USA at the time of this interview.

From the observations in Case M, *decision-makers* in the first export displayed all four innovation role activities. These activities were applied to an *internal-proactive stimulus,* consistent with the conceptual model. However, there were innovation role activities that applied to an *external-reactive stimulus*, in contrast with the predictions of the conceptual model. Interestingly, a subsequent export did not eventuate; the implications of this finding will be discussed in the next chapter. Further supporting evidence for Case M can be found in Appendix 4.1.13.

Summary

In this section cases were analysed by comparing data obtained (interview and secondary data in the form of documents and web-based information) and examined with reference to the research questions. Each case provided evidence related to the research questions and key concepts contained within them. The next section considers the qualitative findings for each research question using a comparative cross-case analysis.

4.2 Qualitative cross-case analysis

The data from the 14 cases discussed in Section 4.1 and Appendices 4.1.1-14 are compared in this section. This comparison is performed for each research question. Thirteen of the cases are also compared with the behaviour of *decision-makers* in a large company exporter (Case N). From the literature in Chapter 2 it was established that it is uncertain whether *decision-makers* in SMEs involved in the receipt or control of export opportunities would perform some innovation role activities when compared to their counterparts in large firms. This comparison between small and medium with large first exporters enabled the researcher to triangulate conclusions about SME innovation role activities involved in export with those of large firms in the literature.

Descriptive data

Cases in the sample were classified using numerous descriptive data items that included the business size and sales turnover. Each case was classified by the industry and exported product. Exports were analysed according to the destination countries and the interval between the first and subsequent exports.

The business size data were collected at the time of the first interview. The metric was based on the ABS (2000) classification of businesses that uses the “number of employees”. All ABS business size categories were represented in the present study. See Table 4.45.

Table 4.45 Case distribution - number of employees

Business size (ABS, 2000)	Case
Micro business (1-4 employees)	H, I
Small business (5-19 employees)	A, D, E, G
Medium business (20-199 employees)	B, C, F, J, K, L, M
Large business (>199 employees)	N

Source: Compiled by author

The firm and export turnover data were collected at the time of the first interview. The metric was adapted from Moini (1998), Reuber and Fischer (1997) and the ABS (2000) categories. The firms in the present study represented a range of sales turnover groups. The export turnover for the firms was concentrated at lower levels. See Table 4.46.

Table 4.46 Case distribution – sales turnover

Sales Turnover	Firm (2008-09)	Export (2008-09)
Nil		I
Under $10,000		M
$10,000 – $99,999	I	B, E, H, K, L
$100,000 – $999,999		A, C, D, G, J
$1 Million – $4.999 Million	D, E, G, H, K, M	F, N
$5 Million – $9.999 Million	A, C	
$10 Million – $19,999 Million	L	
$20 Million – $49.999 Million	J	
$50 Million – $99.999 Million	B	
$100 Million and over	N	

Case F did not disclose firm turnover
Source: Compiled by author

The manufacturing industry for each case in the present study was identified during the interviews. Then the classification was determined by the researcher, based on the "main product of the firm" as per the ABS (2000). Whilst, the majority of industry classifications were represented by one or more cases, seven ABS classifications had none. See Table 4.47.

Table 4.47 Case distribution - manufacturing industry classification

Product (ABS, 2010)	Case
11 Food products	F
12 Beverage and tobacco products	G
13 Textile, leather, clothing and footwear	A
14 Wood products	
15 Pulp, paper and converted paper	
16 Printing	L
17 Petroleum and coal products	
18 Chemical products	I%, K
19 Polymer and rubber products	B, D, H, M
20 Non-metallic mineral products	
21 Primary metal products	
22 Fabricated metal products	E, J
23 Transport equipment	C, N#
24 Machinery and equipment	
25 Furniture and other	

Large exporting firm
% Non-exporting firm
Source: Compiled by author

The "type of exported product" data were obtained from discussions with the key informant in each case. There was a wide variety of products exported. See Table 4.48.

Table 4.48 Case distribution - exported product

Product	Case
Agricultural chemicals	K
Automotive interiors	N#
Automotive performance equipment	C
Confectionery	F
Confectionery wrappers	B
Fire-fighting footwear	A
Fruit juice	G
Domestic locks	J
Organic beauty products	I%
Pallet packaging	H
Point of sale wrapper system	M
Post-operative warming system	D
Wheelchair lift vehicle access system	E
Wine labels	L

Large exporting firm
% Non-exporting firm
Source: Compiled by author

Details of the destination of the first and subsequent export were collected during the interviews. Most *decision-makers* in this sample did not choose New Zealand as their first 'export' market. Some felt that New Zealand was similar to sending goods to another state (Cases D & J) and they did not consider these to be exports. Combined these findings supports previous data on Australian firms in that 45 per cent exported to New Zealand first (ABS, 2000). Apart from firms E and K, no firm sent their subsequent export to the same market as their first export. Psychically close markets, *i.e.* New Zealand, USA and UK, were prominent in the first and subsequent exports. Nearly half of the sample firms exported to these three countries. See Table 4.49.

Table 4.49 Case distribution - export destination

Destination country	First export	Subsequent export
China	N#	
Fiji		B
Hong Kong		D, G
India	H	
Indonesia	L	A
Malaysia		J
Middle East	D&	
New Zealand	B, K, M	H, K, L
Singapore	G	
Sweden		F
Thailand	J&	N#
UK	E, F	E
USA	A, C	

Large exporting firm
& Firm had exported to New Zealand prior to the first export but considered it a domestic market
Source: Compiled by author

The manufacturing approach by firms were delineated by classifying the cases into either *knowledge-based* or *traditional* manufacturing as defined by the OECD (1999). See Table 4.50.

Table 4.50 Case distribution – knowledge-based or traditional manufacturing

Manufacturing approach	Case
Knowledge-based	A, C, F, G, M, N#
Traditional	B, D, E, H, I%, J, K, L

Large exporting firm
% Non-exporting firm
Compiled by author

All but one case (I) had a first export. Two cases (C & M) did not have a subsequent export in the year after their first export. Ten SME cases and the large firm had a subsequent export in the same year or the next calendar year to different customers. Two of the ten cases had exports to the same customer (B & E), with one of the subsequent exports going to another market (Case B), thus satisfying the *regular export* definition. Of those firms that did export in the same calendar year (D, H, J & K), they exported in the next, also satisfying the *regular export* definition of the present study. As such, nine of the ten cases with a subsequent export satisfied the *regular export* definition. See Table 4.51.

Table 4.51 Case distribution - first & subsequent export

Case	First export	Subsequent export
A	2007	2008
B	2007	2008 @
C	2008	No subsequent export in 2008 or 2009
D	2006	2006 ∞
E	2008	2009 @
F	2006	2007
G	2008	2009
H	2007	2007 ∞
I %	Did not export	N.A.
J	2008	2008 ∞
K	2007	2007 ∞
L	2008	2009
M	2009	No subsequent export in 2009 or 2010
N #	2007	2007 ∞

Large exporting firm
% Non-exporting firm
∞ Exported in next year as well
@ Exported to same customer
Source: Compiled by author

Eight cases had a change of ownership or infusion of additional owners close to the time of the first and/or subsequent export. The changes in ownership occurred prior to the first export (Cases A, F, K) after the first but prior to the subsequent (Cases B & C) or after the subsequent export (Cases D, G & J). See Table 4.52.

Table 4.52 Case distribution - change of ownership

Case	Change of ownership circumstances
A	The new owners arrived shortly prior to the first export
B	The new owners arrived during the first export process, prior to the subsequent export
C	The new owners arrived just after the first export but prior to the subsequent export
D	The Managing Director sold his half to other Directors after the subsequent export
E	No change in ownership
F	An investor and new shareholders joined the two partners just prior to first export, one shareholder left after the first export
G	The new investors joined firm just after subsequent export
H	No change in ownership
I	No change in ownership
J	The new owners arrived soon after subsequent export
K	The new owners arrived just prior to the first export
L =	No change in ownership
M =	No change in ownership but the manager whose product export was based on, left the firm after the first export, but firm was still a distributor

= Same firm
Source: Compiled by author

There were between one to six *decision-makers* involved in the first export in these case studies. This was not consistent with past studies that found between one to four *decision-makers* were involved (Collinson & Houlden, 2005; Garnier, 1982; Lee & Brasch, 1978). For example, in Case G, six Directors (two executive, four non-executive) were involved in approving the first export. Khan's (1975) study found that the decision to export in SMEs was made by one person. In the present study, single *decision-makers* were less likely than groups.

The business owners were not always involved with the first export decision (Cases B & L). When they were involved, it was to give approval for the first export proposed by a subordinate manager (Cases A, F, G & J), in collaboration with other subordinates (Cases C, H, K & M) or they made the decision without consulting others (D & E). The number of business owners involved or not involved, is noted in the centre columns of Table 4.53.

Table 4.53 Number of decision-makers in the first export

Case	Number of decision-makers involved in export initiation	Business owners, CEOs, managing directors, directors involved in export initiation	Business owners, CEOs, managing directors, directors not involved in export initiation	Non-owner decision-makers involved in export initiation
A	3	2	0	1
B	1	0	1	0
C	2	1	1	1
D	2	2	1	0
E	1	1	0	0
F	4	3	0	1
G	6	6	0	0
H	3	1	0	2
I %	2	2	0	0
J	2	1	0	1
K	3	1	0	2
L	1	0	1	0
M	2	1	0	1
N #	4	1	0	3

Large exporting firm
% Non-exporting firm
Source: Compiled by author

4.2.1 Decision-makers & innovation roles in the first export

This sub-section uses a cross-case analysis to address the research question:
RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

This sub-section is divided into sections representing the four innovation *actor* roles of: *champion, sponsor, boundary spanner and gatekeeper.* The analysis summarises observations of innovation role activities identified in the cases from *a priori* codes in codebooks presented in Appendix 3.2.6. Case I is included in the "first export" data even though no first export occurred, as the activities undertaken were in preparation for the first export as they were for the other cases. Case N, the large firm is included for comparative purposes.

Championing activities

This cross-case analysis determines whether there is evidence of *championing* activities for the first export. According to Shane (1994), there are four *champion* factors: (i) *decisions outside hierarchy,* (ii) *rule bending,* (iii) treating the *team as equals* and (iv) *plans and projections*. In Case B, *decision-makers* did not perform any *championing* activities for the first export. The balance of the cases displayed some *championing* activities. Each *champion* factor and activities associated with *a priori* codes drawn from codebooks developed in Chapter 3 will be examined.

(i) Most of the activities in the *champion - decisions outside hierarchy* factor were observed in the cases. However, there were some conflicting observations. In three cases (C, E & K), *decision-makers* as *champions worked without formal plans,* whilst in two cases (Cases H & J) *decision-makers* worked with plans. Similarly, two other cases (A & J) had conflicting observations made where a *decision-maker took initiative without approval*. In Case A, the Marketing Director stated: "with the other guy, the company [that] used to belong to his father was at a stalemate. He didn't care for close down, whatever it may be and he's always been trying to sell it." As such, the Marketing Director took the initiative for the first export. In contrast, the Managing Director in Case J hired the National Sales and Marketing Manager to

"grow the business" that included the export initiative. Even with these contrasting observations, it can be seen that *decisions outside hierarchy* activities were prevalent for most SME first time exporters, (see Table 4.54).

Table 4.54 Championing - decisions outside hierarchy activities in the first export

Activity code	Cases
Avoided financial justification	G, M
Made decisions based on intuition	E, I%, M
Made decisions outside hierarchy	D
Made decisions without higher officials	A, L
Took initiative without approval	A, J!
Worked without formal plans	C, E, H!, J!, K
Decisions outside hierarchy activities	A, C, D, E, G, H!, I%, J!, K, L, M

% Non-exporting firm
! Contrary finding
Source: Compiled by author.

(ii) *Rule bending* was the least represented of the *championing* activities involved with the first export, where only one case (G) had that activity observed. The Export Manager stated how he bent Firm G rules: "So I actually literally funded my export activities myself on the basis that I couldn't get a lot of support from the directors and I was determined to demonstrate and prove that it could be done." The lack of incidence with the other cases was surprising given the frequency of the other *champion* factors in the present study, however there was no evidence of *rule bending* in other SME export initiation studies to date. See Table 4.55.

Table 4.55 Championing - rule bending activities in the first export

Activity	Cases
Bent organisation rules	G
Bypassed the budgetary process	
Bypassed personnel procedures	
Bypassed standard operating procedures	
Rule bending activities	G

Source: Compiled by author.

(iii) The *champion - team as equals* factor was evident in several cases. The Export Director in Case G included and met the distributor staff in his team. He stated: "You enthuse her, her staff; you go and meet the Category Manager". The non-exporter (Case I) also had the *included the idea generator*, in relation to preparation for the

first export, as had an exporter (Case C). There were similarities between SMEs and the large first exporting firm (Case N), having *met all participants* and *involved all participants in decisions*. Interestingly, all the cases identified in this factor had more than one exporting *decision-maker* involved. This suggests that the *championing* behaviour was directed to other exporting *decision-makers*. See Table 4.56.

Table 4.56 Championing - team as equals activities in the first export

Activity	**Cases**
Involved all participants in decisions	H, J, N#
Enabled all participants to act as equals	G, H, J
Included the idea generator	C, I%
Met all participants	G, N#
Team as equals activities	C, G, H, I%, J, N#

Large exporting firm
% Non-exporting firm
Source: Compiled by author.

(iv) The *championing - plans and projections* factor was evident in most cases. For example, the Marketing Director told his owner-directors that Firm A had: Big market potential in the USA." However, the code *presenting financial updates* was not observed in any of the cases. In the innovation literature, presenting financial updates was observed in large firms (Howell & Higgins, 1991). This lack of such observation in the present study may be due to SMEs not requiring this activity due to their size, governance or their lesser formality compared to large firms (Forbes & Milliken, 1999). Interestingly, the *decision-makers* in the large firm (Case N) did not display this behaviour either.[7]

Case J had a non-*champion* behaviour; employee support after approval. The circumstance in Case J was that the *decision-maker* was required to grow the business and in his view the best strategy to achieve this aim was by export. As export was new to the firm, he sought the owner-manager's approval before informing other employees. Owner-managers in SMEs often have the 'final say' in export initiation (Crick & Chaudhry, 1997). In contrast, *decision-makers* in the large, exporting firm (Case N) revealed evidence where *decision-makers obtained employee support before approval.* These observations suggest some differences between *championing* activities in SMEs compared to large firms.

[7] The large firm (Case N) is included in behaviour comparisons but left out of numeric counts

Generally, the *plans and projections* of activities of *champions* were observed with SME first time exporters. See Table 4.57.

Table 4.57 Championing - plans & projections activities in the first export

Activity	**Cases**
Provided benefits to the organisation	A, F, K, M
Obtained employee support before approval	J!, N#
Obtained other department support	C, N#
Presented financial updates	
Tested but trusted decisions	C, I%, L
Worked with senior management	A, C, D, F, G, M, N#
Plans & projections activities	A, C, D, F, G, I%, J!, K, L, M, N#

Large exporting firm
! Contrary finding
% Non-exporting firm
Source: Compiled by author.

Over half of the *champions* of the first export were in middle rather than top management, as has also been found in previous studies (Dougherty & Bowman, 1995; Howell & Higgins, 1991; Rogers, 2003). See Table 4.58.

Two *champions* were involved in Case C. The Managing Director early in the pre-export phase and then his appointee, the Business Development Manager who took over the role. A parallel to this handover by the Managing Director has been observed in large firms. For example, *champions* who move to other projects can become *sponsors* for another *champion* (Leifer et al., 2000). This phenomenon will be discussed further in Sub-section 4.2.3.

Table 4.58 Champion titles in the first export

Decision-maker titles	**Cases**
Business Development Manager	C, F
CEO	K, I%
Export Director	G
General Manager	N#
Manager (division)	L
Managing Director	C, D, E, H
Marketing Director	A
National Sales and Marketing Manager	J
Research and Development Manager	M

Large exporter
% Non-exporting firm
Source: Compiled by author

Overall, in most cases *championing* activities were generally found to be performed by *decision-makers* for the first export, however they have not been identified before in export initiation, a novel finding. *Champions* involved in the first export were in various management roles and levels in the present study however, they were more likely to be in middle management for SMEs.

Sponsoring activities

This analysis determines whether there was evidence of *sponsoring* activities for the first export. It was established in Chapter 2, that *sponsoring* is where a *decision-maker advocated the innovation to influence others*, *bootlegged funds*, "obtained resources*"* and *protected the innovation team* from others. A *sponsor* can also be involved with the innovation team, that he/she has *coached* or "sanctioned" the innovation. Interestingly in Case H, the *sponsor* was coaching against the first export. The *sponsor* stated that, "it will take you two years before you get interest in orders out of India". The *decision-maker* said that Firm H, "got an order within three months." Other cases (K & L) had the *sponsor* coaching or mentoring to implement the first export.

Most cases had evidence of *sponsoring* activities in the first export. This finding (particularly for small firm Cases A, D, G, H & I) was in contrast with Maidique (1980) who found that small firms would be less likely to have *sponsor* roles than medium or large firms. No *sponsoring* activities were found in Cases B or E. Case B is a small firm and Case E is a medium-sized firm. These differences aside, it was observed that all but one *sponsoring* activity was identified in most of the case studies for the first export.

The *sponsoring - protected the innovation team* activity was not observed in the present study. In the literature, this protection may also relate to the *champion* (Smith, 2007). In the present study, over half of the *decision-makers* were both *champions* and *sponsors*, suggesting that the protection activity is somewhat redundant. In the four cases where they were different *decision-makers* (A, G, J & M), protection of the *champion* or innovation team was not raised in the interviews. The lack of comment on this activity may have been to do with the internal locus of control of the *champion* (Howell & Shea, 2001) or the owner-manager *sponsor* not

considering this to be an issue, due to their sharing of *decision-making* with others in top management (Hambrick & Mason, 1984). See Table 4.59.

Table 4.59 Sponsoring activities in the first export

Activity	**Cases**
Advocated the innovation, influenced others	D, N#
Bootlegged funds	D
Coached, mentored	H!@, K, L
Obtained financial assistance	A, C, F, G, H, I%, M, N#
Obtained resources	A, C, D, F, H, K, M, N#
Protected the innovation team	
Sanctioned	A, C, F, G, I%, J, K, L, M, N#
Sponsoring activities	A, C, D, F, G, H, H!, I%, J, K, L, M, N#

! Contrary finding
Large exporter
% Non-exporting firm
@ External to firm
Source: Compiled by author.

In the present study, top management or the owner-managers were more likely to perform *sponsoring* activities in SME export initiation, supporting past findings (Wolf et al., 2012). Generally, there was only one *sponsor*, with two in Cases H and K. In contrast, the top management team of four in the large exporting firm were all *sponsors* (Case N). See Table 4.60.

Table 4.60 Sponsor titles in the first export

Decision-maker titles	**Cases**
Business Coach	H@
CEO	I%, K
Director	A, F, G
Manager (division)	L
Managing Director	C, D, G, H, J, M, N#
Operations Manager	K
Top management team #	N#

Large exporter
% Non-exporting firm
@ External to firm
Source: Compiled by author

<u>Champions & sponsors</u>

As identified above, *sponsors* and *champions* were observed in the present study. As identified in Chapter 2, there is some uncertainty in the literature as to whether *champions* and *sponsors* are embodied in the same (Day, 1994; Kanter, 1985) or different *decision-makers* (Roberts & Fusfeld, 1981; Wheelwright & Clark, 1992).

Seven cases (A, C, F, G, H, J & M) had different individual *decision-makers* performing *championing* and *sponsoring* roles. In most of these cases (A, F, G, J & M), the owner-manager was a *sponsor* to another lower level manager who was a *champion*. Interestingly, in four cases they were the same person (Cases D, K, I & L). All but one of these *decision-makers* was an owner-manager. Similar divergent observations were made in SMEs involved with innovations (Wolf et al., 2012). In the large exporting firm (Case N) they were different people. See Table 4.61.

Table 4.61 Champion & sponsor titles in the first export

Decision-maker titles	Champion Cases	Sponsor Cases
Business Coach		H@
Business Development Manager	C, F	
CEO	I%, K	I%, K
Director		A, F, G
Export Director	G	
General Manager	N#	
Manager (division)	L	L
Managing Director	C, D, E, H,	C, D, G, H, J, M, N#
Marketing Director	A	
National Sales and Marketing Manager	J	
Operations Manager		K
Research & Development Manager	M	
Top management team		N#

Large exporting firm
% Non-exporting firm
@ External to firm
Source: Compiled by author

Boundary spanning activities

There are three *boundary spanning* factors: (i) *information acquisition and control,* (ii) *physical input control,* (iii) *domain determination and interface* as defined by Jemison (1984). Each factor, with its *a priori* codes will be examined using a cross-case analysis. This analysis determines whether there was evidence of *boundary spanning* activities for the first export.

(i) All cases except M or N had *information acquisition and control* activities observed. For example, the Managing Director of Case E obtained information about the North American market where he: “met with probably all of the top four or five companies over there.” Observations of *information acquisition* support findings from a previous SME export initiation study (Ellis & Pecotich, 2001). The *control activities*

relating to selection of what information to circulate, when and to whom, has not been documented before in an export initiation context. Interestingly, four codes associated with this factor derived by Jemison (1984) had no observations in the cases. In relation to the absence of *acquiring external information for other departments* or *provision of reports to the organisation from external sources* might be due to SMEs not having as many departments as large firms (Forbes & Milliken, 1999). See Table 4.62.

Table 4.62 Boundary spanning - information acquisition & control activities in the first export

Activity	**Cases**
Acquired information formally for the organisation from external sources	C, E, F, H, L, N#
Acquired information informally for the organisation from external sources	A, D, E, G, I%, J
Acquired information formally for another department	
Acquired information informally for another department	
Decided what external information to distribute	B, C, F, G
Decided when to distribute external information	B
Decided to whom to distribute external information	B
Provided formal reports for the organisation from external sources	
Provided informal reports for the organisation from external sources	
Information acquisition & control activities	A, B, C, D, E, F, G, H, I%, J, L, N#

% Non-exporting firm
Source: Compiled by author.

(ii) *Physical input control* activities of a *boundary spanner* were not widely observed in the activities of those involved in the first export in the present study. However, all but one activity was observed in the first export. The CEO in Case I lamented the issue of acquiring manufacturing capacity that was up to the Japanese market requirements. She stated: “trying to find manufacturers to do what I want with what I want to put in it and how I want to do it. It takes a long time.” Acquisition of resources, observed in three cases (I, J & K), has been identified previously in export initiation (Albaum & Duerr, 2011). However, the determination of the *quality of physical inputs* has not been identified before in export initiation. See Table 4.63.

Table 4.63 Boundary spanning - physical input control activities in the first export

Activity	Cases
Acquired resources for organisation function	I%, J, K
Decided quality of physical inputs	D, E, G
Decided when to acquire inputs	
Decided which physical inputs	G, I%
Physical input control activities	D, E, G, I%, J, K

% Non-exporting firm
Source: Compiled by author.

(iii) Most cases (excluding Cases B & F) had observations of *domain determination and interface* activities. For example, the Marketing Director in Case A stated that: "I do a lot of presentations overseas". The observations of external information provision reinforce past SME export initiation findings (Ellis & Pecotich, 2001). Similarly, the selection of international customers by *boundary spanners,* observed in the present study, was observed previously in export (Pauwels & Matthyssens, 2004). *Deciding how the product would be provided* has also been recognised in SME studies (Bonaccorsi, 1993; Larimo, 2013). As such, *domain determination and interface* activities were expected and found with SME first export initiation. See Table 4.64.

Table 4.64 Boundary spanning - domain determination & interface activities codes in the first export

Activity	Cases
Decided how product/s would be provided	A, C, E, G, I%, N#
Decided which customers	D, E, G, H, I%, J, K, L, M, N#
Provided information formally to outside groups	A, D, H, K, N#
Provided information informally to outside groups	A, J
Made speeches to outside groups	G
Met with customers	A, C, D, E, I%, J, K, L, M, N#
Domain determination & interface activities	A, C, D, E, G, H, I%, J, K, L, M, N#

Large exporting firm
% Non-exporting firm
Source: Compiled by author.

A wide range of titles from both top and middle management applied to *boundary spanning* activities. Past studies have linked these activities to middle management (Floyd & Wooldridge, 1997; Pauwels & Matthyssens, 2004). Only three titles were

common in two or more cases (Business Development Manager, CEO & Managing Director). Two cases (D & M) had two *boundary spanners* located in the same SME. In one case (K) there were three *boundary spanners*. See Table 4.65.

Table 4.65 Boundary spanner titles in the first export

Decision-maker titles	Cases
Business Development Manager	C, F, K, N#
CEO	I%, K
Customer Service Officer	B
Director	D
Employee	H
Export Director	G
General Manager	N#
Manager (division)	L
Managing Director	D, E, H, M
Marketing Director	A
National Sales and Marketing Manager	J
Operations Manager	K
Research and Development Manager	M
Top management team	N#

Large exporting firm
% Non-exporting firm
Source: Compiled by author

In the present study, it was found that most *decision-makers* performed *boundary spanning* activities. Whilst this finding was not a surprise, with some studies in SME export initiation acknowledging *boundary spanning* activities previously, some novel differences in the present study were identified. For example, *information control* activities in an export initiation context had not been documented previously. Similarly, the determination of the quality of inputs rather than the quality of finished products was also identified. *Boundary spanners* involved in SME first export were found in various management roles and levels, a finding in contrast to existing literature.

Gatekeeping activities

Activities associated with *gatekeeping* were grouped by the researcher into two types of behaviour: (i) *knowledge handling* and (ii) *innovation approval*. Both types of *gatekeeping* activities are cross-case analysed. This analysis determines whether there was evidence of *gatekeeping* activities for the first export.

(i) Most cases (excluding K & M) had *knowledge handling* activities conducted by *gatekeepers*. *Decision-makers* in these cases (excluding K, L & M) *collected information on the external environment,* recognised previously in SME export initiation (Ellis & Pecotich, 2001). Interestingly, the interpretation of information proposed by Johanson and Vahlne (1977) in their conceptual model was observed in six cases (A, B, C, F, G & L). For example, the Business Development Manager in Case F had to interpret information to and from his Directors: "they didn't have product specification set up. They didn't have product certification for a lot of things. We had to get to HACCP certification…so if I needed an AQIS document, I couldn't get someone else to do it; it was me going through the process." Other information controlling activities (*controlled the distribution of information* & *determined the value of information to potential recipients*) that have not been reported previously in an export context were also observed. See Table 4.66.

Table 4.66 Gatekeeping - knowledge handling activities in the first export

Activity	**Cases**
Collected information on the external environment	A, B, C, D, E, F, G, H, I%, J, N#
Controlled the distribution of information	A, B, C, F, G
Determined the value of information to potential recipients	B, C, F, G
Interpreted or filtered information	A, B, C, F, G, L
Knowledge handling activities	A, B, C, D, E, F, G, H, I%, J, L, N#

Large exporting firm
% Non-exporting firm
Source: Compiled by author.

(ii) Most cases had *innovation approval* activities conducted by *gatekeepers*. The Director (manufacturing) of Firm D stated that the criteria for the first export was that: "we're interested in development of a long-term ongoing relationship." The observation of the *gatekeeping - innovation approval* process is a novel finding, with no similar findings recorded in SME export initiation studies. One code, "withheld resources*"* had an observation in one case, identifying the role of a *gatekeeper* in stopping export initiation, another novel finding. See Table 4.67.

Table 4.67 Gatekeeping - innovation approval activities in the first export

Activity	**Cases**
Set selection criteria	A, D, H
Reviewed innovation against criteria	D
Selection criteria met, then innovation accepted	A, D
Assigned resources (if innovation meets criteria)	C, K, M, N#
Withheld resources (when innovations don't meet criteria)	I%
Innovation approval activities	A, C, D, H, I%, K, M, N#

Large exporting firm
% Non-exporting firm
Source: Compiled by author.

The top management team, such as CEOs, Directors and Managing Directors were represented as *gatekeepers* in around half of the cases. Past studies recognise that *gatekeepers* are more senior than other innovation team members (Macdonald & Williams, 1993). Interestingly, the *gatekeepers* in the other half of the cases in the present study were not senior to the other innovation team members but were at the same level or they made up the entire innovation team at a middle management level (Cases B & L). There were two *gatekeepers* in Cases C and K and there were three *gatekeepers* in Cases H, although one of the *gatekeepers* was external to the firm and was advocating against export, a novel observation in export initiation. Case N was a large exporting firm. It has been found previously in large firms that there can be several *gatekeepers* for an innovation (Allen & Cohen, 1969). See Table 4.68.

Table 4.68 Gatekeeper decision-maker titles in the first export

Decision-maker titles	Cases
Business Coach	H@
Business Development Manager	C, F, N#
CEO	I%, K
Customer Service Officer	B
Director	D
Employee	H
Export Director	G
General Manager	N#
Manager (division)	L
Managing Director	C, E, H, M
Marketing Director	A
National Sales and Marketing Manager	J
Operations Manager	K
Top management team	N#

Large exporting firm
% Non-exporting firm
@ External to firm
Source: Compiled by author

Overall, all *gatekeeping* activities were undertaken by export initiation *decision-makers* in the cases in the present study. However, *gatekeeping - innovation approval* process has not been observed before in an export initiation context were observed in the present study. *Gatekeepers* involved in the first export can have various management roles and levels.

Boundary spanners & gatekeepers

As identified in Chapter 2, there is some uncertainty in the literature as to whether *boundary spanners* and *gatekeepers* are the same (Hara & Kanai, 1994) or different *decision-makers* (Reid & de Brentani, 2004; Tushman, 1977). With few exceptions, *boundary spanner* and *gatekeeper* roles were enacted by the same *decision-makers,* supporting past studies (Hoch, 1990; Jones, 2006; Lievens & Moenaert, 2000). Interestingly, several export initiations had multiple *boundary spanners* and/or *gatekeepers* (Cases C, D, H, K & M). However, some *boundary spanners* did not have *gatekeeping* responsibilities in the case of group decisions regarding export initiation (Cases D, K & M). Similarly, one *gatekeeper* did not have a *boundary spanning* role (Case H). These observations suggest that the size of the export *decision-making* team determines whether the *boundary spanning* and *gatekeeping* roles are carried out by more than one *decision-maker*. See Table 4.69.

Table 4.69 Boundary spanner & gatekeeper titles in the first export

Decision-maker titles	Boundary spanner cases	Gatekeeper cases
Business Coach		H@
Business Development Manager	C, F, K, N#	C, F, N#
CEO	I%, K	I%, K
Customer Service Officer	B	B
Director	D	D
Employee	H	H
Export Director	G	G
General Manager	N#	N#
Manager (division)	L	L
Managing Director	D, E, H, M	C, E, H, M
Marketing Director	A	A
National Sales and Marketing Manager	J	J
Operations Manager	K	K
Research and Development Manager	M	
Top management team	N#	N#

Large exporting firm
% Non-exporting firm
@ External to firm
Source: Compiled by author

Innovation roles and innovation-decision process

In Chapter 2, arguments were made by the researcher that the four innovation roles would appear in different parts of Rogers' (2003) innovation-decision process stages (See Tables 2.3-6 & the conceptual model). Evidence of innovation roles in the cases (from the cross-case analysis above) was in line with Rogers' (2003) innovation-decision process stages as they pertain to the first export, which is consistent with the conceptual model. Accordingly, the shaded areas are not expected to have any evidence recorded in them due to *sponsoring* and *gatekeeping* activities not operating in these stages (see Sections 2.2 & 2.4). Interestingly at a factor level, some cells are empty such as *champion – rule bending* and persuasion stage, which was due to a lack of evidence in the cases. The implications will be discussed in the next chapter. See Table 4.70.

Table 4.70 Innovation roles & decision process in the first export

Innovation role	Factors	Knowledge (case)	Persuasion (case)	Decision (case)
Champion	Decisions outside hierarchy	C, D	A, G, H!, J!, K, M	A, E, I%, L, M
Champion	Rule bending	G		
Champion	Team as equals	I%	C, G, H, J, N#	H, J, N#
Champion	Plans and projections		A, C, D, F, G, I%, J!, K, L, M, N#	
Sponsor	N.A.		D, N#	A, C, D, F, G, H, H!, I%, J, K, L, M, N#
Boundary spanner	Information acquisition and control	A, B, C, E, F, G, H, I%, J, L, N#	B, C, F, G	B, C, F, G
Boundary spanner	Domain determination and interface	A, C, D, E	A, D, E, G, H, I%, J, K, L, M, N#	A, C, D, E, I%, J, K, L, M, N#
Boundary spanner	Physical input control	I%, J, K		G, I%
Gatekeeper	Knowledge handling	A, B, C, D, E, F, G, H, I%, J, N#	A, B, C, F, G, L	
Gatekeeper	Innovation approval			A, C, D, H, I%, K, M, N#

! Contrary finding to innovation role
Large exporting firm
% Non-exporting firm
Source: Compiled by author.

Innovation roles in the first export

All the tables in this sub-section are summarised with evidence of innovation roles in Table 4.71. Where innovation role activities were evident these appear in the "observed cases" column (see Table 4.71). If the activities were not stated, these were recorded in the "not observed/contrary" column. Additionally, if the innovation role activity was contrary to the expected behaviour, this case was also listed in the "not observed/contrary cases" column.

In the present study, *championing* activities appeared in cases where innovation roles were both observed (48%)[8] and not observed or contrary evidence (52%). The bulk of cases (78%) had *sponsoring* activities. Similarly, the majority of cases had *boundary spanning* (72%) and *gatekeeping* activities (69%). See Table 4.71.

[8] Calculated by the number of cases for each column excluding the large exporter – firm N

Table 4.71 Decision-maker innovation roles in the first export

Innovation role	Factors	Observed cases	Not Observed/Contrary cases
Champion	Decisions outside hierarchy	A, C, D, E, G, I%, K, L, M	B, H!, J!, N#
Champion	Rule bending	G	A, B, C, D, E, F, H, I%, J, K, L, M, N#
Champion	Team as equals	C, G, H, I%, J, N#	A, B, D, E, F, K, L, M
Champion	Plans and projections	A, C, D, F, G, I%, K, L, M, N#	B, E, H, J!
Sponsor		A, C, D, F, G, H, I%, J, K, L, M, N#	B, E, H!
Boundary spanner	Information acquisition and control	A, B, C, D, E, F, G, H, I%, J, L, N#	K, M
Boundary spanner	Physical input control	D, E, G, I%, J, K	A, B, C, F, H, L, M, N#
Boundary spanner	Domain determination and interface	A, C, D, E, G, H, I%, J, K, L, M, N#	B, F
Gatekeeper	Knowledge handling	A, B, C, D, E, F, G, H, I%, J, L, N#	K, M
Gatekeeper	Innovation approval	A, C, D, H, I%, K, M, N#	B, E, F, G, J, L

Large exporting firm
! Contrary finding
% Non-exporting firm
Source: Compiled by author

In answer to:

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The cross-case analysis indicates that innovation role activities were more prevalent among *decision-makers* involved in the first export initiation. Surprisingly, innovation role activities can also occur even when the first export does not take place, for example Case I. The implications of these findings are discussed in the next chapter.

4.2.2 Stimulus influence on decision-makers in the first export

This sub-section applies a cross-case analysis with the research question:
RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

This cross-case analysis begins with tabulations of *stimuli* associated with the first export. To find evidence of *stimuli* to answer this research question, interview transcripts for the case were reviewed against *a priori* codes from Appendix 3.2.6. Primary *stimuli* were perceived by key informants and/or respondents to be the most important for the export. Secondary *stimuli* as described by the key informant and/or respondent in the interviews were also noted. The *stimuli* were then divided into four categories: (i) *internal-proactive,* (ii) *internal-reactive,* (iii) *external-proactive and* (iv) *external-reactive* in each case using a codebook of *a priori* codes based on Leonidou's (1998) typology (see Appendix A3.2.6). Finally, the *stimuli* were related to activities of the four innovation *actor* roles of *champion, sponsor, boundary spanner and gatekeeper* and summarised below.

(i) Cases where the *internal-proactive* (I-P) *stimuli* were the primary or secondary reason for the first export are indicated in Table 4.72. Most cases (69%) had an *internal-proactive* primary *stimulus* for the first export, described as a driving force for export initiation (Samiee et al., 1993). Four cases had *internal-proactive stimulus* as a secondary *stimulus*. See Table 4.72.

Table 4.72 Internal-proactive stimuli in the first export

Stimulus	Primary (case)	Secondary (case)
Corporate growth		
Economies of scale		e, n#
Extra profit		
Extra sales potential	C	
Managerial urge		g, h
Market expansion	H, J, N#	
Marketing advantages		a
Process innovation	G	
Product innovation		
Strategic reorientation		
Technological advantages		a, n#
Tax advantages		
Unique products	A, E, F, I%, M	
Internal-proactive stimuli	A, C, E, F, G, H, I%, J, M, N#	a, e, g, h, n#

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
% Non-exporting firm
Source: Compiled by author

(ii) One case had an *internal-reactive* (I-R) *stimulus* (*declining domestic sales*) as a primary *stimulus* for the first export. Similarly, one case had an *internal-reactive stimulus* (*seasonal product*) as a secondary *stimulus*. This was not surprising, as these *stimuli* were seen in the literature as modest contributors to explaining SME export initiation (Leonidou, 1998). See Table 4.73.

Table 4.73 Internal-reactive stimuli in the first export

Stimulus	Primary (case)	Secondary (case)
Declining domestic profit		
Declining domestic sales	K	
Overproduction		
Reduce dependence on domestic market		
Seasonal product		a
Spreading risks		
Excess production capacity		
Internal-reactive stimuli	K	a

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author

(iii) One case had a *small domestic market*, an *external-proactive* (E-P) *stimulus* as a primary *stimulus* associated with the first export. Interestingly, the majority of *external-proactive stimuli* were secondary, found in past studies as low to modest contributors to export initiation (Leonidou, 1998). There was a new secondary

stimulus of *country of origin* identified in Case J that was not identified previously in the literature (See Table 4.74). The *country of origin stimulus,* arose where the *decision-maker* in Case J perceived that his Thai customers considered Australian locks to be superior to other products on offer in their market.

Table 4.74 External-proactive stimuli in the first export

Stimulus	Primary (case)	Secondary (case)
Country of origin +		j
Exclusive information on foreign markets		
Favourable exchange rates		
Foreign demand/market potential		e, g, h, j
Home government export promotion programs	D	
Small domestic market		a, d, f
External-proactive stimuli	D	a, d, e, f, g, h, j

Upper case = primary stimulus, lower case = secondary stimulus
+ Not identified previously in export initiation studies
Source: Compiled by author

(iv) Two cases had *external-reactive* (E-R) *stimuli* as the primary *stimulus* of the first export. Interestingly, these *stimuli,* primarily *unsolicited orders* are said to mainly explain the initiation of exporting in SMEs (Bilkey & Tesar, 1977; Czinkota, 1982; Czinkota, 2002; O'Rourke, 1985). This was clearly not the situation for the present study with *unsolicited orders* explaining only two initiations (Cases B & L). A similar observation was found previously by Leonidou (1998). Three cases had an *external-re*active stimulus* as a secondary *stimulus*. See Table 4.75.

Table 4.75 External-reactive stimuli in the first export

Stimulus	Primary (case)	Secondary (case)
Domestic competitors exporting		
Domestic market deregulation		
Pressure from domestic competition		
Saturated domestic market		
Threats from multinational firms		c, d
Unsolicited orders	B, L	m
External-reactive stimuli	B, L	c, d, m

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author

In summary, the tables above (Tables 4.72-5), indicate that all four *stimulus* types for the first export were identified in the cases in the present study. Innovation roles will

now be considered in relation to these *stimuli* to see if they relate to specific innovation roles, their factors and activities.

Championing activities

There are four *champion* factors: (i) *outside hierarchy*, (ii) *rule bending*, (iii) *team as equals*, (iv) *plans and projections,* as defined by Shane (1994). Each factor and its associated *a priori* codes will be examined. This analysis considers how *championing* activities for the first export related to the type of *stimulus*.

(i) Codes associated with *championing - decisions outside hierarchy* activities, were more likely with *proactive stimuli* as the primary *stimulus*. However, *internal-proactive* (I-P) *stimuli* were more likely than *external-proactive* (E-P) *stimuli*. No cases were recorded for *internal-reactive stimuli* (I-R). As such, when a *proactive stimulus* was associated with the first export, a *champion made decisions outside hierarchy*. Interestingly, the *worked without formal plans* activity, identified previously in export initiation (Lee & Brasch, 1978) was associated with the *external-reactive stimulus* (E-R) of an *unsolicited order,* instead of the *internal-proactive stimulus* identified in the present study (Case C). The *champion worked without formal plans* with an *internal-proactive stimulus* consistent with the conceptual model. In contrast, there were no observations in the cases where a *champion – took initiative without approval*, linked to a *proactive stimulus* in past *champion* literature (Durand & Shea, 1974; Howell & Shea, 2001). Given that the code had observations in the previous sub-section (see Table 4.54), a lack of observations with the influence of certain *stimuli* is likely to explain its absence. For example, in Case A the *decision-maker took initiative without approval* and this was recorded in Table 4.54. The *primary stimulus* for the first export for Case A was a *unique product* (see Table 4.72). However, at the time when the initiative to export had first taken place, the product had not been sufficiently developed to be considered by the *decision-maker* as unique (see Table 4.1). Therefore, there is no entry for *took initiative without approval* linked with an *internal-proactive stimulus* for Case A. For *championing – decisions outside of hierarchy* activities and associated *stimuli* for the first export, see Table 4.76.

Table 4.76 Championing - decisions outside hierarchy activities & stimuli in the first export

Activity	I-P cases	I-R cases	E-P cases	E-R cases
Avoided financial justification	M			
Made decisions based on intuition	E, I%, M		e	
Made decisions outside hierarchy			D	
Made decisions without higher officials				L
Took initiative without approval				
Worked without formal plans	C			
Decisions outside hierarchy activities	C, E, I%, M		D, e	L

Upper case = primary stimulus, lower case = secondary stimulus
% Non-exporting firm
Source: Compiled by author.

(ii) Only one case had an activity in the *championing - rule bending* factor involved with *proactive stimuli*. The bypassing of budgets, personnel and operating procedures did not appear with a *proactive stimulus.* See Table 4.77 below. This absence of activities was to do with a lack of observations as indicated in the previous sub-section and not related to *stimuli*, see Table 4.55.

Table 4.77 Championing - rule bending activities & stimuli in the first export

Activity	I-P cases	I-R cases	E-P cases	E-R cases
Bent organisation rules	G		g	
Bypassed the budgetary process				
Bypassed personnel procedures				
Bypassed standard operating procedures				
Rule bending activities	G		g	

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author.

(iii) The *championing - team as equals* factor had primary *stimuli* concentrating in *internal-proactive stimuli*. All the cases indicated here had a team of *decision-makers* involved in the first export. For example, in Case C the *champion* (Business Development Manager) included the Managing Director as the idea generator. Their relationship was close whilst working on the first export with the Managing Director commenting: “I probably have more involvement in that regard (*extra sales*) in that I’ll be talking about business development opportunities and then getting M… to follow up in the States.” There were also, two cases with secondary *external-proactive*

stimuli appear in *involved all participants in decisions*. In contrast, there was no evidence for *enabling all participants to act as equals* linked to a *proactive stimulus*, as found previously in *champion* literature (Durand & Shea, 1974; Howell & Shea, 2001). However, when a *champion* performs *team as equals* activities in the first export, it is with a *proactive stimulus*. See Table 4.78.

Table 4.78 Championing - team as equals activities & stimuli in the first export

Activity	**I-P cases**	**I-R cases**	**E-P cases**	**E-R cases**
Involved all participants in decisions	H, N#		h, j	
Enabled all participants to act as equals				
Included the idea generator	C			
Met all participants	N#			
Team as equals activities	C, H, N#		h, j	

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
Source: Compiled by author.

(iv) *Championing - plans and projections* factor was the most frequent factor as primary *stimuli*. Whilst all *stimulus* types were observed, *proactive* cases predominate. For instance, the Business Development Manager in Case F *worked with senior management* in relation to the *unique product stimulus*. He stated that "the Directors didn't necessarily understand why we needed to have that information (recipe). A lot of countries required us to give our recipe to them." *Presenting financial updates* was not observed linked to a *proactive stimulus*. This is a reflection of a lack of data for the code as reported in the previous sub-section, not to do with the *stimulus*. See Table 4.79.

Table 4.79 Championing - plans & projections activities & stimuli in the first export

Activity	**I-P cases**	**I-R cases**	**E-P cases**	**E-R cases**
Provided benefits to the organisation	A, F, M	a, K	a, f	
Obtained employee support before approval	N#			
Obtained other department support	C, n#			
Presented financial updates				
Tested but trusted decisions	C			L
Worked with senior management	C, F, N#		D, f, g	m
Plans & projections activities	A, C, F, M, N#	a, K	a, D, f, g	L, m

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
Source: Compiled by author.

Ten cases displayed most *championing* activities with a *proactive stimulus* (80%). Conversely, two cases had fewer *championing* activities with a *reactive stimulus* (20%). These results were expected as it has been found previously that *champions* with an internal locus of control (perceived control over self and environment); on receipt of an *internal* or *external stimulus;* would perceive it as being *proactive* (Durand & Shea, 1974). In such a context, a *champion* would frame an innovation as an opportunity, determine its relative advantage or *fit* with the firm (Rogers, 2003) and then implement it (Howell & Shea, 2001) or pass it on to a *sponsor* (Markham et al., 2010).

Sponsoring activities

This analysis determines whether there is evidence of *sponsoring* activities for the first export and how they depend on the type of *stimulus*. The majority (8 cases) had a primary *proactive stimulus* in relation to *sponsoring* activities. For example, the Managing Director *obtained resources* from Austrade to enable the *market expansion* of Firm H through the first export. He stated: “AUSTRADE put people in front of you and you choose”.

Whilst, all *stimulus* types were evident, more cases had *sponsoring* activities involved when *proactive stimuli* led to export initiation. The link between *proactive stimulus* and *sponsoring* activities was expected as a symbiotic relationship between *sponsors* and *champions,* has been identified previously in SMEs (Wolf et al., 2012). In addition, it has been established in the literature that *champions,* through their internal locus of control, would perceive an opportunity from *proactive stimuli* and upon meeting a perceived relative advantage or *fit* with the firm, would adopt an innovation (Durand & Shea, 1974; Howell & Shea, 2001; Rogers, 2003). Therefore, *sponsors* would exhibit a similar relationship and this is manifested in the data for the present study. The exceptions to this *proactive stimulus* relationship to *sponsoring* were in Cases K, L & M that had *reactive stimuli*. These exceptions will be discussed in the next chapter.

An activity where a *sponsor – protected the innovation team* was not observed in the case studies. This absence was also reported in the previous sub-section; therefore it

is not related to a *stimulus* but to a lack of observations for the present study. See Table 4.80.

Table 4.80 Sponsoring activity activities & stimuli in the first export

Activity	**I-P cases**	**I-R cases**	**E-P cases**	**E-R cases**
Advocated the innovation, influenced others	N#		D	
Bootlegged funds			D	
Coached, mentored				L
Obtained financial assistance	C, h, I%, N#			m
Obtained resources	C, H, N#		D, h	m
Protected the innovation team				
Sanctioned	A, C, F, I%, J, N#	a, K	a, g	L, m
Sponsoring activities	A, C, F, H, I%, J, N#	a, K	a, D, g, h	L, m

Upper case = primary stimulus, lower case = secondary stimulus
% Non-exporting firm
# Large exporting firm
Source: Compiled by author.

Boundary spanning activities

There are three *boundary spanning* factors: (i) *information acquisition and control,* (ii) *physical input control,* (iii) *domain determination and interface,* as identified by Jemison (1984). Each factor and *a priori* codes for each will be examined. This analysis determines whether there is evidence of *boundary spanning* activities for the first export and how they depend on the type of *stimulus*.

(i) *Information acquisition and control* activities were mainly concentrated with three *boundary spanning* activities mostly with *proactive* or external *stimuli*. According to Ellis and Pecotich (2001) *boundary spanning* activities are associated with both *internal-proactive* and *external stimuli*. The present study suggests that *boundary spanners* act on both *internal-proactive* and *external stimuli* for the first export. For instance, the Wine Division Manager in Case L, had to formally seek information for the first export as a result of the *unsolicited order*. He saw it as: “a matter of keeping up with Australian export regulation through the Australia Wine and Brandy Corporation.” The *acquisition of information for another department* and *providing reports for the organisation from external sources* did not have any observations.

These omissions were due to a lack of observations within the cases generally (see Table 4.62), rather than as a result of the *stimuli* involved. See Table 4.81.

Table 4.81 Boundary spanning - information acquisition & control activities & stimuli in the first export

Activity	**I-P cases**	**I-R cases**	**E-P cases**	**E-R cases**
Acquired information formally for the organisation from external sources	F, H, n#		D, h	B, L
Acquired information informally for the organisation from external sources	A, C, E, I%		a, d, e, g, j	c, d
Acquired information formally for another department				
Acquired information informally for another department				
Decided what external information to distribute	F		g	B
Decided when to distribute external information				B
Decided to whom to distribute external information				B
Provided formal reports for the organisation from external sources				
Provided informal reports for the organisation from external sources				
Information acquisition & control activities	A, C, E, F, H, I%, n#		a, D, e, g, h, j	B, c, d, L

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
% Non-exporting firm
Source: Compiled by author.

(ii) There were three cases with *stimuli* for *boundary spanning - physical input control*, clustered in one code, *decided which physical inputs*. For example, the Export Director in Case G discussed the physical inputs with the *process innovation stimulus*: “that was the first time in the world that high pressure processed fruit… value adding their second fruit, that’s fruit that is small or too big or damaged.” Before the inclusion of *stimuli*, all codes had observations in several cases as noted in the preceding sub-section. The functions of *boundary spanning – physical input control* whilst occurring concurrently with the first export did not have had much to do with the initiating *stimulus*. See Table 4.82.

Table 4.82 Boundary spanning - physical input control activities & stimuli in the first export

Activity	I-P cases	I-R cases	E-P cases	E-R cases
Acquired resources for organisation function				
Decided quality of physical inputs				
Decided when to acquire inputs				
Decided which physical inputs	I%		G	B
Physical input control activities	I%		G	B

Upper case = primary stimulus, lower case = secondary stimulus
% Non-exporting firm
Source: Compiled by author.

(iii) All but one *boundary spanning - domain determination and interface, activity* had all types of *stimuli* evident. Primary *proactive stimuli* outnumbered *reactive stimuli* (8 cases to 4). The CEO in Case K stated, that as a result of the *declining domestic sales*, they had *decided which customers* and "a group of us went over to explore the different outlets, the different possibilities". The dominance of activities associated with *domain determination and interface* and *proactive stimuli*, were consistent with the conceptual model. See Table 4.83.

Table 4.83 Boundary spanning - domain determination & interface activities & stimuli in the first export

Activity	I-P cases	I-R cases	E-P cases	E-R cases
Decided how product/s would be provided	E, G, I%, n#			B
Decided which customers	C, e, G, n#	K	e	L, m
Provided information formally to outside groups	F, H, n#		D, h	
Provided information informally to outside groups	A			
Made speeches to outside groups	G			
Met with customers	n#			m
Domain determination & interface activities	A, C, E, F, G, H, I%, n#	K	D, e, h	B, L, m

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm,
% Non-exporting firm
Source: Compiled by author.

In the present study, *decision-makers* in most cases had *boundary spanning* activities identified once *internal-proactive* or *external stimuli* (*proactive* & *reactive*) instigated the first export. These observations support the findings of Ellis and

Pecotich (2001). However, according to past studies, *boundary spanners* are more likely to act on *internal-proactive stimuli* for the first export (Johanson & Vahlne, 1977). The same applied for the present study. These observations were in contrast with the conceptual model, where an expectation was that *boundary spanning* activities would be performed for the first export when it is instigated by a *proactive stimulus.*

Information acquisition and control activities were mainly associated with three *boundary spanning* activities mostly with *proactive* or external *stimuli*. In relation to *physical input control* activity codes, they were clustered in *decided which physical inputs* activity for *internal-proactive* and *external* stimuli. Finally, *boundary spanning - domain determination and interface, activities* had all but *mainly proactive stimuli* evident. As such, different *boundary spanning* factors appear to have relationships to different *stimuli* for the first export.

Gatekeeping activities

Activities associated with *gatekeeping* were grouped into two types: (i) *knowledge handling* and (ii) *innovation approval*. Both types of *gatekeeping* activities are cross-case analysed. This analysis determines whether there was evidence of *gatekeeping* activities for the first export and how they depend on the type of *stimulus*.

(i) *Gatekeeping - knowledge handling* activities were mainly involved with *proactive* primary *stimuli* involved with the first export. For example, the Director (manufacturing) in Case D learned that they were “competing heavily against American manufactured products” in a *small domestic market*. Conversely, there were also secondary *external-reactive stimuli* present as well. In the literature, *gatekeepers* can receive information (*stimulus*) from *boundary spanners* (Reid & de Brentani, 2004). Given this symbiotic relationship between *gatekeepers* and *boundary spanners* activities, *gatekeepers* can receive *internal-proactive* and *external stimuli* that *boundary spanners* obtain (Ellis & Pecotich, 2001). Interestingly, *gatekeepers* in their *knowledge handling* role provided primary *proactive stimuli* to *sponsors* (Cases F, G, H, I & J), a novel connection that was unexpected in the conceptual model. See Table 4.84.

Table 4.84 Gatekeeping - knowledge handling activity activities & stimuli in the first export

Activity	I-P cases	I-R cases	E-P cases	E-R cases
Collected information on the external environment	C, E, F, H, I%, n#		D, d, e, g, h, j	c, d
Controlled the distribution of information	C, F		D, g	
Determined the value of information to potential recipients	C, F		d	d
Interpreted or filtered information	C, F		d, g	d
Knowledge handling activities	C, E, F, H, I%, n#		D, d, e, g, h, j	c, d

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
% Non-exporting firm
Source: Compiled by author.

(ii) All but one code in the *gatekeeping - innovation approval* group of activities appeared in around half of the cases with all types of *stimuli*. *Withholding resources* when the innovation didn't meet the criteria, only had one observation in the preceding sub-section and was not related to the *stimulus* for the case. As such, there was no entry for that case. Three cases had primary *internal-proactive stimuli*, whilst two had primary *reactive stimuli*. The primary *internal-reactive stimulus* observation of Case K was unexpected. As explained above, *gatekeepers* can receive *internal-proactive* and *external stimuli* from *boundary spanners*. However, *internal-reactive stimuli* have not been linked previously with *boundary spanning* activities. *Internal-reactive stimuli* have been recognised in export initiation, but to a lesser extent than other *stimuli* (Leonidou, 1998). When considering evidence in Case K by comparing *championing* and *sponsoring* activities with *stimuli*, there is a connection between these roles and *gatekeeping – innovation approval*. Markham et al. (2010) recognises this *innovation approval* relationship that excludes *boundary spanners,* which contrasts with export initiation literature (Ellis & Pecotich, 2001). See Table 4.85.

Table 4.85 Gatekeeping - innovation approval activity activities & stimuli in the first export

Activity	I-P cases	I-R cases	E-P cases	E-R cases
Set selection criteria	A, C, H	a	a, h	
Reviewed innovation against criteria	A, C	a	a	
Selection criteria met, then innovation accepted	A, C	a	a	
Assigned resources (if innovation meets criteria)	C, N#	K		m
Withheld resources (when innovations don't meet criteria)				
Innovation approval activities	A, C, H, N#	a, K	a, h	m

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
Source: Compiled by author.

Gatekeeping activities mainly appeared with *decision-makers* in cases when a primary *proactive stimulus* instigated the first export. The *knowledge handling* activities of a *gatekeeper that* is, the receiving of information (*proactive stimuli*) deciding to whom and where to distribute this information, was expected and observed in the present study. In contrast, the *innovation approval* activities that were observed with both *proactive* and *reactive stimuli* were not expected. This may be a situation of approval of the first export trial by a *gatekeeper* regardless of the *stimulus* type and source.

Stimulus influence with innovation roles

All the tables in this sub-section with case evidence showing innovation roles are summarised in Table 4.86. Where innovation role activities were evident in the cases in relation to *stimuli* these are in the "observed cases" column of Table 4.86. When an innovation role did not exist in the cases these are noted in the "not observed/contrary cases" column of Table 4.86. Additionally, if the innovation role activity was contrary to the expected behaviour, this case was also listed in the "not observed/contrary cases" column.

Overall, innovation role activities (*championing, sponsoring, boundary spanning & gatekeeping*) were prevalent when the first export occurred from a *proactive stimulus* (68 observations) rather than a *reactive stimulus* (23 observations). However, some factors within innovation roles were just as likely to occur from primary *reactive*

stimuli as they would for *proactive stimuli*, for instance *boundary spanning – physical input control*. See Table 4.86.

Table 4.86 Decision-maker innovation roles & stimuli in the first export

Innovation role	Factor	I-P Obse-rved cases	I-R Obse-rved cases	E-P Obse-rved cases	E-R Obse-rved cases	Not obse-rved/Contrary cases
Champion	Decisions outside hierarchy	C, E, I%, M		D, e	L	A, B, F, G, H, J, K, N#
Champion	Rule bending	G		g		A, B, C, D, E, F, H, I%, J, K, L, M, N#
Champion	Team as equals	C, H, N#		h, j		A, B, D, E, F, G, I%, K, L, M
Champion	Plans and projections	A, C, F, M, N#	a, K	a, D, f, g	L, m	B, E, H, I%, J
Sponsor		A, C, F, H, I%, J, N#	a, K	a, D, g, H	L, m	B, E
Boundary spanner	Information acquisition and control	A, C, E, F, H, I%, n#		a, D, e, g, h, j	B, c, d, L	K, M
Boundary spanner	Domain determination and interface	A, C, E, F, G, I%, n#	K	D, e, h	B, L, m	J
Boundary spanner	Physical input control	I%		g	B	A, C, D, E, F, H, J, K, L, M, N#
Gatekeeper	Knowledge handling	C, E, F, H, I%, n#		D, e, g, h, j	c, d	A, B, K, L, M
Gatekeeper	Innovation approval	A, C, H, N#	a, K	a, h	m	B, D, E, F, G, I%, J, L

Large exporting firm
% Non-exporting firm
Source: Compiled by author

In answer to:

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

It was found that innovation role activities of *decision-makers* in the first export were more likely to occur with a *proactive* rather than *reactive stimulus*. The implications of this finding are discussed in the next chapter.

4.2.3 Subsequent export

This sub-section uses a cross-case analysis to address the research question:
RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?
Ten SME cases had a subsequent export. Two SMEs did not have a subsequent export (Cases C & M). The large exporting firm (Case N) did have a subsequent export.

From between one and six *decision-makers* were involved in the subsequent export found in SMEs. In Case G, six Directors (two executives, four non-executives) were involved in approving the subsequent export. In the present study, single *decision-makers* were less likely (30%) than groups (70%). The large firm, Case N, had four export *decision-makers,* including the Managing Director.

The number of business owners involved or not involved in each case is noted in the centre and right hand columns of Table 4.87. Business owners were not always involved with the subsequent export decision (Cases B, F, J & L). The present study found that owners were directly involved in the subsequent export, in some cases jointly with subordinates (Cases A, H & K) and solely in others (Cases D, E & G). Some owners' involvement changed between the first and subsequent exports (Cases A & F). In Case A, both Directors became more involved, whilst in Case F the owners left the subordinate to carry out the subsequent export on his own. See Table 4.87.

Table 4.87 Number of decision-makers in the subsequent export

Case	Number of export decision-makers in first export (subsequent export)	Business owners, CEOs, managing director, directors involved in export (subsequent export)	Business owners, CEOs, managing director, directors not involved in export (subsequent export)	Non -business owners, Non CEOs, others involved in export (subsequent export)
A	3 (3)	2 (2)	0 (0)	1 (1)
B	1 (2)	0 (0)	1 (1)	1 (2)
D	2 (2)	2 (2)	1 (1)	0 (0)
E	1 (1)	1 (1)	0 (0)	0 (0)
F	4 (2)	3 (0)	0 (3)	1 (2)
G	6 (6)	6 (6)	0 (0)	0 (0)
H	3 (3)	1 (1)	0 (0)	2 (2)
J	2 (2)	1 (0)	0 (1)	1 (2)
K	3 (3)	1 (1)	0 (0)	2 (2)
L	1 (1)	0 (0)	1 (1)	0 (0)
N #	4 (4)	1 (1)	0 (0)	3 (3)

Large exporting firm
Source: Compiled by author

Evidence of activities was gathered in each case to determine whether a case was *a priori*, *sporadic* or a *regular exporter*. To perform this, activities observed in the cases were compared to codes derived from literature in Chapter 2 resulting in *a priori* codebooks in Appendix A3.2.6.

Of the ten cases that had a subsequent export, eight had activities that had been identified in the literature with *regular export*. Two cases (B & L) had activities mostly associated with *sporadic export* but they had subsequent exports. The subsequent export for Case B was to the same customer as the initial export. Therefore, in relation to the definition of *regular export* used by the present study, Case B is regarded as *sporadic.* Alternatively, Case B had another export in the following year to the same and then an order to a new customer eventually demonstrating *regular export* characteristics. Similarly, Case L exported to different customers in the following year, suggesting a *regular export*.

Case E had a subsequent export to the same customer demonstrating an innovation *routinisation*, theorised as more likely to be a *sporadic exporter*. However in Case (E), the *decision-maker* performed activities linked to *regular export*, for example product adaptation for the subsequent export. Interestingly, the firm had another

export order in the pipeline to a different customer in another market in the same year, suggesting *regular export* after all.

The two Cases (C & M) that did not have a subsequent export differed in their circumstances, with both firms having activities more commonly linked to *regular export*. The *regular exporting* activities may have been due to preparations for several subsequent export projects that did not occur in the following year. Generally, those firms that had a subsequent export performed *regular export* activities. See Table 4.88.

Table 4.88 Sporadic & regular export activities in subsequent export

Sporadic export activity	Regular export activity	First export case observations	Subsequent export case observations
	Hiring of export related staff	C^, F, J, K	J, F&
	More/excess resources available for exporting	A, C^, D, E, F, H, J, K, M^, N#	A, B, D, J, N#
	More monetary resources and budget	A, C^, D, E, F, G, H, I%, J, K, M^, N#	A, B, F, J, N#
Less innovation with products		B, L	L
Less planning for export		B, L	B, L
Less willingness to adapt products for export		A, C^, D, F	A, D, F
Staff training in export functions was less likely		B, F, G, L	B, F, G, L
	More innovation with products	G, M^, N#	J, N#
	More planning for export	A, G, H, J, N#	A, G, H, N#
	More willingness to adapt products for export	G, I%, L, N#	B&, E, H, J, N#
	Staff training in export functions was more likely	K	K

% Non-exporting firm
^ No subsequent export
# Large exporting firm
& After the subsequent export
Source: Compiled by author.

This cross-case analysis is now divided into the four innovation *actor* roles of *champion, sponsor, boundary spanner and gatekeeper.*

Championing activities

This analysis investigates whether there is evidence of *championing* activities for the subsequent export. In Cases B and D, *decision-makers* did not perform any *championing* activities for the subsequent export. In the balance of the cases (A, E, F, G, H, J, K & L), *championing* activities were identified. There are four *champion* factors: (i) *outside hierarchy,* (ii) *rule bending,* (iii) *team as equals,* (iv) *plans and projections,* determined by Shane (1994). Each factor and *a priori* codes for each will be examined below.

(i) Four of the six *a priori* activity codes in the *championing - decisions outside hierarchy* factor were found in the cases for export *decision-makers* in the subsequent export. This *worked without formal plans* code had several observations in the first export but these were less common for the subsequent export. A lack of formal planning has been identified in export initiation previously (Lee & Brasch, 1978). Interestingly, the focus on planning continued from the first to the subsequent export in Cases H and J, a contrast to *championing – worked without plans*. The National Sales and Marketing Manager in Case J stated that he has: "*a real passion for business plans, marketing plans,* [and] *sales plans."* These observations are supported by the literature where *regular exporters* plan more for export than *sporadic exporters* (Czinkota, 1982).

Decisions outside hierarchy activities were not observed in the subsequent export. A *champion's - decisions outside hierarchy* had entries for the first export in Case D. In Case D, the remaining *decision-maker* did not perform *championing* activities, because he was not the *champion* (initially the Managing Director) who initiated the first export. In Case F, the *decision-maker* as *champion* used financial justification for the subsequent export. This finding is in contrast with past innovation studies where *champions avoided financial justification* (Shane, 1994). See Table 4.89.

Table 4.89 Championing - decisions outside hierarchy activities in the first & subsequent export

Activity	First export cases	Subsequent export cases
Avoided financial justification	G, M^	F!, G
Made decisions based on intuition	E, I%, M^	E
Made decisions outside hierarchy	D	
Made decisions without higher officials	A, L	F, L
Took initiative without approval	A, J!	A!, J!
Worked without formal plans	C^, E, H!, J!, K	E, H!, J!, K
Decisions outside hierarchy activities	A, C^, D, E, G, H!, I%, J!, K, L, M^	A,!, E, F, F!, G, H!, J!, K, L

% Non-exporting firm
! Contrary finding
^ No subsequent export
Source: Compiled by author.

(ii) *Rule bending* was the least represented of *championing* activities involved with the subsequent export. Only one case (G) had any activity that related to the factor. This finding is not surprising, as there is no evidence of *rule bending* activities in SME export initiation research to date. See Table 4.90.

Table 4.90 Championing - rule bending activities in the first & subsequent export

Activity	First export cases	Subsequent export cases
Bent organisation rules	G	G
Bypassed the budgetary process		
Bypassed personnel procedures		
Bypassed standard operating procedures		
Rule bending activities	G	G

Source: Compiled by author.

(iii) Three of the four codes for the *championing - team as equals* factor were evident in the cases for the subsequent export. The observations for this factor are not surprising, as teams have been observed in SME internationalisation (Collinson & Houlden, 2005). There were similarities between SMEs and the large exporting firm (Case N), having *met all participants* and *involved all participants in decisions*. The code *included the idea generator*, had observations in two cases (C & I) that did not achieve a subsequent export. It is unlikely that *including the idea generator* negated the subsequent export because this activity has been found in successful implementation and confirmation of innovations (Kanter, 1988; Knight, 1987). It was

more to do with the *decision-maker* being a *champion* as well as the idea generator for the subsequent export (Cases A, E, F, G, H, J, K & L). See Table 4.91.

Table 4.91 Championing - team as equals activities in the first & subsequent export

Activity	First export cases	Subsequent export cases
Involved all participants in decisions	H, J, N#	H, J, N#
Enabled all participants to act as equals	G, H, J	G, H, J
Included the idea generator	C^, I%	
Met all participants	G, N#	G, N#
Team as equals activities	C^, G, H, I%, J, N#	G, H, J, N#

Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author.

(iv) The *championing - plans and projections* factor was observed in five out of six cases (A, G, J, K & L). This is a novel finding, with no previous observation of *decision-makers* 'seeking support from others' in SME export initiation studies. *Presenting financial updates* and *obtained other department support* did not occur in the cases. In Case C the *decision-maker* did obtain other department support in the first export but no subsequent export occurred. The National Sales and Marketing Manager said that: "the ultimate responsibility for the US market is the Business Development Manager … but I guess we give him a bit of a hand on a local basis." In innovation literature, successful implementation and confirmation of an innovation required the support from other departments (Burgelman, 1983; Dougherty & Bowman, 1995). This may be a situation of SMEs not having the size or similar structure to that of a large firm (Forbes & Milliken, 1999).

The lack of *presenting financial update* activities might be a situation where *decision-makers* in most cases were in top management (Cases E, H & K) or senior management (Cases A, G, J & L) and did not require an update. Interestingly, in Case J, top management support was obtained by the *champion* before employee support. It must be remembered that the *champion* in Case J was entrusted to 'grow the business' by top management. The *champion* did this by proposing exporting before any other employee had been involved. Owner-managers have been

identified previously as having the 'final say' in export initiation (Crick & Chaudhry, 1997). See Table 4.92.

Table 4.92 Championing - plans & projections activities in the first & subsequent export

Activity	First export cases	Subsequent export cases
Provided benefits to the organisation	A, F, K, M^	A, K
Obtained employee support before approval	J!, N#	J!, N#
Obtained other department support	C^, N#	N#
Presented financial updates		
Tested but trusted decisions	C^, I%, L	L
Worked with senior management	A, C^, D, F, G, M^, N#	A, G, N#
Plans & projections activities	A, C^, D, F, G, I%, J, K, L, M^, N#	A, G, J, K, L, N#

Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author.

Championing activity observations were mixed when considering the subsequent export. For example, those firms that did not continue to the subsequent export (Cases C & M) had *championing* activities for the first export. In Case C, both *champions* resigned before the subsequent export eventuated and no other *decision-maker* picked up the *championing* activities or subsequent export. In Case M, the *champion* was still employed but no subsequent export occurred. In addition, not all *decision-makers* in firms with a subsequent export demonstrated *championing* activities (Cases B & D). In Case B, there were no *championing* activities for the first export as well. It has been argued that a *champion* may not be involved in an innovation (Burgelman, 1983; Knight, 1987; Schon, 1963). Knight (1987) says that without a *champion*, an innovation's success is reduced by 50 percent. To some extent, Case C exemplifies Knight's findings. However, contrary cases with a subsequent export (B & D), a surrogate for success potentially challenges Knight's finding in an export context. As such, *championing* activities may not be a consideration as to whether subsequent export occurs or not.

In the bulk of cases, *championing* activities occurred before the subsequent export. *Championing* activities have been seen between the innovation-decision process

implementation (first export) and confirmation stages (subsequent export) (Markham et al., 2010) and this was the situation for the present study.

Half of the *champions* of the subsequent export were in top management. This observation partly reinforces a past finding that owner-managers of SMEs fill the *champion* role (Chakrabarti & Hauschildt, 1989). See Table 4.93.

Table 4.93 Champion titles in the first & subsequent export

Decision-maker titles	First export cases	Subsequent export cases
Business Development Manager	C^, F	F
CEO	K, I%	K
Export Director	G	G
General Manager	N#	N#
Manager (division)	L	L
Managing Director	C^, D, E, H	E, H
Marketing Director	A	A
National Sales and Marketing Manager	J	J
Research and Development Manager	M^	

Large exporter
% Non-exporting firm
^ No subsequent export
Source: Compiled by author

Sponsoring activities

This analysis examines whether there is evidence of *sponsoring* activities for the subsequent export. All but one *sponsoring* activity was identified in most of the case studies for the subsequent export. However, no *sponsoring* activities were observed in Cases D, E or F for the subsequent export (reasons why will be discussed in the next chapter). *Sponsoring* activities were the same for SMEs as they were for the large exporter. Interestingly, the activity *protected the innovation team was* observed only in Case B with the subsequent export. The Procurement Manager in Firm B stated that she could manage customers (protect her team) because she knew "the excuses that people come up with and all the little ins and outs". The number of *sponsors* and their activities also varied between the first and subsequent exports, for example, Cases D and F in *obtained resources*. Having a *sponsor* in the first export did not necessarily lead to the achievement of a subsequent export (Cases C & M), a contrast with Markham et al. (2010) who found that a ***sponsor's*** influence increased from the implementation to the confirmation stage. In Case C, the first export *sponsor*

was not involved with subsequent export preparation and left the organisation. In Case M the *sponsor* was still with the organisation but no subsequent export occurred.

Maidique (1980) found that a *sponsor* role is important for continued innovation. This appears to be the situation for the present study as well. For those cases with subsequent exports, most (7) had *sponsoring* activities in the first and subsequent exports. See Table 4.94.

Table 4.94 Sponsoring activities in the first & subsequent export

Activity	**First export cases**	**Subsequent export cases**
Advocated the innovation, influenced others	D, N#	B, N#
Bootlegged funds	D	
Coached, mentored	H!@, K, L	B, H!@, K, L
Obtained financial assistance	A, C^, F, G, H, I%, M^, N#	A, G, H, N#
Obtained resources	A, C^, D, F, H, K, M^, N#	A, H, K, N#
Protected the innovation team		B
Sanctioned	A, C^, F, G, I%, J, K, L, M^, N#	A, G, J, K, L, N#
Sponsoring activities	A, C^, D, F, G, H, H!, I% J, K, L, M^, N#	A, B, G, H, H!, J, K, L, N#

! Contrary finding
Large exporter
% Non-exporting firm
@ External to firm
^ No subsequent export
Source: Compiled by author.

Top management or owners were more likely to perform *sponsoring* activities in SME subsequent export. Not surprisingly, *sponsors* can be the owner-managers in SMEs (Wolf et al., 2012). Generally there was only one *sponsor* in SMEs with two *sponsors* in Cases G, H and K. In contrast, the top management team of four were all *sponsors* in the large exporting firm (Case N). In Case B no-one performed *sponsoring* activities in the first export but a *sponsor* was present in the subsequent export. In Case J, the personnel changed between the first and subsequent exports. See Table 4.95.

Table 4.95 Sponsor titles in the first & subsequent export

Decision-maker titles	First export cases	Subsequent export cases
Business Coach	H@	H@
CEO	I%, K	K
Director	A, F, G	A, G
Manager (division)	L	L
Managing Director	C^, D, G, H, J, M^, N#	G, H, J, N#
Operations Manager	K	K
Procurement Manager		B
Top management team #	N#	N#

Large exporter
% Non-exporting firm
@ External to firm
^ No subsequent export
Source: Compiled by author

In summary, *sponsoring* activities were not observed in the subsequent export for three cases, however for the other seven cases they were. An explanation for *sponsor* involvement or not in the subsequent export is their relationship with *champions*.

Champions & sponsors

In the literature, there is some uncertainty as to whether *champions* and *sponsors* are the same (Day, 1994; Kanter, 1985) or different *decision-makers* (Roberts & Fusfeld, 1981; Wheelwright & Clark, 1992). It was found in the present study that *champions* and *sponsors* can be the same or different *decision-makers* involved in the subsequent export. Previously, a *champion* and a *sponsor* in large firms were found to be two different people (Chakrabarti & Hauschildt, 1989). Similarly, *sponsor* roles have been found to occur in large and medium-sized rather than small firms (Maidique, 1980). In the large exporting firm (Case N) they were different people. In the subsequent export for *medium sized businesses* (Cases B, J, K & L) *sponsors* could be the same (Case L) or different people from *champions* (Cases B, J & K). Case K had two *sponsors,* one having both *champion* and *sponsor roles*. There were no *sponsoring* activities for the subsequent export for Case F.

For small firms (Cases A, D, E, G, H & I), *sponsors* were different people for Cases A, G and H. Case D did not have a *champion* or *sponsor* for the subsequent export. Case E did not have any *sponsoring* activities recorded for both the first and

subsequent exports. Lastly, Cases G and H had two *sponsors* for the subsequent export. These firm size observations with *champions* and *sponsors* in the present study, suggest a variation in relation to Maidique's (1980) finding, that now suggests that *sponsors* are just as likely to operate in small firms in the context of export initiation, a novel finding.

Another observation was the reduced *championing* and *sponsoring* activities in the subsequent export compared to the first export by Directors and Managing Directors (Cases D & F). The reduced role reflects the delegation of exporting to lower management levels after the first export, a characteristic of a *regular exporter* (Crick, 1995; Julien et al., 1997). See Table 4.96.

Table 4.96 Champion & sponsor titles in the first & subsequent export

Decision-maker titles	Champion cases first export	Champion cases subsequent export	Sponsor cases first export	Sponsor cases subsequent export
Business Coach			H@	H@
Business Development Manager	C^, F	F		
CEO	I%, K	K	I%, K	K
Director			A, F, G	A, G
Export Director	G	G		
General Manager	N#	N#		
Manager (division)	L	L	L	L
Managing Director	C^, D, E, H,	E, H,	C^, D, G, H, J, M^, N#	G, H, J, N#
Marketing Director	A	A		
National Sales and Marketing Manager	J	J		
Operations Manager			K	K
Procurement Manager				B
Research and Development Manager	M^			
Top management team			N#	N#

Large exporting firm
% Non-exporting firm
@ External to firm
^ No subsequent export
Source: Compiled by author

Boundary spanning activities

There are three *boundary spanning* factors: (i) *information acquisition and control,* (ii) *physical input control* and (iii) *domain determination and interface* as described by Jemison (1984). Each factor and its *a priori* codes will now be examined. This analysis determines whether there is evidence of *boundary spanning* activities for the subsequent export.

(i) Most cases in the first export also had *information acquisition and control* activities in the subsequent export. For example, the Marketing Director in Case A learned through his involvement with the Australian Standards Board that Indonesia was "the first one's who say yes, "we'll use Australia Standards"." Case K had no *information acquisition and control* activities for the subsequent export. In Case K, the subsequent export was a replication of the first export and information obtained for the first export may have sufficed for the subsequent. This may explain why these *information acquisition and control* activities were not observed. Four codes in the factor had no mention in the 14 cases. The original context for these *boundary spanning* activities of *acquiring external information for other departments* or *provision of reports to the organisation from external sources* were large organisations (Keller & Holland, 1975; Leifer & Huber, 1977). Their absence might be due to SMEs not having as many departments as large firms (Forbes & Milliken, 1999). Interestingly, the large firm (Case N) did not have any of these codes either. See Table 4.97.

Table 4.97 Boundary spanning - information acquisition & control activities codes in the first & subsequent export

Activity	First export cases	Subsequent export cases
Acquired information formally for the organisation from external sources	C^, E, F, H, L, N#	B, E, H, L, N#
Acquired information informally for the organisation from external sources	A, D, E, G, I%, J	A, D, E, F, G, J
Acquired information formally for another department		
Acquired information informally for another department		
Decided what external information to distribute	B, C^, F, G	G
Decided when to distribute external information	B	
Decided to whom to distribute external information	B	
Provided formal reports for the organisation from external sources		
Provided informal reports for the organisation from external sources		
Information acquisition & control activities	A, B, C^, D, E, F, G, H, I%, J, L, N#	A, B, D, E, F, G, H, J, L, N#

% Non-exporting firm
^ No subsequent export
Source: Compiled by author.

(ii) Some cases had *physical input control* activities with only the subsequent but not the first export (Cases A, B, & F). Interestingly, observations on the *deciding quality of physical inputs* activities increased in preparation for the subsequent export. The Business Development Manager in Case F stated: “we had third party manufacturing before…so quality was inconsistent.” The *physical input control* activity was not seen in Case D for the subsequent export. There were two cases (H & L) with no *physical input control* activities for both the first and subsequent export. Given that all the firms in the present study were manufacturers, the lack of observations may be due to these activities not being performed by the key informant or respondent, or that he/she did not mention the activity. If the key informant or respondent did not perform these activities, then others would have most likely performed these functions for products involved with exporting. The key informant or respondent not mentioning these activities in the interview suggests that they were unimportant for export or routine for the manufacturing process. The lower level of observations for this factor

suggests that it may not be as important to export initiation as other *boundary spanning* factors and their associated activities are. See Table 4.98.

Table 4.98 Boundary spanning - physical input control activities in the first & subsequent export

Activity	First export cases	Subsequent export cases
Acquired resources for organisation function	I%, J, K	B, J, K
Decided quality of physical inputs	D, E, G	A, B, E, F, G
Decided when to acquire inputs		
Decided which physical inputs	G, I%	G
Physical input control activities	D, E, G, I%, J, K	A, B, E, F, G, J, K

% Non-exporting firm
Source: Compiled by author

(iii) All cases had *domain determination and interface* activities for the subsequent export. Interestingly, two cases did not have these activities observed in the first export but did for the subsequent export (Cases B & F). The difference in Case B was due to a new *decision-maker* performing the *domain determination and interface* activity of *deciding how product/s would be provided* for the customer. The Procurement Manager in Case B *decided how product/s would be provided* with the timing of ship departures. She stated: “we just try and meet the vessel”. In Case F, this was due to a re-specification of the international marketing program for the subsequent export. See Table 4.99.

Table 4.99 Boundary spanning - domain determination & interface activities in the first & subsequent export

Activity	First export cases	Subsequent export cases
Decided how product/s would be provided	A, C^, E, G, I%, N#	A, B, E, G, N#
Decided which customers	D, E, G, H, I%, J, K, L, M^, N#	D, E, F, G, H, J, K, L, N#
Provided information formally to outside groups	A, D, H, K, N#	A, D, H, K, N#
Provided information informally to outside groups	A, J	J
Made speeches to outside groups	G	G
Met with customers	A, D, E, I%, J, K, L, M^, N#	A, D, E, J, K, L, N#
Domain determination & interface activities	A, C^, D, E, G, H, I%, J, K, L, M^, N#	A, B, D, E, F, G, H, J, K, L, N#

Large exporting firm,
% Non-exporting firm,
^ No subsequent export
Source: Compiled by author.

In summary, *boundary spanning* activities were generally found with *decision-makers* involved in preparing for the subsequent export. Such activities have been observed in subsequent exporting development for Australian SMEs (Ellis & Pecotich, 2001). The number of *boundary spanning* observations was at the same level between the first and subsequent export (10 cases each). Two cases had *boundary spanning* activities in the first export but not in the subsequent export (Cases C & M). In Case C, one of the *decision-makers* performing *boundary spanning* activities left the organisation without completing the subsequent export. In Case M, the *decision-maker* was reluctant to perform the subsequent export as he felt that the product was not ready for export. In this way he withdrew from exporting due to *his decision-making* autonomy, contrary to a past finding (Pauwels & Matthyssens, 2004). These findings suggest that *boundary spanning* activities are just as important for the subsequent export as they are for the first export.

Staff with a wide range of position titles was linked to *boundary spanning* activities with a majority in top management, in contrast to past studies (Floyd & Wooldridge, 1997; Pauwels & Matthyssens, 2004) who found that they were in middle management. Only three titles in SMEs were common to two or more cases. Three cases had two *boundary spanners* located in the same small firm (Cases A, D & H).

In a *medium sized business* (Case K) and the large exporting firm (Case N) there were three *boundary spanners*. See Table 4.100.

Table 4.100 Boundary spanner titles in the first & subsequent export

Decision-maker titles	First export cases	Subsequent export cases
Business Development Manager	C^, F, K, N#	F, K, N#
CEO	I%, K	K
Customer Service Officer	B	B
Director	D	A, D
Employee	H	H
Export Director	G	G
General Manager	N#	N#
Manager (division)	L	L
Managing Director	D, E, H, M^	D, E, H
Marketing Director	A	A
National Sales and Marketing Manager	J	J
Operations Manager	K	K
Research and Development Manager	M^	
Top management team	N#	N#

Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author

Gatekeeping activities

As stated in Chapter 2, activities associated with *gatekeeping* fall into two types: (i) *knowledge handling* and (ii) *innovation approval*. Both types of *gatekeeping* activities are cross-case analysed below. This analysis examines whether there is evidence of *gatekeeping* activities for the subsequent export.

(i) Nine out of ten cases had *knowledge handling* activities conducted by *gatekeepers* in the subsequent export, reinforcing the findings of past studies (Ellis & Pecotich, 2001). The Marketing Director in Case A, identified that: “since the company was sold…the focus has been on overseas products”. Knowing the value of the Standards Australian information, he persuaded the owner-directors to support the subsequent export to Indonesia. Apart from those cases that did not have a subsequent export (C & I), observations of the collection, interpretation and controlling of information about an export opportunity for the subsequent export were at a similar level to the first export. See Table 4.101.

Table 4.101 Gatekeeping - knowledge handling activities in the first & subsequent export

Activity	First export cases	Subsequent export cases
Collected information on the external environment	A, B, C^, D, E, F, G, H, I%, J, N#	A, D, E, F, G, H, J, N#
Controlled the distribution of information	A, B, C^, F, G	A, B, G
Determined the value of information to potential recipients	B, C^, F, G	A, G
Interpreted or filtered information	A, B, C^, F, G, L	A, G, L
Knowledge handling activities	A, B, C^, D, E, F, G, H, I%, J, L, N#	A, B, D, E, F, G, H, J, L, N#

Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author.

(ii) A few cases (A, D, H & K) in the subsequent export had *innovation approval* activities conducted by *gatekeepers*. The lower number of observations between the first and subsequent export was because of the firms that did not subsequently export (C & M). In Case C, the *decision-maker* who had been performing *innovation approval* activities left the organisation before a subsequent export had eventuated. It is possible that without the *decision-maker's* approval the subsequent export could not occur, however as this *decision-maker* performed all four innovation roles it may have been the absence of any one of these roles that scuttled the subsequent export.

Innovation approval was not granted in Case M, but it is unclear whether the *gatekeeper withheld resources* for a subsequent export. Rogers (2003) contends that *decision-makers* in the confirmation stage of the innovation-decision process obtain reinforcement that the innovation (first export) met the organisation criteria. This reinforcement activity at the confirmation stage has been ascribed to a *gatekeeper's innovation approval* process (Markham et al., 2010). According to the *decision-maker* in Case M, the firm was looking at different markets (from the first export) and they appointed vendors in potential markets but no subsequent export order occurred. As such, the first export may not have met the organisation criteria such as quality of vendor, customer or size of the market and to take time to improve these, *withheld resources* for the subsequent export. See Table 4.102.

Table 4.102 Gatekeeping - innovation approval activities in the first & subsequent export

Activity	First export cases	Subsequent export cases
Set selection criteria	A, D, H	A, D, H
Reviewed innovation against criteria	D	A, D
Selection criteria met, then innovation accepted	A, D	A, D
Assigned resources (if innovation meets criteria)	C^, K, M^, N#	K, N#
Withheld resources (when innovations don't meet criteria)	I%	
Innovation approval activities	A, C^, D, H, I%, K, M^, N#	A, D, H, K, N#

Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author.

In summary, *gatekeeping* activities were observed with most *decision-makers* involved in the first and subsequent export with differences mainly to do with *decision-maker* departure and the lack of subsequent export. Interestingly, some *decision-makers* in those firms that did not go on to a subsequent export still had these activities for the first export and may have exercised the withdrawal of the subsequent export using their *gatekeeper - innovation approval* role. As such, *gatekeeping* activities could provide important insight into *regular export*. These observations will be discussed further in the next chapter.

The top management team, such as CEOs, Directors and Managing Directors, were represented as *gatekeepers* in less than half of the cases for the subsequent export. The lack of involvement of senior management, could be an indication of the risk associated with a subsequent export, with senior staff being the ones likely to be involved with higher risk (Cooper & Edgett, 2012). Cooper and Edgett (2012) say that *gatekeepers* may change depending on the risk, however only one case (B) had a new senior staff member as the *gatekeeper* joined the firm just prior to the subsequent export, potentially recognising the increased risk to the firm from export.

There were two *gatekeepers* in Case K, a *medium sized business*. There were three *gatekeepers* in Case H, although one of the *gatekeepers* in Case H was external to the firm. Case N (large exporting firm) also had three *gatekeepers*. Previous research

in large firms has found that several *gatekeepers* can exist for an innovation (Allen & Cohen, 1969). In contrast, Case H was a small business, that past studies have credited as having one or a few *gatekeepers* (Allen, 1977). See Table 4.103.

Table 4.103 Gatekeeper decision-maker titles in the first & subsequent export

Decision-maker titles	First export cases	Subsequent export cases
Business Coach	H@	H@
Business Development Manager	C^, F, N#	F, N#
CEO	I%, K	K
Customer Service Officer	B	
Director	D	D
Export Director	G	G
General Manager	N#	N#
Manager (division)	L	L
Managing Director	C^, E, H, M^	E, H
Marketing Director	A	A
National Sales and Marketing Manager	J	J
Operations Manager	K	K
Procurement Manager		B
Top management team	N#	N#

Large exporting firm
% Non-exporting firm
@ External to firm
^ No subsequent export
Source: Compiled by author

Boundary spanners & gatekeepers

Researchers in the literature, have identified the *boundary spanner* and *gatekeeper* roles as one and the same person (Hara & Kanai, 1994) and the roles the same (Hoch, 1990; Jones, 2006; Lievens & Moenaert, 2000), while others see *gatekeepers* as separate individuals performing related roles (Reid & de Brentani, 2004; Tushman, 1977). With few exceptions, *boundary spanners* and *gatekeepers* were the same *decision-makers* in the present study. The differences were mainly to do with some *decision-makers* having either *boundary spanning* or *gatekeeping* responsibilities (rather than both) in group decisions regarding export (Cases D, H & K). See Table 4.104.

Table 4.104 Boundary spanner & gatekeeper titles in the first & subsequent export

Decision-maker titles	Boundary spanner first export cases	Boundary spanner subsequent export cases	Gatekeeper first export cases	Gatekeeper subsequent export cases
Business Coach			H@	H@
Business Development Manager	C^, F, K, N#	F, K, N#	C^, F, N#	F, N#
CEO	I%, K	K	I%, K	K
Customer Service Officer	B	B	B	
Director	D	A, D	D	D
Employee	H	H	H	H
Export Director	G	G	G	G
General Manager	N#	N#	N#	N#
Manager (division)	L	L	L	L
Managing Director	D, E, H, M^	D, E, H	C^, E, H, M^	E, H
Marketing Director	A	A	A	A
National Sales and Marketing Manager	J	J	J	J
Operations Manager	K	K	K	K
Procurement Manager				B
Research and Development Manager	M^			
Top management team	N#	N#	N#	N#

Large exporting firm
% Non-exporting firm
@ External to firm
^ No subsequent export
Source: Compiled by author

Innovation roles and innovation-decision process

Evidence in these cases was also allocated to Rogers' (2003) innovation-decision process stages as they pertain to the subsequent export. From the observations made in each case, the alignment of innovation roles to the innovation-decision stages was consistent with the conceptual model. Interestingly, the knowledge stage was almost non-existent for *championing* activities. This might indicate a winding back of *championing* activities for the subsequent export as found by Markham et al. (2010). Shading indicates areas are not expected to have any evidence recorded, see Table 4.105.

Table 4.105 Innovation roles & decision process in the subsequent export

Innovation role	Factors	Knowledge (cases)	Persuasion (cases)	Decision (cases)
Champion	Decisions outside hierarchy		A!, F!, G, H!, J!, K	E, F, L
Champion	Rule bending	G		
Champion	Team as equals		G, H, J, N#	H, J, N#
Champion	Plans and projections		A, G, J!, K, L, N#	
Sponsor	N.A.		B, N#	A, G, H, H!, J, K, L, N#
Boundary spanner	Information acquisition and control	A, B, D, E, F, G, H, J, L, N#		G
Boundary spanner	Physical input control	A, B, E, F, J, K		G
Boundary spanner	Domain determination and interface		A, D, E, G, H, J, K, L, N#	A, B, D, E, F, J, K, L, N#
Gatekeeper	Knowledge handling	A, D, E, F, G, H, J, N#	A, B, G, L	
Gatekeeper	Innovation approval			A, D, H, K, N#

! Contrary finding to innovation role
Large exporting firm
% Non-exporting firm
Source: Compiled by author.

All the tables in this sub-section with evidence of innovation roles are summarised in Table 4.106. Where innovation role activities existed in the cases these were in the “observed cases” column. When an innovation role did not exist in the cases these were in the “not observed/contrary cases” column. Additionally, if the innovation role activity was contrary to the expected behaviour, this case was also listed in the “not observed/contrary cases” column.

From those cases that did have a subsequent export, *championing* activities were less common for the subsequent export; however *decisions outside hierarchy*, *plans and projections* were equally common. Reasons were provided above as to why these *championing* activities were observed less frequently for the subsequent export. The majority of cases had *sponsoring* activities observed for the subsequent export. Similarly, most cases with a subsequent export had *boundary spanning* activities observed and more than half of the cases had *gatekeeping - knowledge handling* activities. Conversely, less than half had *innovation approval* activities in the subsequent export, however it is likely that these activities tacitly occurred in the subsequent export. See Table 4.106.

Table 4.106 Decision-maker innovation roles in subsequent export

Innovation role	Factors	Observed cases	Not observed/contrary cases
Champion	Decisions outside hierarchy	E, F, G, K, L	A!, B, D, F!, H, H!, J!, N#
Champion	Rule bending	G	A, B, D, E, F, H, J, K, L, N#
Champion	Team as equals	G, H, J, N#	A, B, D, E, F, K, L
Champion	Plans and projections	A, G, J, K, L, N#	B, D, E, F H
Sponsor		A, B, G, H, J, K, L, N#	D, E, F, H!
Boundary spanner	Information acquisition and control	A, B, D, E, F, G, H, J, L, N#	K
Boundary spanner	Physical input control	A, B, E, F, G, J, K	D, H, L, N#
Boundary spanner	Domain determination and interface	A, B, D, E, F, G, H, J, K, L, N#	
Gatekeeper	Knowledge handling	A, B, D, E, F, G, H, J, L, N#	K
Gatekeeper	Innovation approval	A, D, H, K, N#	B, E, F, G, J, L

Large exporting firm
! Contrary finding
Compiled by author

Stimuli

The *stimuli* associated with the subsequent export drawn from the cases are divided into four *a priori* categories: (i) *internal-proactive* (I-P), (ii) *internal-reactive* (I-R), (iii) *external-proactive* (E-P) *and* (iv) *external-reactive* (E-R). In addition, *stimuli* were divided between primary and secondary in importance as perceived by the key informant and/or respondent. Next, the *stimuli* are related to the four innovation *actor* roles.

(i) Cases where the *internal-proactive stimuli* were the primary or secondary reason for the subsequent export are indicated in Table 4.107. 60% of the cases in the present study had an *internal-proactive* primary *stimulus* for the subsequent export. *Internal-proactive stimuli* have been described as a driving force for export initiation (Samiee et al., 1993). Four cases had secondary *internal-proactive stimulus*. The only differences between the first and subsequent export primary *stimuli* are those cases with no first or subsequent export (C, I & M). See Table 4.107.

Table 4.107 Internal-proactive stimuli in the first & subsequent export

Stimulus	**Primary stimulus first export cases**	**Primary stimulus subsequ-ent export cases**	**Secondary stimulus first export cases**	**Secondary stimulus subsequ-ent export cases**
Corporate growth				
Economies of scale			e, n#	e, n#
Extra profit				
Extra sales potential	C^			f
Managerial urge			g, h	h
Market expansion	H, J, N#	H, J, N#		
Marketing advantages			a	a
Process innovation	G	G		
Product innovation				
Strategic reorientation				
Technological advantages			a, n#	a, n#
Tax advantages				
Unique products	A, E, F, I%, M^	A, E, F		
***Internal-proactive* stimuli**	A, C^, E, F, G, H, I%, J, M^, N#	A, E, F, G, H, J, N#	a, e, g, h, n#	a, e, f, h, n#

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author

(ii) One case (K) had an *internal-reactive stimulus* as a primary *stimulus* associated with the subsequent export, the same as the first export. These *stimuli* were seen as modest contributors for explaining SME export initiation (Leonidou, 1998). One case (F) had an *internal-reactive stimulus* as a secondary *stimulus*. See Table 4.108.

Table 4.108 Internal-reactive stimuli in the first & subsequent export

Stimulus	**Primary stimulus first export cases**	**Primary stimulus subsequ-ent export cases**	**Secondary stimulus first export cases**	**Secondary stimulus subsequ-ent export cases**
Declining domestic profit				
Declining domestic sales	K	K		
Overproduction				
Reduce dependence on domestic market				
Seasonal product			a	
Spreading risks				
Excess production capacity				f
***Internal-reactive* stimuli**	K	K	a	f

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author

(iii) Overall, there was no change between the first and subsequent export *stimuli*. One case had a primary *external-proactive stimulus* associated with the subsequent export. Seen in past studies, these *stimuli* were judged to be low to modest contributors to export initiation (Leonidou, 1998). Six cases had an *external-proactive stimulus* as a secondary *stimulus,* mainly corresponding to cases with *internal-proactive stimuli*. Generally, *internal* and *external stimuli* are stated in the literature as mutually exclusive (Gurau & Merdji, 2008; Olson & Wiedersheim-Paul, 1978; Robinson, 1967). However, in the present study, they appear to be ranked with *internal-proactive* taking precedence over *external-proactive stimuli*. This ranking appears to be where *decision-makers* in SMEs internalise *stimuli* from the external environment that alerts the management to an opportunity such as export (Liesch & Knight, 1999). See Table 4.109.

Table 4.109 External-proactive stimuli in the first & subsequent export

Stimulus	**Primary stimulus first export cases**	**Primary stimulus subsequ-ent export cases**	**Secondary stimulus first export cases**	**Secondary stimulus subsequent export cases**
Country of origin +			j	j
Exclusive information on foreign markets				
Favourable exchange rates				
Foreign demand/market potential			e, g, h, j	a, d, e, g, h, j
Home government export promotion programs		D	d	
Small domestic market	D		a, f	a, d, f
***External-proactive* stimuli**	D	D	a, d, e, f, g, h, j	a, d, e, f, g, h, j

Upper case = primary stimulus, lower case = secondary stimulus
+ Not identified previously in export initiation studies
Source: Compiled by author

(iv) Two cases (B & L) had a primary *external-reactive stimulus* of *unsolicited orders* associated with the subsequent export. In contrast, when *decision-makers* act on an *unsolicited order,* their firms are less likely to become *regular exporters* (Caughey & Chetty, 1994; Katsikeas, 1996; Samiee & Walters, 1991). In Case B, the subsequent export was to the same customer in a different market, therefore it did satisfy the *regular export* definition used by the present study. Case L received *unsolicited orders* from different customers in different markets in both the first and subsequent export in the following year satisfying the *regular export* definition. No case had a secondary *external-reactive stimulus* influencing the subsequent export. See Table 4.110.

Table 4.110 External-reactive stimuli in the first & subsequent export

Stimulus	**Primary stimulus first export cases**	**Primary stimulus subsequ-ent export cases**	**Secondary stimulus first export cases**	**Secondary stimulus subsequent export cases**
Domestic competitors exporting				
Domestic market deregulation				
Pressure from domestic competition				
Saturated domestic market				
Threats from multinational firms			c^, d	
Unsolicited orders	B, L	B, L	m^	
***External-reactive* stimuli**	B, L	B, L	c^, d, m^	

Upper case = primary stimulus, lower case = secondary stimulus
^ No subsequent export
Source: Compiled by author

From the tables above (Tables 4.107-10), all four *stimulus* types have been identified in the cases of the present study for the subsequent export. However, *internal-proactive stimuli* were the most common and has been found previously as more likely to ensure *regular export* (Leonidou, 1998). Hence, the *internal-proactive stimuli* identified with the subsequent export for the present study are indicative of those found with *regular export*.

Innovation roles will now be considered in relation to these *stimuli* to see if these relate to specific innovation roles, their factors and activities comparing the first and subsequent exports.

Championing activities

The present study considered Shane's (1994) four *champion* factors: (i) *outside hierarchy,* (ii) *rule bending,* (iii) *team as equals,* (iv) *plans and projections*. Each factor and their *a priori* codes are examined. This analysis determines whether there is evidence of *championing* activities for the subsequent export and how they depend on the type of *stimulus*. In Cases B and D, export *decision-makers* did not perform any *championing* activities for the subsequent export. The balance of the cases did display some *championing* activities in relation to *stimuli*.

(i) Two cases (E & F) had *championing - decisions outside hierarchy* activities when a *proactive stimulus* was involved in the subsequent export. Case (F) had two codes associated with *championing - decisions outside hierarchy* and a *proactive stimulus* for the subsequent export. One of these codes was contrary to the *avoided financial justification* code. Even with a *unique product* and *extra sales potential stimuli* the Business Development Manager felt that Firm F: "didn't have the cash flow to drain on the export orders." Even with his concern for Firm F's cash flow, the Business Development Manager still went ahead with the subsequent export. Another case (E) had the same primary and secondary *stimuli* for the subsequent export as the first export. Case D did not have any *championing* activities involving *stimuli* in the subsequent export. An explanation for the discontinuance of *championing* in Case D, could be that the subsequent export was a replication of the first export, resulting from the earlier pre-export activities. In this case, there were no new discernible *championing* activities for the subsequent export. See Table 4.111.

Table 4.111 Championing - decisions outside hierarchy activities & proactive stimuli in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus subseque-nt export cases**	**E-P stimulus first export cases**	**E-P stimulus subseque-nt export cases**
Avoided financial justification	M^	F!		
Made decisions based on intuition	E, I%, M^	E	e	e
Made decisions outside hierarchy			D	
Made decisions without higher officials		F		
Took initiative without approval				
Worked without formal plans	C^			
Decisions outside hierarchy activities	C^, E, I%, M^	E, F, F!	D, e	e

Upper case = primary stimulus, lower case = secondary stimulus
% Non-exporting firm
! Contrary finding
^ No subsequent export
Source: Compiled by author.

There were no cases recorded for the *internal-reactive stimulus*. Only one case (L) had a *championing - decisions outside hierarchy* activity when an *external-reactive stimulus* instigated the subsequent export, the same as for the first export. The *champion* literature indicates that they have an internal locus of control (Howell &

Shea, 2001) where on receipt of an *internal* or *external stimulus;* would perceive it as being *proactive* (Durand & Shea, 1974). Given these findings, *championing* activities were not expected with primary *reactive stimuli*. See Table 4.112.

Table 4.112 Championing - decisions outside hierarchy activities & reactive stimuli in the first & subsequent export

Activity	**I-R stimulus first export cases**	**I-R stimulus subsequent cases**	**E-R stimulus first export cases**	**E-R stimulus subsequ-ent export cases**
Avoided financial justification				
Made decisions based on intuition				
Made decisions outside hierarchy				
Made decisions without higher officials			L	L
Took initiative without approval				
Worked without formal plans				
Decisions outside hierarchy activities			L	L

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author.

(ii) There was one case with *championing - rule bending* activities associated with *proactive stimuli*. See Table 4.113. Considering *reactive stimuli,* there was no *rule bending* codes that applied for the first or subsequent export.

Table 4.113 Championing - rule bending activities & proactive stimuli in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus subsequent export cases**	**E-P stimulus first export cases**	**E-P stimulus subsequent export cases**
Bent organisation rules	G	G	g	g
Bypassed the budgetary process				
Bypassed personnel procedures				
Bypassed standard operating procedures				
Rule bending activities	G	G	g	g

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author.

(iii) Cases of *championing - team as equals* activities were represented in relation to *proactive stimuli*. Apart from Case C, without a subsequent export, the other cases

(H & J) that had the *team as equals* codes in the first export also had them in the subsequent export. Both cases had a team of *decision-makers* involved with the subsequent export. *Reactive stimuli* were not found in either the first or subsequent export for *championing - team as equals* activities. See Table 4.114.

Table 4.114 Championing - team as equals activities & proactive stimuli in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus Subseque-nt export cases**	**E-P stimulus first export cases**	**E-P stimulus subseque-nt export cases**
Involved all participants in decisions	H, N#	H, N#	h, j	h, j
Enabled all participants to act as equals				
Included the idea generator	C^			
Met all participants	N#	N#		
Team as equals activities	C^, H, N#	H, N#	h, j	h, j

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
^ No subsequent export
Source: Compiled by author.

(iv) The *championing - plans and projections* factor manifested in two cases (A & G) with *proactive stimuli* in the subsequent export. See Table 4.115.

Table 4.115 Championing - plans & projections activities & proactive stimuli in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus Subseque-nt export cases**	**E-P stimulus first export cases**	**E-P stimulus subseque-nt export cases**
Provided benefits to the organisation	A, F, M	A	a, f	a
Obtained employee support before approval	N#	N#		
Obtained other department support	C^, n#	n#		
Presented financial updates				
Tested but trusted decisions	C^			
Worked with senior management	C^, F, N#	N#	D, f, g	g
Plans & projections activities	A, C^, F, M, N#	A, N#	a, D, f, g	a, g

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
^ No subsequent export
Source: Compiled by author.

Interestingly the *championing - plans and projections* factor had two cases (K & L) with primary *reactive stimuli* for the subsequent export (See Table 4.116). In Case L, the Wine Division Manager trusted a past contact because: “he knows me and knows what we do here. So there’s a very strong element of relationship.”

The results in Tables 4.115 and 4.116 mean that this factor had observations for both *proactive* and *reactive stimuli*. As stated above, *championing* activities were not expected with primary *reactive stimuli* for the subsequent export.

Table 4.116 Championing - plans & projections activities & reactive stimuli in the first & subsequent export

Activity	**I-R stimulus first export cases**	**I-R stimulus Subseque-nt export cases**	**E-R stimulus first export cases**	**E-R stimulus subseque-nt export cases**
Provided benefits to the organisation	a, K	K		
Obtained employee support before approval				
Obtained other department support				
Presented financial updates				
Tested but trusted decisions			L	L
Worked with senior management			m^	
Plans & projections activities	a, K	K	L, m^	L

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
^ No subsequent export
Source: Compiled by author.

In summary*, championing* activities were more prevalent with *decision-makers* when a *proactive stimulus* instigated the subsequent export. As stated in Chapter 2, this is due to *champions* having an internal locus of control (perceived control over self and environment) such that on receipt of an *internal* or *external stimulus,* he/she will perceive it as being *proactive* (Durand & Shea, 1974). This would lead a *champion* to framing the innovation as an opportunity (Howell & Shea, 2001) and adopting it if it meets a perceived *fit* with the firm (Rogers, 2003). In contrast, two cases had *championing* activities associated with *reactive stimuli*. The implications of these findings are discussed in the next chapter.

Interestingly, there were fewer observations of *championing* activities for the subsequent export than the first export. This reduction can be explained by some firms not performing a subsequent export (Cases C & M) and some *decision-makers* not performing *championing* activities for the subsequent export that occurred soon after the first export (Case D). This may be a situation of a carry-over of the first export *championing* activities to the subsequent export.

Sponsoring activities

This analysis determines whether there is evidence of *sponsoring* activities for the subsequent export and how they depend on the type of *stimulus*. In Cases D, E and F, *decision-makers* did not perform any *sponsoring* activities for the subsequent

export. The reduction in observations between the first and subsequent exports can be explained with one case not having a subsequent export (Case C). In Cases D & F *sponsoring* activities did not appear for the subsequent export because the *sponsors* had *sanctioned* (Case F) or *obtained resources* (Case D) for the first export, and these actions applied to the subsequent export as well. These cases aside, *sponsoring* activities were linked to primary *proactive stimuli* for the subsequent export. See Table 4.117.

Table 4.117 Sponsoring activities & proactive stimuli in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus Subsequ-ent export cases**	**E-P stimulus first export cases**	**E-P stimulus subsequ-ent export cases**
Advocated the innovation, influenced others	N#	N#	D	
Bootlegged funds			D	
Coached, mentored				
Obtained financial assistance	C^, h, I%, N#	h, N#		
Obtained resources	C^, H, N#	H, N#	D, h	h
Protected the innovation team				
Sanctioned	A, C^, F, I%, J, N#	A, J, N#	a, g	a, g
Sponsoring activities	A, C^, F, H, I%, J, N#	A, H, J, N#	a, D, g, h	a, g, h

Upper case = primary stimulus, lower case = secondary stimulus
% Non-exporting firm
# Large exporting firm
^ No subsequent export
Source: Compiled by author.

Sponsoring activities were less represented when *reactive stimuli* (instead of *proactive stimuli*) were involved in the subsequent export, with evidence in three cases. In Case B, the Procurement Manager has to influence the freight forwarders to obtain shipping space for the *unsolicited order*. As she put it: “they give us a list of vessels…there are not many sailings.” This was unexpected as *sponsors* through their symbiotic relationship to *champions* (Wolf et al., 2012), are more likely to be linked to *proactive stimuli.* See Table 4.118.

Table 4.118 Sponsoring activities & reactive stimuli in the first & subsequent export

Activity	**I-R stimulus first export cases**	**I-R stimulus subsequ-ent export cases**	**E-R stimulus first export cases**	**E-R stimulus subseque-nt export cases**
Advocated the innovation, influenced others				B
Bootlegged funds				
Coached, mentored			L, M^	B, L
Obtained financial assistance			M^	
Obtained resources			M^	
Protected the innovation team				B
Sanctioned	a, K	K	L, M^	L
Sponsoring activities	a, K	K	L, M^	B, L

Upper case = primary stimulus, lower case = secondary stimulus
^ No subsequent export
Source: Compiled by author.

Sponsoring activities were more prevalent among *decision-makers* when a subsequent export occurred from a *proactive stimulus*. The link between *proactive stimulus* and *sponsoring* activities was expected due to their symbiotic relationship with *champions* (Wolf et al., 2012). As *champions* would perceive *proactive stimuli* through their internal locus of control, an innovation would be initiated (Durand & Shea, 1974; Howell & Shea, 2001); therefore *sponsors* follow *champions* in relation to *proactive stimuli*. However, there were three cases where a *reactive stimulus* was involved with *sponsoring* activities; these findings will be discussed further in the next chapter.

Boundary spanning activities

There are three *boundary spanning* factors: (i) *information acquisition and control,* (ii) *physical input control* and (iii) *domain determination and interface* as defined by Jemison (1984). Each factor and *a priori* codes were examined for the first and subsequent exports in relation to the nature of the *stimuli*. This analysis determines whether there is evidence of *boundary spanning* activities for the subsequent export and how they depend on the type of *stimulus*.

(i) Apart from those cases that did not have a subsequent export (Case C & I); most cases had *boundary spanning* activities with *proactive stimuli*. In Case A, the Director

(finance) obtained information on *foreign demand*/*market potential*. The Marketing Director explained: “he did a little bit of the background and a bit of searching for information…if I was too busy I’d ask him to get a bit more information for me and he’d just bring it up.” *Information acquisition and control* activity was concentrated in *internal-proactive* primary *stimuli* for the subsequent export with three *boundary spanning* activities for four cases. In addition, there was no change between the first and subsequent export when an *external-proactive stimulus* was involved. Six *information acquisition and control* activities were not observed in the subsequent export in the present study. See Table 4.119.

Table 4.119 Boundary spanning - information acquisition & control activities & proactive stimuli in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus subseque-nt export cases**	**E-P stimulus first export cases**	**E-P stimulus subsequent-nt export cases**
Acquired information formally for the organisation from external sources	F, H, n#	H, n#	D, h	h
Acquired information informally for the organisation from external sources	A, C^, E, I%	A, E, F	a, d, e, g, j	a, d, e, g, j
Acquired information formally for another department				
Acquired information informally for another department				
Decided what external information to distribute	F		g	g
Decided when to distribute external information				
Decided to whom to distribute external information				
Provided formal reports for the organisation from external sources				
Provided informal reports for the organisation from external sources				
Information acquisition & control activities	A, C^, E, F, H, I%, n#	A, E, F, H, n#	a, D, e, g, h, j	a, d, e, g, h, j

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author.

Two cases (B & L) had *information acquisition and control* activities evident in the subsequent export with an *external-reactive stimulus.* There were no *internal-reactive stimuli* found with *information acquisition and control* activities. See Table 4.120.

Table 4.120 Boundary spanning - information acquisition & control activities & reactive stimuli in the first & subsequent export

Activity	**I-R stimulus first export cases**	**I-R stimulus subseque-nt export cases**	**E-R stimulus first export cases**	**E-R stimulus subsequent-nt export cases**
Acquired information formally for the organisation from external sources			B, L	B, L
Acquired information informally for the organisation from external sources			c, d	
Acquired information formally for another department				
Acquired information informally for another department				
Decided what external information to distribute			B	B
Decided when to distribute external information			B	B
Decided to whom to distribute external information			B	B
Provided formal reports for the organisation from external sources				
Provided informal reports for the organisation from external sources				
Information acquisition & control activities			B, c, d, L	B, L

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author.

(ii) There were no *internal stimuli* with *boundary spanning - physical input control* for the subsequent export. One case (G) had *physical input control* had an *external-proactive stimulus* for the first and subsequent exports. See Table 4.121.

Table 4.121 Boundary spanning - physical input control activities & proactive stimuli in the first & subsequent export

Activity	I-P stimulus first export cases	I-P stimulus subsequent export cases	E-P stimulus first export cases	E-P stimulus subsequ-ent export cases
Acquired resources for organisation function				
Decided quality of physical inputs				
Decided when to acquire inputs				
Decided which physical inputs	I%		g	g
Physical input control activities	I%		g	g

Upper case = primary stimulus, lower case = secondary stimulus % non-exporting firm
Source: Compiled by author.

There was only one case found with *physical input control* activities and primary *external-reactive stimuli* in the subsequent export. See Table 4.122.

Table 4.122 Boundary spanning - physical input control activities & reactive stimuli in the first & subsequent export

Activity	I-R stimulus first export cases	I-R stimulus subseque-nt export cases	E-R stimulus first export cases	E-R stimulus subsequent-nt export cases
Acquired resources for organisation function				B
Decided quality of physical inputs				B
Decided when to acquire inputs				
Decided which physical inputs			B	B
Physical input control activities			B	B

Upper case = primary stimulus, lower case = secondary stimulus
% Non-exporting firm
Source: Compiled by author.

(iii) All but one *boundary spanning - domain determination and interface* activity was observed in seven cases with a *proactive stimulus* for the subsequent export. The Director (manufacturing) in Firm D, stated in relation to a *home government export promotion program* that: “we do get a lot of enquiries from being in attendance.” See Table 4.123.

Table 4.123 Boundary spanning - domain determination & interface activities & proactive stimuli in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus Subseque-nt export cases**	**E-P stimulus first export cases**	**E-P stimulus subseque-nt export cases**
Decided how product/s would be provided	E, G, I%, n#	A, E, G, n#		
Decided which customers	C, e, G, n#	A, e, F, G, n#	e	e
Provided information formally to outside groups	F, H, n#	A, H, n#	D, h	D, h
Provided information informally to outside groups				
Made speeches to outside groups	G	G		
Met with customers	n#	n#		D
Domain determination & interface activities	C, E, F, G, H, I%, n#	A, E, F, G, H, n#	D, e, h	D, e, h

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
% Non-exporting firm
Source: Compiled by author.

Four cases (B, F, K & L) had three *boundary spanning - domain determination and interface* activities found with *reactive stimuli* for the subsequent export. The Business Development Manager in Case F *decided which customers* for their *excess production capacity* when he mentioned: “We’ve set up another distributor; in the true terms of a distributor. The company we were dealing with originally was not a distributor. They didn’t have the funds to put into marketing and growing the brand and the business and didn’t have distribution centres.” Four *domain determination and interface* activities were not found in the subsequent export. See Table 4.124.

Table 4.124 Boundary spanning - domain determination & interface activities & reactive stimuli in the first & subsequent export

Activity	**I-R stimulus first export cases**	**I-R stimulus subseque-nt export cases**	**E-R stimulus first export cases**	**E-R stimulus subsequent export cases**
Decided how product/s would be provided			B	B
Decided which customers	K	f, K	L, M^	L
Provided information formally to outside groups				
Provided information informally to outside groups				
Made speeches to outside groups				
Met with customers			M^	
Domain determination & interface activities	K	f, K	B, L, M^	B, L

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author.

In summary, *boundary spanning* activities were more apparent (7 cases out of 10) with *decision-makers* when a *proactive stimulus* instigated the subsequent export. This finding was consistent with the conceptual model. However, three cases (B, K & L) had *reactive stimuli* in association with *boundary spanning* activities. Cases B & L, *boundary spanning* activities were linked to *external-reactive stimuli*, similar to Ellis and Pecotich's (2001) finding where *internal-proactive* and *external stimuli* instigated export. In contrast, Case K with *boundary spanning* activities connected with an *internal-reactive stimulus* is novel. The implications of these findings will be discussed in the next chapter.

Gatekeeping activities

Activities associated with *gatekeeping* fall into two types: (i) *knowledge handling* and (ii) *innovation approval*. Both types of *gatekeeping* activities were cross-case analysed with data from the subsequent export. This analysis determines whether there is evidence of *gatekeeping* activities for the subsequent export and how they depend on the type of *stimulus*.

(i) Five cases with primary *proactive stimuli* initiating the subsequent export had *gatekeeping - knowledge handling* activities, as found previously by Ellis and Pecotich (2001). One case (C) had *knowledge handling* activities observed for the first export but did not have a subsequent export. This lack of an export potentially challenges the argument that innovation roles, including *gatekeeping,* would be associated with the subsequent export. The *decision-maker* with the *gatekeeping - knowledge handling* role for the first export was still with firm C for the subsequent export, but those to whom he fed the information (other *gatekeepers* in their own right) had left the organisation. Similarly, one *gatekeeping decision-maker* in Case D delegated the export task and withdrew from the subsequent export. As such, *knowledge handling* activities of a *gatekeeper* are important when a *proactive stimulus* instigates the subsequent export, providing the roles remain intact. See Table 4.125.

Table 4.125 Gatekeeping - knowledge handling activities & proactive stimulus in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus subsequent export cases**	**E-P stimulus first export cases**	**E-P stimulus subsequent export cases**
Collected information on the external environment	C^, E, F, H, I%, n#	A, E, F, H, n#	D, d, e, g, h, j	D, e, g, h, j
Controlled the distribution of information	C^, F		d, g	g
Determined the value of information to potential recipients	C^, F		D	
interpreted or filtered information	C^, F		D, g	g
Knowledge handling activities	C^, E, F, H, I%, n#	A, E, F, H, n#	D, d, e, g, h, j	D, e, g, h, j

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
% Non-exporting firm
^ No subsequent export
Source: Compiled by author.

No cases revealed evidence of *internal-reactive stimuli* in the first or subsequent export for *gatekeeping - knowledge handling* activities, with one case with an *external-reactive stimulus* category for the subsequent export. The Procurement Manager in Case B *controlled distribution of information* to manage the customer's

expectations for their *unsolicited order*: “Unfortunately with Australia, because we’re so far away as you know, there are not many sailings that will go through all parts of the world or say coming in; because they’re not sailing every day, they (the customers) don’t understand that even though there is a sailing tomorrow, I would have had to book it last week”. See Table 4.126.

Table 4.126 Gatekeeping - knowledge handling activities & reactive stimuli in the first & subsequent export

Activity	**I-R stimulus first export cases**	**I-R stimulus subsequent export cases**	**E-R stimulus first export cases**	**E-R stimulus subsequent export cases**
Collected information on the external environment			c, d	
Controlled the distribution of information				B
Determined the value of information to potential recipients			d	
Interpreted or filtered information			d	
Knowledge handling activities			c, d	B

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author.

(ii) Considering the perception of the *stimulus,* most cases (B, D, E, F, G, J & L) with a subsequent export did not have *innovation approval* activities conducted by *gatekeepers*. All but two codes in the *innovation approval* group of activities were found in the subsequent export with *proactive stimuli* in two cases. In Case C, the *gatekeeping – innovation approval decision-maker* left the organisation before the subsequent export could be implemented. A *gatekeeper’s - innovation approval* to continue with an innovation has been identified previously at the confirmation stage of the innovation-decision process (Markham et al., 2010). See Table 4.127.

Table 4.127 Gatekeeping - innovation approval activities & proactive stimuli in the first & subsequent export

Activity	**I-P stimulus first export cases**	**I-P stimulus subsequent export cases**	**E-P stimulus first export cases**	**E-P stimulus subsequent export cases**
Set selection criteria	A, C^, H	A, H	a, h	h
Reviewed innovation against criteria	A, C^	A	a	a
Selection criteria met, then innovation accepted	A, C^	A	a	a
Assigned resources (if innovation meets criteria)	C^, N#	N#		
Withheld resources (when innovations don't meet criteria)				
Innovation approval activities	A, C^, H, N#	A, H, N#	a, h	a, h

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
^ No subsequent export
Source: Compiled by author.

Only one case (K) is represented in *gatekeeping - innovation approval* activity codes with a primary *internal-reactive stimulus*. Interestingly, one case (M) with an *external-reactive stimulus* completed the first export but did not continue to a subsequent export. In contrast, Case K with an *internal-reactive stimulus* did go on to a subsequent export. The Case K export derived from an *internal-reactive stimulus,* a manifestation of *sporadic export* (Crick & Chaudhry, 1997), and may have been opportunistic (Leonidou et al., 1998). If the trial is successful then confirmation of the innovation occurs (Rogers, 2003). In Case K, a subsequent export occurred, whilst in Case M, no subsequent export eventuated. No case had an *external-reactive stimulus* apply to *innovation approval* codes for the subsequent export. These cases, *stimuli* and *innovation approval* are discussed in the next chapter. See Table 4.128.

Table 4.128 Gatekeeping - innovation approval activities & reactive stimulus in the first & subsequent export

Activity	I-R stimulus first export cases	I-R stimulus subsequent export cases	E-R stimulus first export cases	E-R stimulus subsequent export cases
Set selection criteria	a			
Reviewed innovation against criteria	a			
Selection criteria met, then innovation accepted	a			
Assigned resources (if innovation meets criteria)	K	K	M	
Withheld resources (when innovations don't meet criteria)				
Innovation approval activities	a, K	K	M	

Upper case = primary stimulus, lower case = secondary stimulus
Large exporting firm
Source: Compiled by author.

In summary, *gatekeeping* activities were more common among *decision-makers* when a subsequent export derived from a *proactive stimulus*. They continue with the subsequent export, but observations diminished due to some firms not undertaking the subsequent export. Non completion of the subsequent export may be due to *gatekeepers* leaving the firm, breaking the *knowledge handling* chain, or *gatekeepers* using their *innovation approval* activities to stop the subsequent export.

Where innovation role activities existed in the cases relating to *stimuli*, these are noted in the "observed cases" column of Table 4.129. When no innovation role was reported, these cases are noted in the "not observed/contrary" cases column. Additionally, if the innovation role activity was contrary to the expected behaviour this case was also listed in the "not observed/contrary" cases column.

Generally, *championing* activities were not as apparent in the subsequent export compared to the first when considering *stimuli*. Those cases with observations of *championing* activities were mostly associated with *proactive stimuli*. *Sponsoring* activities were also identified in most cases with *proactive stimuli*. Similarly, *boundary spanning* activities were mainly observed with *proactive stimuli* involved in the subsequent export; however *physical input control* activities were hardly observed. In the majority of cases for *gatekeeping - knowledge handling* a *proactive stimulus*

applied, but for *innovation approval* there were fewer observations of a *proactive stimulus* in a minority of cases. See Table 4.129.

Table 4.129 Decision-makers' innovation roles & stimulus in the subsequent export

Innovation role	Factors	I-P obse-rved cases	I-R obse-rved cases	E-P obse-rved cases	E-R obse-rved cases	Not observed/ contrary cases
Champion	Decisions outside hierarchy	E, F		e	L	A, B, D, F!, G, H, J, K, N#
Champion	Rule bending	G		g		A, B, D, E, F, H, J, K, L, N#
Champion	Team as equals	H, N#		h, j		A, B, D, E, F, G, K, L
Champion	Plans and projections	A, N#	K	a, g	L	B, D, E, F, H, J
Sponsor		A, H, J, N#	K	a, D, g, H	B, L	D, E, F
Boundary spanner	Information acquisition and control	A, E, F, H, N#		a, d, e, g, h, j	B, L	K
Boundary spanner	Physical input control			g	B	A, D, E, F, H, J, K, L, N#
Boundary spanner	Domain determination and interface	A, E, F, G, H, n#	f, K	D, e, h	B, L	J
Gatekeeper	Knowledge handling	A, E, F, H, n#		D, e, g, h, j	B	K, L
Gatekeeper	Innovation approval	A, H, N#	K	a, h		B, D, E, F, G, J, L

Large exporting firm
! Contrary finding
Source: Compiled by author

In answer to:

<u>RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?</u>

The cross-case analysis indicates that innovation role activities were mainly prevalent with *decision-makers* with a subsequent export. Similar to RQ2 findings, evidence of innovation role activities was more common with *decision-makers* when a subsequent export occurred from a *proactive stimulus*. Therefore, *regular export* relies on the proactive perception of *stimuli* and the proactive input of key *decision-*

makers activating their innovation roles. The implications of these findings are discussed in the next chapter.

Summary

This section considered three research questions using a cross-case analysis of the 13 cases analysed in Section 4.1. The section began with descriptive data identifying aspects of the cases, such as size of business, type of industry and product and export destination. All sizes of SMEs were represented with micro, small and medium firms included in the cases. Similarly, there were 13 different export markets identified in the cases. The cases represented several different manufacturing firms and their products, including both *knowledge-based* and *traditional firms*.

In response to Research Question 1, a cross-case analysis determined that innovation role activities were apparent with *decision-makers* in the first export initiation. Most *decision-makers* had *championing, boundary spanning* and *gatekeeping* activities and could be found in various management roles and of various levels in their organisations. In contrast, top management or owners were more likely to perform *sponsoring* activities. Generally, there was only one *sponsor* involved with the first export.

The next cross-case analysis considered Research Question 2 and examined innovation role activities associated with *stimuli* with the first export. All innovation roles were more likely when *proactive stimuli* influenced the initiation of the first export. However, there were some factors within innovation roles that were almost as likely to appear with *reactive stimuli*.

Finally, the innovation roles were compared with the subsequent export for Research Question 3. Fewer *decision-makers* were observed performing innovation role activities with the subsequent export than was the case with the first export. The difference was mainly explained by those firms that did not continue to the subsequent export that had innovation role activities for the first export. As such, innovation role activities were not a consideration as to whether subsequent export occurs or not. However, if a subsequent export occurred, innovation role activities were generally present.

When considering the nature of the *stimuli* with the subsequent export, all innovation role activities were more prevalent among *decision-makers* when a *proactive stimulus* instigated the subsequent export. It was concluded from the cross-case analysis that *regular export* relies on the *proactive* perception of *stimuli* and the proactive input of key *decision-makers* utilizing their innovation roles.

Miles and Huberman (1994 p. 246) cautions that a researcher should “subject the preliminary conclusions to other tactics of conclusion drawing and verification.” The next section will assist in conclusion drawing and verification through analysis of quantitative data.

4.3 Quantitative analysis

This section begins with the sample’s descriptive statistics. It then provides analysis for the hypotheses stated in Chapter 3.

4.3.1 Descriptive statistics of the sample

This sub-section considers the population and the sample used in the quantitative analysis for the present study. After this, scale reliability was determined using Cronbach’s alpha.

Population and sample

There were 13 sites visited in the qualitative phase. One of these (Case N) was a large firm. Consequently, it was excluded from the quantitative analysis. Cases L and M were from the same firm. The researcher chose to treat them as separate cases, as there were two first export initiatives occurring simultaneously with different actors.

From past research, there can be between one and four *decision-makers* in SME export initiations (Collinson & Houlden, 2005; Garnier, 1982; Lee & Brasch, 1978). As such, the researcher expected that there would be at least one export *decision-maker* in each SME site with other *decision-makers* in SME sites potentially involved in the first and/or subsequent export. From the 12 SME sites (13 cases), 32 *decision-makers* were identified in the first export and 25 *decision-makers* involved in the

subsequent export. As the *decision-makers* were in some cases different individuals for the first and subsequent export, this resulted in an overall population of 34 *decision-makers*.

A respondent survey questionnaire was administered to *decision-makers* at each SME site. Not all *decision-makers* identified using Critical Incident Technique (CIT) completed a *decision-maker* survey questionnaire, as its completion was voluntary and not influenced by the researcher. From the 12 sites, questionnaires were received from 13 *decision-makers* involved in the first export. Of the *decision-makers* involved in the first export, seven were also involved in the subsequent export. Therefore, the cohort of those involved in the first and subsequent export had seven *decision-makers*.

Three questionnaires were received from those *decision-makers* only involved in the subsequent export, that is, staff who joined the export program after the first export. These respondents were added to the cohort of those who only performed the first export (6 *decision-makers*). Therefore, the cohort of those involved in the first or subsequent export comprised nine *decision-makers*. In all, 16 questionnaires were received, a response rate of 46 per cent. See Table 4.130.

Table 4.130 SME Case sites population & sample

Case	Decision-makers Involved in first export	Decision-makers involved in subsequent export	Decision-makers involved in both the first and subsequent export	Question-naires received for first export	Question-naires received for subsequent export	Total Question-naires received Both (either 1st or 2nd only)
A	3	3	3	1	1	1
B	1	2	3	0	1 @	(1)
C	2	0	2	1 %	0	(1)
D	2	2	2	1	1	1
E	1	1	1	1	1	1
F	4	2	4	1 %	1 @	(2)
G	6	6	6	2	2	2
H	3	3	3	1	1	1
I	2	0	2	2 %	0	(2)
J	2	2	2	0	1 @	(1)
K	3	3	3	1 %	0	(1)
L	1	1	1	1	1	1
M	2	0	2	1 %	0	(1)
Total	**32**	**25**	**34**	**13**	**10**	**7 (9)**

% First export only
@ Subsequent export only
Source: Compiled by author.

Cronbach's alpha

Each of the four scales and their constituent factors used had their Cronbach coefficient alphas measured in SPSS. All scales were above Nunnally's (1978) minimum expectation of a 0.7 coefficient alpha. All but one factor was above this 0.7 minimum set by Nunnally, however the *champion - rule bending* factor was well below this level and therefore unacceptable. Several scales and factors could benefit from items being removed to improve their alpha. For example, the adapted *champion* scale could have items 1 *bent organisation rules* or 2 *bypass standard operating procedures* removed. Similar observations were made with *sponsor*, *boundary spanner* and *gatekeeper* scales and factors. Given the size of the sample, the researcher determined that item removal was not appropriate. Most scales and factors Cronbach coefficient alphas were compared in past studies. It was considered that the scales and most factors had internal reliability with the data. See Table 4.131.

KMO

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was calculated for each of the 4 scales and the associated sub-scales. A KMO of 0.6 and above is appropriate for further analysis (Tharenou et al., 2007). Comparing the KMO statistics for all the scales and subscales both the overall *champion* scale and *team as equals* sub-scale were below 0.6. Therefore, further analysis is ruled out due to a lack of sampling adequacy for the *champion* and *team as equals* scales. See Table 4.131.

Table 4.131 Scale reliability

Scale	Factor	Alpha for the present study	KMOs for the present study	Previous studies	Alphas for previous studies
Champion – 20 items		0.839	0.422	Adapted from Shane (1994) 24 items	0.8
Champion	Decisions outside hierarchy	0.768	0.653	Shane (1994)	0.69
Champion	Rule bending	0.569	0.704	Shane (1994)	0.73
Champion	Team as equals	0.765	0.492	Shane (1994)	0.69
Champion	Plans and projections	0.819	0.720	Shane (1994)	0.59
Sponsor – 12 items		0.882	0.679	Adapted from Shane (1994)	N.A.
Boundary spanner – 21 items		0.951	0.716	Jemison (1979) Jemison (1984)	0.79 0.81-0.89
Boundary spanner	Information acquisition and control	0.930	0.659	Jemison (1984)	0.82
Boundary spanner	Domain determination and interface	0.883	0.731	Jemison (1984)	0.81
Boundary spanner	Physical input control	0.9	0.790	Jemison (1984)	0.89
Gatekeeper – 13 items		0.931	0.684	Adapted from Jemison (1984)	N.A.
Gatekeeper – 13 items	Knowledge handling	0.930	0.659	Adapted from Jemison (1984)	N.A.
Gatekeeper – 13 items	Innovation approval	0.9	0.790	Adapted from Jemison (1984)	N.A.

Source: Compiled by author.

In addition to the above results, the sample received was under 40. Therefore, hypotheses were tested using non-parametric procedures (Allen & Bennett, 2010).

4.3.2 Hypotheses 1-2 findings

H1 Those who initiate the first and subsequent export perform innovation role activities.

To test H1 meant applying all four scales (*champion*, *sponsor*, *boundary spanner* & *gatekeeper*) to those involved in the first and subsequent export and those who were involved less using an M-W U Test. A graphical comparison of the data between the two cohorts for each innovation role *explains* that they are a similar shape, therefore an M-W U Test is applicable (Allen & Bennett, 2010), see Appendix 4.2.

Each innovation role with its unique scale (discussed in Chapter 3) was assigned a hypothesis to test H1. See Table 4.132.

Table 4.132 Innovation role hypotheses to test H1

H1a Those who initiate the first and subsequent export perform championing activities
H1b Those who initiate the first and subsequent export perform sponsoring activities
H1c Those who initiate the first and subsequent export perform boundary spanning activities
H1d Those who initiate the first and subsequent export perform gatekeeping activities

Three of the four innovation role activities had a significant M-W U Test ($p<0.1$ exact). That is, the mean rank for *sponsoring*, *boundary spanning* and *gatekeeping* activities of those *decision-makers* involved in the first and subsequent export was greater than those *decision-makers* that didn't participate fully. This finding suggests that those *decision-makers* involved in the first and subsequent export had *sponsoring*, *boundary spanning* and *gatekeeping* activities, whilst those only involved in either the first or subsequent export did not perform these activities. *Championing* activities overall were not considered due to a low KMO (inadequate sampling), regardless that there were no significant differences for these activities. In accordance with Allen and Bennett (2010), effect sizes were not measured due to the small sample size ($n<40$). See Table 4.133.

Table 4.133 Hypothesis 1 results

Scale	Mean rank – involved (n)	Mean rank – not fully involved (n)	M-W U Test (n)	Z (corrected for ties)	P (exact one tail)
Champion	9.64 (7)	7.61 (9)	23.5 (16)	-.848	.204
Sponsor	10.36 (7)	7.06 (9)	18.5 (16)	-1.382	.087
Boundary spanner	11.64 (7)	6.06 (9)	9.5 (16)	-2.330	.008
Gatekeeper	11.29 (7)	6.33 (9)	12.0 (16)	-2.064	.021

Source: Compiled by author.

The adapted *champion* scale was distilled into its constituent factors. The M-W U Test for the *rule bending* factor was significant (p<0.1 exact) but rejected due to its low Cronbach alpha. Similarly, the *team as equals* subscale was rejected due to a lack of sampling adequacy (low KMO), both noted in Table 4.131 above. All other *champion* factors were not significant and the null hypothesis was accepted for these factors. See Table 4.134.

Table 4.134 Champion factor results for H1

Champion factor	Mean rank – involved (n)	Mean rank – not fully involved (n)	M-W U Test (n)	Z (corrected for ties)	p (exact one tail)
Decisions outside hierarchy	10.21 (7)	7.17 (9)	19.5 (16)	-1.279	.105
Rule bending	10.64 (7)	6.83 (9)	16.5 (16)	-1.598	.057
Team as equals	7.21 (7)	9.50 (9)	22.5 (16)	-.969	.175
Plans and projections	9.14 (7)	8.00 (9)	27.0 (16)	-.480	.235

Source: Compiled by author.

<u>H2 When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform innovation role activities</u>

To test H2 meant applying all four scales for those involved in the first and subsequent export and those occasionally involved. The dataset was reduced to include only those SMEs with a *proactive stimulus* involved in the subsequent export. A graphical comparison of the data between the two cohorts for each innovation role *explains* that they are similarly shaped, therefore an M-W U Test is applicable (Allen & Bennett, 2010). See Appendix 4.2.

Each innovation role with its unique scale (discussed in Chapter 3) was assigned a hypothesis to test H2. See Table 4.135.

Table 4.135 Innovation role hypotheses to test H2

H2a When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform championing activities
H2b When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform sponsoring activities
H2c When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform boundary spanning activities
H2d When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform gatekeeping activities

Using an M-W U Test, three of the four innovation role activities (*sponsor, boundary spanner & gatekeeper*) were significant ($p<0.05$ exact). That is, the mean ranks for *sponsoring, boundary spanning* and *gatekeeping* activities of those involved in the first and subsequent export were greater than those not fully involved when it was instigated by a *proactive stimulus*. This finding suggests that the *decision-makers* involved in the first and subsequent export carried out *sponsoring*, *boundary spanning* and *gatekeeping* activities, whilst those only involved in only one export did not have these activities. Conversely, *championing* activities overall were not considered due to a lack of sampling adequacy (low KMO) in addition to the non-significant results. See Table 4.136.

Table 4.136 Hypothesis 2 results

Scale	Mean rank – involved (n)	Mean rank – not fully involved (n)	M-W U Test (n)	Z (corrected for ties)	p (exact one tail)
Champion	8.17 (6)	6.00 (7)	14.0 (13)	-1.000	.183
Sponsor	9.08 (6)	5.21 (7)	8.5 (13)	-1.793	.037
Boundary spanner	9.83 (6)	4.57 (7)	4.0 (13)	-2.429	.007
Gatekeeper	9.50 (6)	4.86 (7)	6.0 (13)	-2.143	.017

Source: Compiled by author.

The adapted *champion* scale was distilled into its constituent factors. The M-W U Test for the *decisions outside hierarchy* factor was significant ($p<0.05$ exact). This finding suggests that the *decision-makers* involved in the first and subsequent export were predisposed to making *decisions outside hierarchy of the firm*, whilst those only involved in one export were not. The *team as equals* subscale was not considered

due to a lack of sampling adequacy (low KMO). The other *champion* factors were not significant. See Table 4.137.

Table 4.137 Champion factor results for H2

Champion factor	Mean rank – involved (n)	Mean rank – not fully involved (n)	M-W U Test (n)	Z (corrected for ties)	p (exact one tail)
Decisions outside hierarchy	9.25 (6)	5.07 (7)	14.0 (13)	-1.000	.025
Rule bending	7.92 (6)	6.21 (7)	8.5 (13)	-1.793	.222
Team as equals	5.92 (6)	7.93 (7)	4.0 (13)	-2.429	.183
Plans and projections	7.75 (6)	6.36 (7)	6.0 (13)	-2.143	.267

Source: Compiled by author.

This sub-section tested each of the hypotheses using non-parametric techniques due to the small sample of data obtained. Most alternate hypotheses were accepted for innovation role activities using an M-W U Test. See Table 4.138.

Table 4.138 Summary of results for H1-2

Hypotheses	Champion	Sponsor	Boundary spanner	Gatekeeper
1 Innov. role subsequent export	Not sig.	p<.1	p<.01	p<.05
2 Innov. role subs. *proactive stimulus*	p<.05#	p<.05	p<.01	p <.05

All p values are one tailed, exact
Only Champion – decisions outside hierarchy
Source: Compiled by author.

Summary

This section presented the quantitative results of the present study. It began with a discussion of the sample and concluded that the sample was too small for parametric analysis techniques, requiring measurement *via* non-parametric statistics. As the data distributions were similarly shaped graphically, Mann-Whitney U Tests were performed for two hypotheses.

The M-W U Test obtained significant results for H1. The *decision-makers* who initiate the first and subsequent export are more likely to perform *sponsoring*, *boundary spanning* and *gatekeeping* activities than those only involved in one export. Interestingly, *championing* activities were not significant for *decision-makers* who

initiated the first and subsequent exports in addition to a lack of sampling adequacy. When the *championing* sub-scales were considered, *rule bending* was significant, but was rejected due to a low Cronbach alpha and *team as equals* due to a low KMO.

Considering H2, when a *proactive stimulus* instigates the subsequent export the *decision-makers* who initiate the first and subsequent export is more likely to perform *sponsoring*, *boundary spanning* and *gatekeeping* activities than those who were only involved in one export. *Championing* activities had a lack of sampling adequacy and were not significant, however the *decisions outside hierarchy* factor was significant.

The next section provides results from data triangulation between this quantitative analysis and the qualitative cross-case analysis.

4.4 Triangulation

This section provides methodological triangulation with both the qualitative and quantitative data. Triangulation analysis for each research question using case study observations (excluding the large firm) and hypothesis based on the quantitative data of the preceding section appears below.

4.4.1 Innovation roles involved in the subsequent export

A research question used in the qualitative analysis was:
RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

A hypothesis was asked in the context of the actors performing each type of innovation role. Findings of each are below.

Championing
In relation to RQ3, a hypothesis was established to test:
H1a Those who initiate the first and subsequent export perform championing activities.

Methodological triangulation indicates that only the *championing - rule bending* factor was supported for the subsequent export. Whilst, the case evidence for *rule bending* activities was not strong, the quantitative analysis showed a statistically significant M-W U test for H1a. However, the *rule bending* factor was rejected by the researcher due to a lack of reliability indicated by a low Cronbach alpha. In addition, the *team as equals* factor was also ruled out due to a low KMO (both reported in Table 4.131 in Sub-section 4.3.1). See Table 4.139.

Table 4.139 Champion scale in the subsequent export triangulation

Factors/Scale	**QUAL (RQ3)**	**quan (H1a)**	**Supported or not supported**
Decisions outside hierarchy	E, F, G, K, L	Not significant	Not supported
Rule bending	G	Significant (p<.1 exact)	Rejected due to low Cronbach alpha
Team as equals	G, H, J	Not significant	Rejected due to low KMO
Plans and projections	A, G, J, K, L	Not significant	Not supported
Champion scale	**A, E, F, G, H, J, K, L**	**Not significant**	**Rejected due to low KMO**

Source: Compiled by author.

Sponsoring

In relation to RQ3, a hypothesis was established to test:

H1b Those who initiate the first and subsequent export perform sponsoring activities.

There was evidence of *sponsoring* activities in the cross-case analysis for RQ3. These activities were also identified by the quantitative analysis. *Decision-makers* involved in the first and subsequent export were found to have a significant M-W U Test (p<.1 exact) for the *sponsor* scale for H1c. As such, *sponsoring* activities were supported in methodological triangulation, See Table 4.140.

Table 4.140 Sponsor scale in the subsequent export triangulation

Scale	**QUAL (RQ3)**	**quan (H1b)**	**Supported or not supported**
Sponsor scale	**A, B, G, H, J, K, L**	**Significant (p<.1 exact)**	**Supported**

Source: Compiled by author.

Boundary spanning

In relation to RQ3, a hypothesis was established to test:

H1c Those who initiate the first and subsequent export perform boundary spanning activities.

There were a number of *boundary spanning* activities observed in the cross-case analysis for RQ3 and not surprisingly, those *decision-makers* involved in the first and subsequent export were also found to have a significant M-W U Test (p<.01 exact) for the *boundary spanner* scale for H1c. Overall, *boundary spanning* activities were found to be supported in methodological triangulation. See Table 4.141.

Table 4.141 Boundary spanner scale in the subsequent export triangulation

Factors/Scale	**QUAL (RQ3)**	**quan (H1c)**	**Supported or not supported**
Information acquisition and control	A, B, D, E, F, G, H, J, L	Not tested	
Physical input control	A, B, E, F, G, J, K	Not tested	
Domain determination and interface	A, B, D, E, F, G, H, J, K, L	Not tested	
Boundary spanner scale	**A, B, D, E, F, G, H, J, K, L**	**Significant (p<.01 exact)**	**Supported**

Source: Compiled by author.

Gatekeeping

In relation to RQ3, a hypothesis was established to test:

H1d Those who initiate the first and subsequent export perform gatekeeping activities.

Gatekeeping activities had a number of observations in the cross-case analysis for RQ3. Similarly, quantitative analysis to test H1d, found that those *decision-makers* involved in the first and subsequent export were also found to have a significant M-W U Test (p<.05 exact) for the *gatekeeper* scale different from those occasionally involved (first or subsequent export). As such, *gatekeeping* activities were supported between qualitative and quantitative phases in methodological triangulation, see Table 4.142.

Table 4.142 Gatekeeper scale in the subsequent export triangulation

Factors/Scale	QUAL (RQ3)	quan (H1d)	Supported or not supported
Knowledge handling	A, B, D, E, F, G, H, J, L	Not tested	
Innovation approval	A, D, H, K	Not tested	
Gatekeeper scale	**A, B, D, E, F, G, H, J, K, L**	**Significant (p<.05 exact)**	**Supported**

Source: Compiled by author.

In this sub-section, methodological triangulation was used to compare the cross-case analysis findings with the quantitative test results for innovation roles in the subsequent export. As a result, the qualitative data analysis in relation to RQ3 was supported by statistically significant quantitative M-W U test results for *sponsoring* (H1b), *boundary spanning* (H1c) and *gatekeeping* (H1d) activities. *Championing* activities found in cross-case analysis were not supported by quantitative results.

4.4.2 Stimuli & innovation roles in the subsequent export

A research question used in the qualitative analysis was:
RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

Similarly, a hypothesis was asked in the context of the type of *stimulus* for each innovation role. Findings of each are below.

Champion
In relation to RQ3, a hypothesis was established to test:
H2a When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform championing activities.

There were more observations of *championing* activities when a *proactive stimulus* (6 cases) rather than a *reactive stimulus* (2 cases) instigated the subsequent export. However, when the *champion* scale was measured with *decision-makers* for H2a, only the *decisions outside hierarchy* factor had a significant M-W U test (p<.05 exact) for *proactive stimuli* with those involved in both the first and subsequent export. *Rule*

bending did not have a significant M-W U Test, most likely because there were few observations in one (*rule bending*). *Team as equals* M-W U test was ruled out due to a lack of sampling adequacy (low KMO). The explanation for the *plans and projections* factor could be the almost equivocal observations in the cases with *proactive stimuli* (2 cases) and *reactive stimuli* (2 cases) involved in the subsequent export. This was reflected in the quantitative analysis with little difference between *decision-makers* depending on the type of *stimulus*. As such, methodological triangulation indicated that the *decisions outside hierarchy* activities with a *proactive stimulus,* was supported for the subsequent export. See Table 4.143.

Table 4.143 Champion scale & stimulus in the subsequent export triangulation

Factors/Scale	**QUAL (RQ3) Proactive stimulus**	**QUAL (RQ3) Reactive stimulus**	**quan (H2a) Proactive stimulus**	**Supported or not supported**
Decisions outside hierarchy	E, F	L	Significant (p<.05 exact)	Supported
Rule bending	G		Not significant	Not supported
Team as equals	H, j		Not significant	Rejected due to low KMO
Plans and projections	A, g	K, L	Not significant	Not supported
Champion scale	**A, E, F, G, H, j**	**K, L**	**Not significant**	**Rejected due to low KMO**

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author.

Sponsor

In relation to RQ3, a hypothesis was established to test:

H2b When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform sponsoring activities.

As indicated by observations from the cross-case analysis, *sponsoring* activities were more likely when a *proactive stimulus* (5 cases to 3) instigated the subsequent export. The quantitative analysis also had a significant M-W U test (p<.05 exact). Overall, *sponsoring* activities with a *proactive stimulus* were found to be supported in methodological triangulation. See Table 4.144.

Table 4.144 Sponsor scale & stimulus in the subsequent export triangulation

Scale	QUAL (RQ3) Proactive stimulus	QUAL (RQ3) Reactive stimulus	quan (H2b) Proactive stimulus	Supported or not supported
Sponsor scale	**A, D, g, H, J**	**B, K, L**	**Significant (p<.05 exact)**	**Supported**

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author.

Boundary spanner

In relation to RQ3, a hypothesis was established to test:

H2c When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform boundary spanning activities.

There were more observations of *boundary spanning* activities with a *proactive* than a *reactive stimulus* for the subsequent export (7 cases to 4). Similarly, quantitative data revealed a significant M-W U test (p<.01 exact). As such, methodological triangulation indicated that the *boundary spanning* activities with a *proactive stimulus* was supported for the subsequent export. See Table 4.145.

Table 4.145 Boundary spanner scale & stimulus in the subsequent export triangulation

Factors/Scale	QUAL (RQ3) Proactive stimulus	QUAL (RQ3) Reactive stimulus	quan (H2c) Proactive stimulus	Supported or not supported
Information acquisition and control	A, d, E, F, g, H, j	B, L	Not tested	
Physical input control	g	B	Not tested	
Domain determination and interface	A, D, E, F, G, H	B, f, K, L	Not tested	
Boundary spanner scale	**A, D, E, F, G, H, j**	**B, f, K, L**	**Significant (p<.01 exact)**	**Supported**

Upper case = primary stimulus, lower case = secondary stimulus
Source: Compiled by author.

Gatekeeper

In relation to RQ3, a hypothesis was established to test:

H2d When a proactive stimulus instigates the subsequent export those who initiate the first and subsequent export perform gatekeeping activities.

There were almost three times more observations of *gatekeeping* activities with a primary *proactive stimulus* than a *reactive stimulus* instigating the subsequent export. The quantitative analysis also had a significant M-W U test (p<.05 exact). Overall, *gatekeeping* activities with a *proactive stimulus* were found to be supported in methodological triangulation. See Table 4.146.

Table 4.146 Gatekeeper scale & stimulus in the subsequent export triangulation

Factors/Scales	**QUAL (RQ3) Proactive stimulus**	**QUAL (RQ3) Reactive stimulus**	**quan (H2d) Proactive stimulus**	**Supported or not supported**
Knowledge handling	A, d, E, F, g, H, j	B	Not tested	
Innovation approval	A, h	K	Not tested	
Gatekeeper scale	**A, d, E, F, g, H, j**	**B, K**	**Significant (p<.05 exact)**	**Supported**

Upper case = primary stimulus, lower case = secondary stimulus,
Source: Compiled by author.

In this sub-section, methodological triangulation was used to compare the cross-case analysis findings with the quantitative test results for innovation roles and *proactive stimuli* in the subsequent export. As a result, the qualitative data analysis in relation to RQ3 was supported by statistically significant quantitative M-W U test results for *proactive stimuli* with: *championing – decisions outside or hierarchy* (H1a), *sponsoring* (H1b), *boundary spanning* (H1c) and *gatekeeping* (H1d) activities.

Summary

This section used methodological triangulation to cross-validate qualitative case study observations with quantitative findings. Considering the results of triangulation of innovation roles for the subsequent export found that *sponsoring*, *boundary spanning* and *gatekeeping* activities were supported between qualitative and quantitative methods. When a *proactive stimulus* was involved this resulted in four innovation activities being involved: *championing - decisions outside hierarchy*, *sponsoring*, *boundary spanning* and *gatekeeping.* The implications of these findings are discussed in the next chapter.

4.5 Chapter conclusion

This chapter was divided into the analysis of qualitative and quantitative data as well as the triangulation of these results. In the qualitative section, 13 cases were analysed, finding evidence for each research question from the data obtained (interview and secondary data in the form of documents and web based information). Most innovation role activities were observed in the cases. There were a number of confirmatory observations in relation to past studies of innovation roles. For example, the relationship between owner-directors as *sponsors* and Marketing Director as *champion* in Case A. Interestingly, a number of new observations were made in relation to innovation roles for the first export. For example: *championing*, *boundary spanning* and *gatekeeping* were observed with one *decision-maker* in several cases. In three cases, all four innovation role activities were performed by one *decision-maker,* a novel finding. However, innovation roles are not always necessary for export initiation and the presence of innovation role activities in pre-export does not necessary result in an export.

Observations were also made of new interrelationships between innovation roles. For instance, *champions* who move to other projects can become *sponsors* for another *champion*, as observed in large firms in previous research. Similarly, the linking of *boundary spanning* activities to those of *championing* and *sponsoring* has not been identified before. No study in the past has identified a hierarchical relationship between *boundary spanners* and *gatekeepers* and in addition a *gatekeeper* can be more junior than those seeking their approval.

There were several new observations made in relation to innovation roles for the subsequent export. For example, in contrast to past studies an owner-director as a *boundary spanner* was identified as middle management. Also, no innovation study to date has identified *actors* who were performing both *boundary spanning* and *sponsoring* activities with an innovation. Another new observation was that a *sponsor* may accept the innovation (export order) directly from a *boundary spanner*.

The cross-case analysis section identified that innovation role activities were prevalent among *decision-makers* in the first export initiation. Most *championing*

activities were found with *decision-makers* in the cases for the first export, a novel finding in this context. *Champions* were more likely to be found in middle management for SMEs, again different to results of past studies.

Most cases had evidence of *sponsoring* activities in the first export. This finding is in contrast to past studies that found that small firms would be less likely to have *sponsor* roles. It was observed that all but one *sponsoring* activity was identified in most of the case studies for the first export. In the present study, top management or owner-managers were more likely to perform *sponsoring* activities in SME export initiation.

In relation to *boundary spanning*, some activities have been observed previously, however the control activities of what information to circulate, when and to whom has not been documented before in an export initiation context. Similarly, the determination of the *quality of physical inputs* has not been identified previously in export initiation. Both top and middle management performed *boundary spanning* activities in the present studies whilst past studies have only linked these activities to middle management.

Collecting information on the external environment, a *knowledge handling* activity recognised previously as a *gatekeeping* activity in export literature was identified in the first export. *Gatekeeping* information controlling activities, not reported previously in an export context, have also been observed in the present study. Similarly, the observation of the *gatekeeper - innovation approval* process is also a novel finding with no similar findings recorded in SME export initiation studies. Past innovation studies recognise that *gatekeepers* are more senior than other team members. Interestingly, the *gatekeepers* in half of the cases were not more senior to the other innovation team members but at the same level or they were the entire innovation team (*champion, sponsor, boundary spanner* & *gatekeeper*).

The study identified *stimuli* associated with export initiation from the literature and found a new *stimulus*, *country of origin*. All four *stimulus* types (*internal-proactive*, *internal-reactive*, *external-proactive* & *external-reactive*) have been identified in the cases in the present study for the first export Most cases displayed some

championing activities mainly with a *proactive stimulus*. Similarly, most cases had decision-makers with *sponsoring* activities involved when *proactive stimuli* led to export initiation. The *knowledge handling* activities of a *gatekeeper* receiving *proactive stimuli* was observed. In contrast, *innovation approval* activities were observed with both *proactive* and *reactive stimuli*. *Decision-makers* in the bulk of cases in the present study had *boundary spanning* activities identified when *internal-proactive* or *external* (*proactive* & *reactive*) *stimuli* instigated the first export.

Championing activity observations were mixed when considering the subsequent export. For example, those firms that did not continue to the subsequent export had *championing* activities for the first export. Similarly, not all *decision-makers* in firms with a subsequent export displayed *championing* activities. As such, *championing* activities may not influence whether subsequent export occurs or not. However, for the bulk of cases, *championing* activities occurred before the subsequent export.

Generally, *sponsoring* activities were prevalent among *decision-makers* involved in the subsequent export. All but one *sponsoring* activity was identified in most of the case studies for the subsequent export. Past studies have found that a *sponsor* role is important for continued innovation. This appears to be the situation in the present study as well.

Boundary spanning activities were generally found among *decision-makers* involved in preparing for the subsequent export. The number of *boundary spanning* observations in the cases was at a similar level between the first and subsequent export. These findings suggest that *boundary spanning* activities are just as important for the subsequent export as they are for the first export.

Gatekeeping activities were observed among most *decision-makers* involved with the subsequent export. Interestingly, some *decision-makers* in those firms that did not go on to a subsequent export still contributed to these activities for the first export and may have influenced the withdrawal of the subsequent export using their *gatekeeper - innovation approval* role. In another case, one of the *decision-makers* performing *gatekeeping* activities left the organisation without completing the subsequent export.

As such, further examination of *gatekeeping* activities could provide insight into *regular export*.

All innovation role activities were then considered in light of the type of *stimulus* for the subsequent export. *Championing* activities were more prevalent with *decision-makers* when a *proactive stimulus* instigated the subsequent export. Interestingly, there were fewer *championing* activities for the subsequent export when compared to the first export. This reduction can be explained by the fact that some firms did not perform a subsequent export and some *decision-makers* did not perform *championing* activities for the subsequent export that followed closely after the first export.

Sponsoring activities were linked to *proactive stimuli* for the subsequent export but with a lower number of observations compared to the first export. This was explained with one case not having a subsequent export or because the *sponsors* had *sanctioned* or *obtained resources* for the first export and these actions applied to the subsequent export as well.

Boundary spanning activities were more apparent with *decision-makers* when a *proactive stimulus* instigated the subsequent export. Similarly, *gatekeeping* activities appear to be important for the subsequent export instigated by a *proactive stimulus*. It was observed in two cases that when a *gatekeeper* does not provide *innovation approval,* then the subsequent export, regardless of the *proactive stimulus* does not occur. As such, *innovation approval* by a *gatekeeper* is important for a subsequent export with a *proactive stimulus*. However, it may be given tacitly for the subsequent export if the first export was successful.

The quantitative section began with a discussion of the population, sample and its size. It was concluded that the sample was small and required measurement using non-parametric statistics. For hypothesis 1 the use of Mann-Whitney U Tests indicated that three innovation roles (*sponsor, boundary spanner* and *gatekeeper*) supported the alternate hypotheses for the present study. This finding suggests that *decision-makers* involved in the first and subsequent export had *sponsoring*,

boundary spanning and *gatekeeping* activities, whilst those occasionally involved in either the first or subsequent export did not demonstrate these roles.

In relation to a subsequent export being instigated by a *proactive stimulus*, the four innovation role activities (*championing – decisions outside hierarchy*, *sponsoring, boundary spanning & gatekeeping*) supported the alternate hypotheses. Therefore, these findings suggest that *decision-makers* involved in the first and subsequent export performed these innovation role activities, whilst *decision-makers* occasionally involved in either the first or subsequent export did not.

For the first and subsequent export, the quantitative analysis showed that no *championing* factors had significant implications. However, the methodological triangulation section that juxtaposed qualitative findings with quantitative findings, showed similar results for the other three innovation roles (*sponsoring, boundary spanning & gatekeeping*). For example, there was evidence of *sponsoring* activities in the cross-case analysis and the significance of these activities was supported by the quantitative analysis. Triangulation indicates that *sponsoring* activities are more likely to characterise those involved in both the first and subsequent export rather than those occasionally involved.

There were a number of *boundary spanning* activities observed in the cross-case analysis. Similarly, those *decision-makers* involved in the first and subsequent export were also found to have a significant role. This triangulation suggests that *boundary spanning* activities were found to be more prevalent among those involved in the first and subsequent export, than those occasionally involved in either export.

Gatekeeping activities were found with a number of observations in the cross-case analysis. Similarly, quantitative analysis found that those *decision-makers* involved in the first and subsequent export were also found to be significant for the *gatekeeper* scale when compared with those occasionally involved with either the first or subsequent export. As such, a triangulated analysis confirmed the importance of this activity.

The influence of a *proactive stimulus* with the *decision-makers* involved in the first and subsequent export was supported when qualitative observations triangulated with findings from the quantitative analysis. Specifically, *decision-makers* who were involved in both the first and subsequent export were found to have *championing-decisions outside hierarchy, sponsoring, boundary spanning* and *gatekeeping* supported by both the quantitative findings and the case study observations.

The next chapter will discuss the findings of the present study comparing them with past studies and related literature.

Chapter 5 Discussion

This chapter presents an overview and integration of the theoretical underpinnings, past research and empirical results of the present study. The discussion compares the findings of past studies with related literature and presents the implications of the present study (Evans & Gruba, 2002). The chapter is split into several sections following the sequence of the three research questions. The first focuses on specific innovation roles in the first export. The second section is on *stimuli* and the first export. Finally, the subsequent export is discussed.

5.1 Innovation roles in the first export

A subsidiary purpose for the present study was:

> To provide a better understanding of the innovation roles of *decision-makers* who initiate exporting.

This sub-section will address the subsidiary purpose by discussing the literature from previous studies and the findings of the present study in relation to:

> RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

This sub-section is divided into the four innovation *actor* roles and activities of *champion, sponsor, boundary spanner and gatekeeper* derived from the literature.

5.1.1 Champion role and activities

There were observations of *championing* activities in all but one case study. Each *champion* factor is reviewed below.

<u>Decisions outside hierarchy</u>

The *decisions outside hierarchy* factor (Shane, 1994) comprised several activities observed in the cases. One such activity is where a *champion made decisions based on intuition*. Three *decision-makers* (Cases E, I & M) used intuition in the first export initiation process. Intuition has been identified before in SME internationalisation

(Brouthers & Nakos, 2005; McNaughton, 2001), suggesting a commonality with *champion - decisions outside hierarchy* behaviour. Intuition could be used due to a *decision-maker's* experience (McNaughton, 2001). However, in each of the cases (E, I & M) *decision-makers* did not have previous export or market experience suggesting that using intuition may have been more to do with their overall *decision-making* style (Matzler, Uzelac & Bauer, 2014).

The *decisions outside hierarchy* and *decisions without higher officials'* activities also had some support (Cases A, D & L). These concepts have had solid support in innovation studies (Schon, 1963; Shane, 1994; Van de Ven, 1986) but have not been observed in SME export initiation before. This may be due to owner-managers being the main *decision-makers* in SME export (Czinkota, 1982; Holmlund & Kock, 1998). However, as has been found in the present study, several *decision-makers* were not the owner-managers, with three cases not including them in *decision-making* at all in the first export. The *initiative without approval* activity had support from only one case (A) and contrary behaviour (Case J) where approval was sought. These observations suggest that approval for first export by the owner-manager was usually required even though he/she may or may not have been involved in *decision-making* regarding initiation.

Within the *decisions outside hierarchy* factor, the activity *worked without formal plans* had mixed support. In three cases (C, E & K) the *decision-makers* made no formal plans for export initiation. In three other cases formal plans were made (Cases H & J). From the export initiation literature, a planned process is recommended (Cavusgil & Nevin, 1981) but not always followed. Past SME studies have found that *planning for export* is infrequent (Crick & Chaudhry, 1997) or not performed at all in the situation of initiation (Lee & Brasch, 1978). Firm size could provide a clue in relation to planning. For example, medium-sized firms when compared to small firms, have been found to be more systematic in their planning of export initiation (Louter, Ouwerkert & Bakker, 1991). In the present study, *decision-makers* in one small firm planned (Case H) and another did not plan (Case E). Similarly, in medium-sized firms, some *decision-makers* planned (Case J) whilst others did not (Case C & K). Firm size does not appear to be an indicator of planning for export initiation, but the definition of small or medium firms might partly explain the differences. The Louter et

al. (1991) definition for a small *business* was less than ten employees and a *medium business* had 10 to 100. The present study used the ABS (2000) classification of *small business'* (5-19 employees), with *medium sized business'* ranging from 20 to 199, suggesting that this variation can make international SME comparisons problematic.

Rule bending

There was little evidence in qualitative findings of activities in the *rule bending* factor. Only one case (G) had *rule bending* activities in relation to the first export. The *rule bending* capacity of *champions* in innovation literature also includes activities such as: bypassing standard operating procedures, budgetary procedures and personnel procedures (Burgelman, 1983; Howell & Higgins, 1991; Schon, 1963; Shane, 1994). Firm size may explain why there was no evidence of *rule bending* in the cases. All innovation studies with *rule bending* comprised large firms (Burgelman, 1983; Howell & Higgins, 1991) or firm size was not controlled (Curley & Gremillion, 1983; Schon, 1963; Shane, 1994). The lack of observations in the present study suggests that SMEs, due to their size, may have less *rule bending* because most *decision-makers* are owner-managers (21 out of 32 *decision-makers*). Alternatively, it is somewhat more difficult for middle managers to hide *rule bending* behaviour in smaller firms. The lack of evidence of *rule bending* in internationalisation generally confirms that this type of behaviour would not be expected in SME export initiation.

Team as equals

Nine of the 12 SME cases had teams involved in the first export. All nine export initiation teams had superior/subordinate relationships. However, there were observations of *team as equals* activities in only five cases (C, G, H, I & J). All activities such as *involved all participants in decisions*, *enabled all participants to act as equals*, *included the idea generator* and *met all participants* were observed. Whilst all activities associated with this factor appeared in the cases, the observations were limited to between one and three cases. Including the idea generator may have been hard for some cases as the initiator of the first export was external to the firm (Cases B, I & L). Two of these cases (B & L) also had only one internal *decision-maker* involved in the first export. Therefore, teams did not always apply in relation to the first export. In the present study, participants were neither equal, nor involved in all

decisions. In contrast, the large firm (Case N) had evidence of involving all participants in decisions and meeting all participants.

Plans and projections

The factor named by Shane (1994) as "*plans and projections* as a way to gain the support of others*"* may be a misnomer, as planning is covered under another *champion* factor, *decisions outside hierarchy*. Planning is not part of the factor items that include: *provided benefits to the organisation*, *obtained employee support before approval*, *obtained other department support*, *presented financial updates*, *tested but trusted decisions* and *worked with senior management*. The labelling by Shane (1994) of the factor including these items, is in itself subjective and open to criticism (Hair et al., 1998). The factor name could have been titled, 'obtaining the support of others'. For the present study, the activity codes were of more importance than the factor name for considering the observations in the case studies.

The individual activity codes of the *plans and projections* factor had mixed support with some activities having no observations and other activities having many. For example, *provided benefits to the organisation* were evident in four cases (A, F, K & M). Whilst *champions* who *obtained employee support before approval,* appeared in one case (J), however it was contrary to the expected activity. A top-down approach has been recognised in SME internationalisation (Hutchinson, Quinn & Alexander, 2005). Given the level of *decision-makers* in the first export (9 cases with superior/subordinate relationships), it might be expected that there would be more observations in relation to employee support. Similarly, the activity code *tested but trusted decisions* of the first export team members only appeared in two cases (C & L). The infrequency of observations for these *plans and projections* activities might be related to the lack of support for the *team as equals* factor mentioned above.

Obtained other department support was also observed in only one case (C). The case with this activity was a medium-sized firm, suggesting that firm size may be a consideration in relation to this activity in the first export. This activity code may be the realm of larger firms, as smaller firms would not be expected to have as many departments, following simpler structures (Forbes & Milliken, 1999). In the large firm

(Case N), *obtaining other department support* was also observed in the lead-up to the first export.

There was no evidence of the code *presented financial updates* in the present study. This may be due to those involved in export being in most cases from senior management, that may have included the owner-manager and not requiring updates for their own consumption. However, the code *worked with senior management* had several observations (A, C, D, F, G & M). These observations suggest that financial updates on the first export were neither required nor important to top management or middle managers as *champions*. This lack of attention to financial updates may be due to a focus on growth rather than financial performance of export for SMEs (da Rocha et al., 2012).

Championing activity findings

Innovation literature identifies that *champions* are not necessarily required in an innovation (Burgelman, 1983; Knight, 1987; Schon, 1963), however in the present study *champions* were more likely in the first export. In the present study, there was evidence of five *championing* activities that have also been recognised in past internationalisation studies. For example, *made decisions by intuition* (McNaughton, 2001) was also identified in the present study. The present study revealed ten activities that had not been linked previously to internationalisation or export initiations previously, such as *made decisions outside hierarchy* (Schon, 1963; Van de Ven, 1986). In contrast, there were observations in the case studies that were contrary to innovation theory, for example providing financial justification opposite to *avoided financial justification* (Burgelman, 1984; Souder, 1981). Finally, there were four activities reported regularly in the innovation literature that were not observed for the first export, such as *bypassed personnel procedures* (Howell & Higgins, 1991). Contrary and unobserved activities aside, the majority of *championing* activities were observed in the present study suggesting that they are involved in SME first export.
Table 5.1 provides a summary of each *championing* activity in relation the past internationalisation research and findings of the present study.

Table 5.1 Championing – activities in export initiation

Activities	Published internationalisation research	The present study's findings
Avoided financial justification	No previous study	Both observed and contrary observed
Made decisions based on intuition	McNaughton (2001)	Observed
Made decisions outside hierarchy	No previous study	Observed
Made decisions without higher officials	No previous study	Observed
Took initiative without approval	No previous study	Both observed and contrary observed
Worked without formal plans	Lee & Brasch (1978)	Both observed and contrary observed
Bent organisation rules	No previous study	Observed
Bypassed the budgetary process	No previous study	Not observed
Bypassed personnel procedures	No previous study	Not observed
Bypassed standard operating procedures	No previous study	Not observed
Involved all participants in decisions	Collinson & Houlden (2005)	Observed
Enabled all participants to act as equals	Collinson & Houlden (2005)	Observed
Included the idea generator	No previous study	Observed
Met all participants	Collinson & Houlden (2005)	Observed
Provided benefits to the organisation	No previous study	Observed
Obtained employee support before approval	No previous study	Contrary observed
Obtained other department support	No previous study	Observed
Presented financial updates	No previous study	Not observed
Tested but trusted decisions	No previous study	Observed
Worked with senior management	No previous study	Observed

Championing activities are not always involved

Some *championing* activities were observed infrequently or not seen in the present study, possibly due to the SME context. As mentioned above, most innovation studies involving *champions* were conducted in large firms (Burgelman, 1983; Howell & Higgins, 1991) or the firm size was not stated (Curley & Gremillion, 1983; Schon, 1963; Shane, 1994) suggesting that *champions* may not be as prevalent in SME first export.

Notwithstanding the lack of support for some *championing* activities, a number of observations can be made about *championing* in the present study. With the exception of Case B, all other cases had a *decision-maker* with at least one *championing* activity. This observation is consistent with innovation studies that found

one *champion* associated with innovations (Howell & Higgins, 1991; Schon, 1963). Case C had two *champions* but the Managing Director appeared to reduce his *championing* involvement once the Business Development Manager was appointed. This passing of the *champion* role from one *decision-maker* to the next during an innovation project, has not been reported before in export initiation but has in innovation studies (Leifer et al., 2000).

In the present study, *decision-makers* in middle management (7 *decision-makers*), rather than owner-managers (6 *decision-makers*), were slightly more likely to perform *championing* activities for the first export. This observation is consistent with findings from several innovation studies (Dougherty & Bowman, 1995; Howell & Higgins, 1991; Rogers, 2003). But the present study finding is an exception to other studies specifically involving SMEs, where owner-managers generally took the role of *champion* (Chakrabarti & Hauschildt, 1989; Elliott & Boshoff, 2009). The differences may be SME firm size specification differences or how *championing* activities were measured.

Venkataraman et al. (1992) drew the distinction between *champions* who are in middle management that focus on the gathering of resources and *champions* who are in top management for the incorporation of new business start-ups. In the present study, those firms that could be considered *born-global* (Cases F & G), one had a *champion* in middle management (Case F) rather than top management. Whilst inconclusive, this observation presents a contrast to Venkataraman et al.'s (1992) findings.

Championing factors were represented in the present study in knowledge, persuasion and decision stages of the innovation-decision process, as expected in the conceptual model. Interestingly, *championing* activities were more concentrated in the persuasion stage but not in knowledge or decision. This can be explained where *champions* create awareness by gathering and documenting information in support of their innovation and seek approval (Howell & Higgins, 1991; Howell & Shea, 2001). These past findings suggest that *champions* are more likely to receive an export opportunity from other *actors.* Then they seek to persuade different *actors* in making a favourable decision involving the first export. As demonstrated in the

present study, these different innovation roles may be performed by the one *actor*. The interface of the *champion* role with other innovation roles will be discussed further below.

In summary, the innovation literature identifies that *champions* are not necessarily required in an innovation (Burgelman, 1983; Knight, 1987; Schon, 1963). Export initiation may not require a *champion* to 'run with it' *per se*. But as seen in the present study, at least one *decision-maker* involved in the first export performs *championing* activities.

5.1.2 Sponsor role and activities

There were many observations of *sponsoring* activities in all but two cases (B & E). It has been found before, that most innovations in SMEs have *sponsors* (Wolf et al., 2012). However, Wolf et al. (2012) also identified that not all innovations in SMEs have *sponsors*, the situation in Case E. In this case, the owner-manager as sole *decision-maker* did not perform any *sponsoring* activities in relation to the first export. Interestingly, he performed *championing* activities, further discussed below. In Case B, the absence of a *sponsor* may have been to do with the sale of the firm immediately before the first export and the management turnover just after the sale. As the Procurement Manager stated: "there was a huge change of people. In the management team there's seven of us and I think there's only one who's been here five years…the rest of us are all under a year."

In 9 out of 11 cases, *sponsors* were in top management, with two other cases having middle managers perform this role. In one case (H), the Managing Director as a *sponsor* included an external Business Coach who also *coached* the *decision-makers*, a *sponsoring* activity. External consultants and coaches are used extensively in programs such as AUSTRADE's Export Market Development Grants scheme with would-be exporters. However, in Case H the Business Coach was not in favour of export initiation. In the literature, business coaches have not been observed opposing export.

Not all *sponsoring* activities were common, with *advocated the innovation* and *influenced others* only occurring in one Case (D). This was also the situation for the *bootlegged funds* activity which appeared only in Case D, and *protected the innovation team* not seen in any cases. Whilst these activities have been linked to *sponsoring* in the literature, they may not be relevant in the first export context. It may be that *sponsor* roles do not exist in small firms as found by Maidique (1980). However, Case D, which did reveal *sponsoring*, was a small rather than medium-sized firm, thus challenging Maidique's finding. It is more likely, that the level of *sponsor* in the present study (9 out of 11 cases in top management), negated the need for these activities. For example, in most cases there was no one higher than the *sponsors* who might require influencing.

Other *sponsoring* activities were observed in most cases. A *sponsor* who *obtained resources* or *financial assistance* for the first export was observed frequently (7 observations each). This was not surprising as additional resources sought for SME internationalisation has been observed before (Westhead et al., 2001). Similarly, *sponsors sanctioned* the first export in nearly all cases. These common *sponsoring* behaviours reinforce the importance of top management support for successful innovations (Gambatese & Hallowell, 2011) and, apparently, the first export in SMEs.

In summary, most cases in the present study had evidence of *sponsoring* activities in the first export, similar to innovation studies of SMEs (Wolf et al., 2012). Some of the *sponsoring* activities that were observed, have been recognised in past internationalisation studies, for example *obtained financial assistance* (Westhead et al., 2001). Only one activity contradicted the results of published internationalisation research, namely *coached* (Fischer & Reuber, 2003). In this instance, an external consultant *coached* against export as he perceived the firm to be unready. Three *sponsoring* activities have been uniquely observed in an export initiation context, such as *bootlegged funds* (Roberts, 2007; Roberts & Fusfeld, 1981). However, the *protected the innovation team* activity (Roberts & Fusfeld, 1981; Smith, 2007) were not observed in the present study suggesting that these activities may not have a role to play in the first export. Notwithstanding the lack of *protected the innovation team* activities, *sponsoring* activities are mainly prevalent in SME first export.

Table 5.2 provides a summary of each *sponsoring* activity in relation the past published internationalisation research and findings of the present study.

Table 5.2 Sponsoring – activities in export initiation

Activities	**Published internationalisation research**	**The present study's findings**
Advocated the innovation, influenced others	No previous study	Observed
Bootlegged funds	No previous study	Observed
Coached, mentored	Fischer & Reuber (2003)	Both observed and contrary observed
Obtained financial assistance	Westhead et al. (2001)	Observed
Obtained resources	Westhead et al. (2001)	Observed
Protected the innovation team	No previous study	Not observed
Sanctioned	No previous study	Observed

Sponsoring activities observed in the present study were involved in the persuasion and decision stages of the first export, consistent with the conceptual model. However, *sponsoring* activities were concentrated in the decision stage. This suggests that *sponsors* do little persuading of others and tend to make decisions on the first export from *actors* such as *champions*.

Champions and sponsors

Both *champions* and *sponsors* have been found previously to have interrelationships, for example, a *champion* seeks support from a *sponsor* for the innovation (Markham et al., 2010). It was established above, that in all SME export initiations (except Cases B & E), *decision-makers* either performed both *championing* and *sponsoring* activities (Cases C, D, H, I, K & L) or provided the innovation to another *decision-maker*, who then performed *sponsoring* activities (Cases A, C, F, G, H, J, K, L & M). Past researchers have observed managers who combined *championing* and *sponsoring* roles (Day, 1994; Kanter, 1985), whilst others found cases where they were separated (Roberts & Fusfeld, 1981; Wheelwright & Clark, 1992). In the present study, owner-managers performed both *championing* and *sponsoring* activities when they were the *decision-makers* for the first export. In contrast, when middle managers performed *championing* activities, their owner-managers performed *sponsoring* activities. For example in case F, the Directors as *sponsors* appointed the Business Development Manager who was the *champion*, a contrast to order identified in past

innovation studies (Markham et al., 2010). Owner-managers of SMEs can be *champions* and/or *sponsors* in innovations (Wolf et al., 2012). The transmission of the first export innovation between roles suggests a transition for *decision-makers* from the persuasion stage occupied by the *champion* role to that of the decision stage, where the *sponsor* role is mainly located in the conceptual model.

5.1.3 Boundary spanning role and activities

Qualitative evidence was found for the three *boundary spanning* factors: *information acquisition and control, physical input control,* and *domain determination and interface,* as defined by Jemison (1984).

Information acquisition and control activities

Most cases (excluding Cases K & M) had *decision-makers* performing a *boundary spanner's information acquisition and control* activities. *Information acquisition* activities from external sources have been observed in SME export initiation (Ellis & Pecotich, 2001). However, when considering the nine different activities that comprise this factor as defined by Jemison (1984), five activities were observed and four were not. These observations are expanded below separately as *information acquisition* and *information control*.

Acquiring information informally for the organisation from external sources was observed in six cases (A, D, E, G, I, & J). Informal ties as information sources have been demonstrated previously in SME export initiation (Ellis & Pecotich, 2001; Riddle & Gillespie, 2003). Alternatively, collecting information formally in five cases (C, E, F, H & L) contrasts with Ellis and Pecotich's (2001) finding that these activities were rarely observed in their study of Australian manufacturing SMEs. Perhaps Australian SME manufacturers have increased their formal acquisition of information due to it being more readily available through the Internet. Another two activities to do with *acquired information formally/informally for another department* were not observed in the present study. As explained above, this activity may not apply to smaller firms which have fewer departments and simpler structures than larger firms (Forbes & Milliken, 1999).

Information control activities such as *decided what external information to circulate*, when and to whom, or the provision of reports to others within the organisation, have not been documented before in an export initiation context. There were fewer observations for these activities, with four cases (B, C, F & G) that had *decided what external information to distribute*, whilst decided when and to whom were observed in one case (B) each. *Provided formal/informal reports for the organisation* from external sources had no observations. *Information control* is often perceived by *decision-makers* under the guise of protecting the organisation (Miles, 1976). As such, these *information control* activities could initiate or stifle the first export. It was observed in the present study that in export initiation a *decision-maker* can exercise his/her information controlling power to those above him in seniority (Case C, F & G) or externally to customers (Case B). *Information control* could also be responsible for unrequited export orders if *decision-makers* perceive protection of the organisation as a motive to not export. In Case I, protection was in the form of limiting expenditure until an export eventuated. In this case the export did not eventuate.

Physical input control activities

Physical input control activities were also not practised widely by those involved in the first export. Six cases (D, E, G, I, J & K) had *physical input control* activities observed. *Decided quality of physical inputs* had the most observations made in three cases (D, E & G). Other activity codes such as *acquired resources for organisation* and *decided which physical inputs* were observed in only a few cases. *Decided when to acquire inputs* had no observations. *Boundary spanners* have been found previously in purchasing roles (Floyd & Wooldridge, 1997). However, there were no *decision-makers* performing *boundary spanning roles* involved in a purchasing function for the first export. As all sites were manufacturers in the present study, these *physical input control* activities most certainly took place for the organisation function, but were either seen as not important or not related to the first export.

Domain determination and interface activities

Most cases (excluding Cases B & F) showed evidence of *domain determination and interface* activity codes. In contrast, a *decision-maker* “made speeches to outside groups” in only one case. However, all other *domain determination and interface*

activities (*decided how products would be provided, decided which customers, provided information formally/informally to outside groups & met with customers*) were observed in multiple cases. To some extent, these activities could be related to the marketing roles of middle management *decision-makers* identified in the present study, for example, the Business Development Manager (Cases C, F & K), National Sales and Marketing Manager (Case J) or Marketing Director (Case A). Not surprisingly, *boundary spanners* can be located in marketing roles (Floyd & Wooldridge, 1997; Johanson & Vahlne, 1977). Owner-managers were also involved heavily in these *boundary spanning* marketing related activities that have not previously been specifically noted in innovation studies involving SMEs.

Making speeches or presentations is an activity often associated with trade fairs and missions. There was only one observation of this kind of activity in the first export (Case G). *Decision-makers* in four other cases (A, D, E & J) attended trade fairs but did not make public speeches whilst there. This could be a situation of not taking advantage of the opportunity to present to a wider audience.

In summary, most (14) of the *boundary spanning* activities identified in the present study have been recognised in past internationalisation studies, such as *acquired information formally for the organisation from external sources* (Ellis & Pecotich, 2001; Evers & Knight, 2008). However, some of these studies involved neither export or SMEs, for example Pauwels & Matthyssens (2004). Four *boundary spanning* activities were observed for the first time for export initiation in the present study, for example *decided what external information to distribute*. Conversely, four activities found in innovation studies were not observed, such as *acquired information formally for another department* (Jemison, 1984; Leifer & Huber, 1976). However, the bulk of observations in the present study suggest that *boundary spanning* activities are mainly prevalent in SME first export. Table 5.3 provides a summary of each *boundary spanning* activity in relation the past internationalisation research findings and findings of the present study.

Table 5.3 Boundary spanning – activities in export initiation

Activities	Published internationalisation research	The present study's findings
Acquired information formally for the organisation from external sources	Ellis & Pecotich (2001), Evers & Knight (2008)	Observed
Acquired information informally for the organisation from external sources	Ellis & Pecotich (2001), Evers & Knight (2008)	Observed
Acquired information formally for another department	No previous study	Not observed
Acquired information informally for another department	No previous study	Not observed
Decided what external information to distribute	No previous study	Observed
Decided when to distribute external information	No previous study	Observed
Decided to whom to distribute external information	No previous study	Observed
Provided formal reports for the organisation from external sources	No previous study	Not observed
Provided informal reports for the organisation from external sources	No previous study	Not observed
Acquired resources for organisation function	Nassimbeni (2001) Albaum & Duerr (2011)	Observed
Decided quality of physical inputs	No previous study	Observed
Decided when to acquire inputs	Schelgelmilch (1986), O'Farrell et al. (1998)	Not observed
Decided which physical inputs	Schelgelmilch (1986), O'Farrell et al. (1998)	Observed
Decided how product/s would be provided	Bonaccorsi (1993), O'Cass & Julian (2003), Larimo (2013)	Observed
Decided which customers	Pauwels & Matthyssens (2004), Kiessling et al. (2008)	Observed
Provided information formally to outside groups or Provided organisation information formally to outsiders for positive outcomes	Rosson & Seringhaus (1991)	Observed
Provided information informally to outside groups or Provided organisation information informally to outsiders for positive outcomes	Ellis & Pecotich (2001)	Observed
Made speeches to outside groups	Rosson & Seringhaus (1991)	Observed
Met with customers	Rosson & Seringhaus (1991)	Observed

Boundary spanning activities in innovation-decision process

It was proposed in Chapter 2 that *boundary spanning* activities of *decision-makers* would reside in the knowledge, persuasion and decision stages of Rogers' (2003) innovation-decision process. *Boundary spanning* activities observed in the present study were mainly involved in the *information acquisition*, *domain determination and interface* for the first export innovation. There were fewer observations of *physical input control* activities. Overall, these activities still support the location of the *boundary spanning decision-maker* in the knowledge, decision and persuasion stages of the conceptual model for the first export.

5.1.4 Gatekeeper role and activities

Gatekeeping activities in the case studies were allocated by the researcher into two sub-groups of activities, *knowledge handling* and *innovation approval*. The researcher considered the activities involved with *knowledge handling* and *innovation approval* to be different. For example, *knowledge handling* is a term that describes several activities related to information and its use as knowledge within the organisation. *Knowledge handling* activities occur in the knowledge and persuasion stages of the innovation-decision process as described by Rogers (2003). Conversely, *gatekeeping – innovation approval* are activities associated with the future of the export initiation made in the decision stage of innovation-decision process (Rogers, 2003). Each factor will be discussed in this sub-section.

Knowledge handling

Activities by *decision-makers* were observed widely across most cases. Collecting information on the external environment was the most common activity in this sub-group with observations in ten cases. The other activity codes included: *interpreted or filtered information*, *controlled the distribution of information* and *determined the value of information to potential recipients* was observed in six cases. The lessor number of observations may be explained through the discreet processes between *decision-makers* being lost when there was one *decision-maker* (Cases B & L). Another explanation is that the *decision-making* team was unequal in level or status

(Cases A, C & F) and may not have seen the need to explain their decision to subordinates.

The interpretation of information has been postulated as an activity by *decision-makers* in export opportunity evaluation by Johanson and Vahlne (1977). Several studies have considered interpretation of information in SME export but these were firm-based studies (for example: Burpitt & Rondinelli, 1998; Chandra et al., 2009), with none considering individual *decision-makers* and their actions. The present study demonstrates that SME *decision-makers* interpret or filter information regarding the first export opportunity. Activities such as networking (Cases A & C), product adaptation, market selection (Case G), export regulations (Cases F & L), and liaison between export service suppliers and customers (Case B) provided opportunities to interpret or filter information. *Interpreted or filtered information* was passed on to other *decision-makers* to persuade them to undertake the first export opportunity. Firm-based studies would not identify the use of information to persuade other *decision-makers,* as they are usually defined as an amorphous group rather than individual actors with different roles to play, as indicated in the present study.

Nearly half of the cases had owner-managers as *gatekeepers*, with the balance in middle management. Observations made in the present study concerning the value of information about the first export and controlling the distribution of it, have not been associated previously in export initiation. Control by owner-managers would be expected in export initiation decisions because power in SMEs is centralised (Miller, 1983). However, middle managers in SMEs (Cases A, B, C, F & G) have not been identified in past studies as controlling information in relation to their owner-managers and other stakeholders, as they did in the present study. The use of self-interested power has been identified with *gatekeepers* previously (Pettigrew, 1972) but innovation studies usually attribute such behaviour to managers in larger firms (Macdonald & Williams, 1993; Pettigrew, 1972). Owner-managers were not observed performing such controlling activities in the present study.

<u>Innovation approval</u>

These activities were observed less than *knowledge handling* activities but were still evident in a majority of cases. The specific activities were based on a set of decisions

that a *gatekeeper* makes regarding an innovation. A *gatekeeper* can *set selection criteria* for *innovation approval*, seen in three cases (A, D & H). *Decision-makers* were varied, for example in Case H, the *gatekeeper* was an owner-manager, another was a junior director (Case D) and a middle manager (Case A). Cases A and D contrasted with past findings in which *gatekeepers* were more senior than those seeking their approval (Macdonald & Williams, 1993). Similarly, Case A and D contrasted with SME export studies where owner-managers have a "final say on whether the company will export" (Crick & Chaudhry, 1997 p. 158).

The activities of reviewing the first export opportunity against criteria and accepting it were observed in these cases (A & D). The approval decisions in Cases A and D suggest that the decision referral of owner-managers to lower managers was due to the subordinate's greater *how-to knowledge* (Rogers, 2003) and controlled the distribution of this information as a *gatekeeper* (Pettigrew, 1972). For example, in Case A, the Marketing Director's knowledge related to Australian Standards, Firm A's products and the specific market requirements. In Case D, the Director (manufacturing) used his *gatekeeping* role to gather information on the potential value of the customer in the short term and for a longer term relationship. These reviewing and selection activities utilizing *how-to knowledge* have not been seen in export initiation before.

Gatekeepers have *withheld resources when innovations don't meet criteria* (Markham et al., 2010; Pettigrew, 1972). In Case I, the inability of an external consultant to implement the first export forced the *decision-maker* to withhold further resources until the order occurred. This non-implementation of the first export by a *gatekeeper* withholding resources has not been identified in export initiation. Additionally, the *gatekeeping – withheld resources* observation may provide a new insight when explaining unrequited export orders.

In summary, all seven *gatekeeping* activities recognised in past internationalisation studies were also found in the present study. Of these past studies, only one was in SME export initiation (Ellis & Pecotich, 2001). Additionally, two *gatekeeping* activities were observed for the first time in export initiation, *controlled the distribution of information* (Pettigrew, 1972) and *determined the value of information to potential*

recipients (Macdonald & Williams, 1993). As such, all *gatekeeping* activities were observed in the present study suggesting that they occur in SME first export.

Table 5.4 provides a summary of *gatekeeping* activity in relation the published internationalisation research and findings from the present study.

Table 5.4 Gatekeeping – activities in export initiation

Activities	**Published internationalisation research**	**The present study's findings**
Collected information on the external environment	Ellis & Pecotich (2001)	Observed
Controlled the distribution of information	No previous study	Observed
Determined the value of information to potential recipients	No previous study	Observed
Interpreted or filtered information	Johanson & Vahlne (1977)	Observed
Set selection criteria	Brouthers & Nakos (2005)	Observed
Reviewed innovation against criteria	Brouthers & Nakos (2005)	Observed
Selection criteria met, then innovation accepted	Brouthers & Nakos (2005)	Observed
Assigned resources (if innovation meets criteria)	da Rocha et al. (2012)	Observed
Withheld resources (when innovations don't meet criteria)	Julien et al. (1997)	Observed

Boundary spanners and gatekeepers

In the present study, most *decision-makers* (excluding Cases C, D & M) perform both *boundary spanning* and *gatekeeping* activities. In general, the same person undertook both activities. There has been discussion in the literature about whether these roles are the same or different but related. Some researchers consider the *gatekeeper* and *boundary spanner* roles to be the same (Hoch, 1990; Lievens & Moenaert, 2000). For example, a *gatekeeping* activity of collecting information about internal and external environments (Roberts & Fusfeld, 1981) appears similar to that of the *information acquisition* activities of a *boundary spanner* (Jemison, 1984). The decision to distribute information is a *gatekeeping* role, where the *gatekeeper determined the value of the information to potential recipients* (Macdonald & Williams, 1993; Reid & de Brentani, 2004) and *controlled the distribution of*

information (Pettigrew, 1972). The *gatekeeper's* information distribution role is similar to the *information control* activities in which *boundary spanners* determine when and to whom information should be distributed (Jemison, 1984; Miles, 1976).

The acquisition of resources is a *boundary spanning* activity (Jemison, 1984) that feeds into the *gatekeeping* activity of assigning resources (Markham et al., 2010). Two *decision-makers* (Cases I & K) acquired resources in preparation for the first export but only one "assigned resources" (Case K) whilst another *withheld resources* (Case I). On closer inspection, there was a similarity between the two innovation roles in terms of their individual activities. By comparing observations of activities made in all the cases, many were common to both roles. There are also codes that were not common between the two roles, such as *boundary spanners* selecting customers or some *innovation approval* activities of *gatekeepers*. See Table 5.5.

Table 5.5 Boundary spanner & gatekeeper activities

Boundary spanner activities	Gatekeeper activities	Case observations
Acquired information formally for the organisation from external sources	Collected information on the external environment	A, C, D, E, F, G, I%, J
Acquired information informally for the organisation from external sources		
Decided what external information to distribute		A, B, C, F, G, L
Decided when to distribute external information		
Decided to whom to distribute external information	Determined the value of information to potential recipients	
Provided formal reports for the organisation from external sources		
Provided informal reports for the organisation from external sources	Controlled the distribution of information	
Provided information formally to outside groups		
Provided information informally to outside groups	Interpreted or filtered information	
Made speeches to outside groups		
Met with customers		
Decided how product/s would be provided		A, C, E, G, I%
Decided which customers		D, E, G, H, I%, J, K, L, M

Acquired resources for organisation function	Assigned resources (if innovation meets criteria) Withheld resources (when innovations don't meet criteria)	I%, K
Decided quality of physical inputs		
Decided when to acquire inputs		
Decided which physical inputs		
	Set selection criteria	A, D, H
	Reviewed innovation against criteria	D
	Selection criteria met, then innovation accepted	A, D

% Non-exporting firm
Source: Compiled by author.

Most *decision-makers* perform both *boundary spanning - information acquisition & control* and *gatekeeping – knowledge handling* activities in the first export and are generally the same person. As such, the relationship between *boundary spanning - information acquisition and control* to *gatekeeping - knowledge handling* activities reflects and refines past studies that consider these roles to be the same (Hoch, 1990; Jones, 2006; Lievens & Moenaert, 2000). In contrast, *gatekeeping – innovation approval* activities are different to *boundary spanning - information acquisition and control* or *gatekeeping - knowledge handling*. The researcher's view, considering the two *gatekeeping* roles (*knowledge handling* & *innovation approval*), they are related but different which refines the stance of Reid and de Brentani (2004).

5.1.5 Relationships between innovation roles

From the preceding sub-section, *boundary spanning - information acquisition, domain determination and interface* are located in the knowledge and persuasion stages along with *gatekeeper - knowledge handling*. *Gatekeeping - innovation approval* resides in the decision stage. This occurs when the *decision-maker* receives information arising from the persuasion stages from either *boundary spanner - information acquisition, domain determination and interface* or *gatekeeper -*

knowledge handling activities. The separation of the *gatekeeping* activities into two separate factors is a departure from the initial conceptual model presented in Chapter 2.

A *gatekeeper* can be a controller of innovation adoption for *champions* and *sponsors* as well. For example, once a *sponsor* supports the innovation as presented by the *champion*, both seek out *gatekeepers* for *innovation approval* (Markham et al., 2010). The first export approval decisions (*sponsoring & gatekeeping - innovation approval*) were equally made by owner-managers or middle managers and these *decision-makers* are more likely to be the same person (Cases C, I, H, K & M) rather than different *actors* (Cases F & L). This relationship between *champions* and *sponsors* seeking a decision from *gatekeepers* in their *innovation approval* role is now acknowledged in a revised conceptual model (See Figure 6.1 in the next chapter).

Do *champions* or *sponsors* have a relationship with *boundary spanners* given the overlap in activities with *gatekeepers* identified in Table 5.5? In the present study, there were 12 *decision-makers* who performed both *championing* and *boundary spanning* activities. In contrast, five performed only one of these roles. Similarly, there were seven *decision-makers* with both *sponsoring* and *boundary spanning* activities; however, there were 16 with either but not both roles Considering these tallies, it appears that initiating *decision-makers* are more likely to be both *champions* and *boundary spanners* but are less likely to be *sponsors* for the first export.

Whilst relationships between *championing*, *sponsoring* and *boundary spanning* activities occur, the order of the interactions between the three innovation roles depends on the number of *decision-makers* involved. For example, when the *sponsor* is a different *decision-maker* to that of the *champion* and/or *boundary spanner*, then the first export opportunity was brought to the *sponsor* by the *champion* or *boundary spanner* (Case A, C, F, G, J & M). Conversely, when a *decision-maker* performed in all three innovation roles, then it was difficult to determine the order of activities for the first export (Cases D, H, I, K & L). See Table 5.6.

Table 5.6 Innovation role titles in the first export

Decision-maker titles	Champion cases	Sponsor cases	Boundary spanner cases	Gatekeeper cases
Business Coach		H@		H@
Business Development Manager	C, F		C, F, K, N#	C, F, N#
CEO	I%, K	I%, K	I%, K	I%, K
Customer Service Officer			B	B
Director		A, F, G	D	D
Export Director	G		G	G
General Manager	N#		N#	N#
Manager (division)	L	L	L	L
Managing Director	C, D, E, H	C, D, G, H, J, M, N#	C, D, E, H, M	C, E, H, M
Marketing Director	A		A	A
National Sales & Marketing Manager	J		J	J
Operations Manager		K	K	K
Research & Development Manager	M		M	
Top management team		N#	N#	N#

Large exporting firm
% Non-exporting firm
@ External to firm
Source: Compiled by author

When considering the innovation-decision process stages, *decision-makers* were more likely to perform *boundary spanning* activities in the knowledge stage than *championing* activities (Cases A, C, D, E, F, G, H, I, J, L & M). The *championing* activities were then mainly performed in the persuasion stage. Fewer *championing* activities occurred in the knowledge stage when *boundary spanners* were also operating there (Cases C, D, G, I & K). This suggests that *champions* were more likely to receive an export opportunity from a *boundary spanner* than the converse. As such, knowledge of an export opportunity is more likely to be received by a *decision-maker's boundary spanning* activities. Subsequently, the same or another *decision-maker* using *championing activities* attempts to persuade others (*sponsors* &/or *gatekeepers*). However, as the relationship *between boundary spanners and champions* can be both ways in terms of who or which role gets the export opportunity, this new dichotomous relationship is now acknowledged in a revised conceptual model (See Figure 6.1 in the next chapter).

Regardless of whether the *boundary spanner, champion* or *gatekeeper – knowledge handling* obtains *awareness knowledge* about the first export in the knowledge stage, *decision-makers* with these roles would seek to persuade a *sponsor* in the persuasion stage. The *sponsor's* support would mean that the first export would enter the decision stage for approval. Approval decisions (*sponsoring & gatekeeping - innovation approval*) were equally made by owner-managers or middle managers and were generally the same person. If approval is not given then resources are withheld and no export takes place.

Therefore, relationships between the four innovation roles (*championing*, *sponsoring, gatekeeping & boundary spanning)* were apparent. The revised roles and relationships, thus support changes to the conceptual model (See Figure 6.1 in the next chapter).

Some team members involved in the first export were neither *decision-makers* or had innovation role activities (Case K). Interestingly, most other cases that had teams of actors (A, C, D, F, G, H, I, J & M) who performed some innovation role activities, along with making decisions related to the first export. It appears that in order to perform innovation role activities, the *actor* would also make decisions related to the export.

Finally, some innovation roles do not necessarily have to be involved with the first export for it to take place. For example, there were no *championing* or *sponsoring* activities observed in Case B. As such, innovation roles were not essential to the first export initiation.

5.1.6 Innovation roles & radical/incremental innovation

A radical innovation "produces fundamental changes in the activities of an organisation or an industry and represent clear departures from existing practices" (Gopalakrishnan & Damanpour, 1997 p. 18). Conversely, an incremental innovation will be a "marginal departure from existing practices; they mainly reinforce the existing capabilities of organisations" (Gopalakrishnan & Damanpour, 1997 p. 18).

The radicalness of export has been previously considered by several researchers (Chetty & Stangl, 2010; Hurmerinta-Peltomaki, 2003; Jones & Coviello, 2005).

Radical innovations in export initiation have been established as the number and choice of host market/s that are psychically distant from the home market. Conversely, incremental export firms have few international markets that are psychically close (Chetty & Stangl, 2010). Innovation roles have also been used to identify whether an innovation can be radical or incremental. For example, in incremental innovations there is likely to be one *champion*, whilst in radical innovations there would be more than one (Kessler & Chakrabarti, 1999). *Sponsors* also have been found to be senior and highly respected in radical innovations (Smith, 2007). *Sponsors* can also exist in in the case of incremental innovations where they are also *champions* (Wolf et al., 2012). *Gatekeepers* have also been associated with potential radicalness in the innovation, when they seek information for the organisation (Allen & Cohen, 1969; Reid & de Brentani, 2004). In an incremental innovation, they would receive information from others such as *boundary spanners* (Reid & de Brentani, 2004).

Considering innovation roles and export radicalness, the case studies suggest that export initiations are mainly incremental (8 cases) rather than radical (1 case). Past studies have also found that export initiation is more of an incremental than a radical innovation (Hurmerinta-Peltomaki, 2003; Jones & Coviello, 2005). This finding suggests that the presence, level and number of innovation roles could provide an alternative indicator to the radicalness of the introduction of export in SMEs. See Table 5.7.

Table 5.7 Innovation roles & export radicalness

Case	**No. of cham-pion no's**	**Champ-ion manag-ement level**	**Spon-sor mgt. level**	**Cham-pion & spons or the same**	**Boun-dary spanner and different gate-keeper**	**Gate-keeper collect info. from others**	**Points allocated (verdict)**
A	1 (I)	Middle (I)	Senior (R)	No (R)	No (R)	No (I)	I = 3 R = 3 (Inconclusive)

B	0	N.A.	N.A.	N.A.	F No (R) S Yes (I)	No (I)	F I = 1 R = 1 (Inconclusive) S I = 2 R = 0 (Incremental)
C	2 (R)	Senior (R) & middle (I)	Senior (R)	No (R)	Yes (I)	Yes (R)	I = 1 R = 5 (Radical)
D	1 (I)	Senior (I)	Senior (R)	Yes (I)	Yes (I)	Yes (R)	I = 4 R = 2 (Incremental)
E	1 (I)	Senior (I)	N.A.	N.A.	No (R)	No (I)	I = 3 R = 1 (Incremental)
F	1 (I)	Middle (I)	Senior (R)	No (R)	No (R)	No (I)	I = 3 R = 3 (Inconclusive)
G	1 (I)	Senior (I)	Senior (R)	No (R)	No (R)	No (I)	I = 3 R = 3 (Inconclusive)
H	1 (I)	Senior (I)	Senior (R)	Yes (I)	No (R)	No (I)	I = 4 R = 2 (Incremental)
I%	1 (I)	Senior (I)	Senior (R)	Yes (I)	No (R)	No (I)	I = 4 R = 2 (Incremental)
J	1 (I)	Middle (I)	Senior (R)	No (R)	No (R)	No (I)	I = 3 R = 3 (Inconclusive)
K	1 (I)	Senior (I)	Senior (R)	No (R)	Yes (I)	No (I)	I = 4 R = 2 (Incremental)
L	1 (I)	Middle (I)	Middle (I)	Yes (I)	No (R)	No (I)	I = 5 R = 1 (Incremental)
M	1 (I)	Middle (I)	Senior (R)	No (R)	Yes (I)	No (I)	I = 4 R = 2 (Incremental)

% Non-exporting firm
R Radical innovation
I Incremental innovation
F First export
S Subsequent export
Source: Compiled by author

Applying the findings indicated in Table 5.7 (above) with the first and subsequent export markets selected for each of the case studies, the prediction of market radicalness held for five cases (see final right hand column). However, three of these cases had both close and distant markets that when combined present a challenge to

the prediction of radicalness using a market selection approach (see Table 5.8). Therefore, when comparing the results from Table 5.8 to Table 5.7, it can be concluded that activities associated with the participation of innovation roles rather than using psychic distance of markets, may better predict export radicalness. More will be discussed in the Future Research sub-section in Chapter 6 below.

Table 5.8 Case export destination & innovation role radicalness

Case	First export destination	Subsequent export destination	Export radicalness result	Innovation role radicalness (Table 5.7)
A	Close	Distant	F = Incremental S = Radical	Inconclusive
B	Close	Distant	F = Incremental S = Radical	F = Inconclusive S = Incremental
C	Close	N.A.	Incremental	Radical
D	Distant	Distant	Radical	Incremental
E	Close	Close	Incremental	Incremental
F	Close	Distant	F = Incremental S = Radical	Inconclusive
G	Distant	Distant	Radical	Inconclusive
H	Distant	Close	F = Radical S = Incremental	Incremental
I	Distant	N.A.	Radical	Incremental
J	Distant	Distant	Radical	Inconclusive
K	Close	Close	Incremental	Incremental
L	Distant	Close	F = Radical S = Incremental	Incremental
M	Close	N.A.	Incremental	Incremental

Source: Compiled by author

Summary

This sub-section discussed innovation roles in the first export. It sought to provide a better understanding of *decision-maker* innovation roles in the first export and address RQ1. Evidence found on each innovation was compared to past research reported in the literature. Some innovation role activities were not as prevalent as expected or did not appear at all. Reasons for these absences were discussed. The overlap of *boundary spanner* and *gatekeeper* activities were also discussed using evidence from the cases, along with new relationships found between *champions*,

sponsors and *boundary spanners*. Finally, literature on innovation roles was used to predict the degree of radicalness of SME export initiation.

The next sub-section discusses how *stimuli* impact on innovation roles in the first export.

5.2 Stimuli & the first export initiation

A subsidiary purpose for the present study was:

> To provide a better understanding of the *stimuli* that move export initiation *decision-makers* into action in the context of their innovation roles.

This sub-section is divided between export *stimuli* and then the four innovation *actor* roles and *stimuli.*

5.2.1 Export stimuli

In order to meet the subsidiary purpose for the present study, the researcher identified *stimuli* associated with export initiation from the literature. These were coded when mentioned in the semi-structured interviews. Several issues arose regarding these *stimuli* in the course of conducting the present study. These issues included: the situation of competing *stimuli* from multiple *decision-makers*, the hierarchy of *stimuli* and relationship of results to past studies. These issues are all discussed below.

<u>Alternative stimuli from multiple decision-makers</u>

Sometimes, *decision-makers* reported both *internal* and *external stimuli* for the first export. The distinction between *internal* and *external stimuli* is not as clear cut as past research implies. It was observed in the present study, that *stimuli* are often interrelated with most *external stimuli* having an *internal stimuli* equivalent. For example, the *external-reactive stimulus*, a *small domestic market* could be another version of an *internal-reactive stimulus* of *reduce dependence on domestic market*. See Table 5.9 for examples of alternative *stimuli*.

Table 5.9 External & alternative internal stimuli

External stimulus	Internal stimulus
Small domestic market	Market expansion, reduce dependence on domestic market, managerial urge
Exclusive information on foreign markets	Corporate growth, market expansion, managerial urge
Favourable exchange rates	Extra profit, declining domestic profit, managerial urge
Foreign demand/market potential	Economies of scale, extra sales potential, spreading risks, market expansion, managerial urge
Home government export promotion programs	Managerial urge
Domestic competitors exporting	Strategic reorientation of the firm, managerial urge
Domestic market deregulation	Declining domestic sales, spreading risks, managerial urge
Pressure from domestic competition	Declining domestic sales, spreading risks, managerial urge
Saturated domestic market	Declining domestic sales, spreading risks, managerial urge
Threats from multinational firms	Declining domestic sales, spreading risks, managerial urge
Unsolicited orders	Unique product, product innovation, seasonal product, technological advantage, process innovation, managerial urge

Source: Compiled by the author

Sometimes during interviews in the present study, different *decision-makers* in the same firms gave alternative *proactive* and *reactive stimuli* for the first export. The tension between different *stimuli* found in the present study required the researcher to re-question the key informant and/or respondents to clarify which *stimulus* was primary to the first export. For example, Case C had both *corporate growth* and "retaliation to international competition" as *stimuli* for the first export. The Managing Director subscribed to both *stimuli,* whilst the Business Development Manager felt that *corporate growth* only applied to the export to the USA market. Different interpretations can be made depending on the informant's perception and perspective of the situation. This also casts doubt on past studies with sole respondents representing teams, as there may be a variety of perceptions of *stimuli* among various *decision-makers*. Care needs to be taken to determine if there is more than one *stimulus* that applies to export initiation, and if there is, to understand which is primary.

An explanation for these differences of perception of a *stimulus* could be the respondent's field of experience. For example, in Case K**,** the Purchasing Officer stated that the *stimulus* was *foreign demand/market potential* (in the organisation survey questionnaire) whereas his superior, the Operations Manager, stated in an interview that it was *declining domestic sales*. This exemplifies the need to ensure that the question is within the respondent's experience (Foddy, 1993). With the use of Critical Incident Technique (CIT), this issue was largely overcome through the triangulation of data from multiple respondents.

The differences in *decision-maker* perceptions of *stimuli* may also have to do with their internal/external locus of control. Individuals with an internal locus of control (perceived control over self and environment) will frame an innovation as an opportunity on receipt of *stimulus* and proactively act on it (Durand & Shea, 1974; Howell & Shea, 2001). Those with an external locus of control will consider a *stimulus* as a threat (Howell & Shea, 2001) where they either do nothing or react to it (reactivity). Therefore, careful questioning of respondents is required to determine their perception of the export *stimulus* and possible actions/reactions. As such, the source of a *stimulus* (*internal* or *external*) is less important than the perception and action (proactivity or reactivity) that a *decision-maker* takes to respond to a *stimulus* when considering export initiation.

Hierarchy of stimuli

The *managerial urge stimulus* identified in a number of studies (Katsikeas, 1996; Pavord & Bogart, 1975; Rundh, 2001) could describe most if not all *internal-proactive stimuli*. For example, in Case H the Managing Director's *managerial urge* was apparent when he applied for a grant from a *home government export promotion program.* This grant is an example of an *external-proactive stimulus* to enable *market expansion* for the firm, an *internal-proactive stimulus*. This hierarchy suggests that *managerial urge* is a *meta* or overriding explanation for a *stimulus* but does not provide sufficient detail as other *stimuli* do. It appears to be a higher order factor rather than a *stimulus, per se*.

Stimuli findings compared to past studies

Finally, the present study found mostly *internal-proactive stimuli* initiating the first and subsequent export. According to Lee and Brasch (1978) *stimuli* of this nature are an indication of rational exporting behaviour. This makes intuitive sense when considering innovation roles. However, several studies have found that *external-reactive stimuli* are the most common instigators of export initiation in SMEs (Bilkey & Tesar, 1977; Czinkota, 1982; Czinkota, 2002; O'Rourke, 1985). This presents a number of issues. For instance, are Victorian manufacturing SMEs more *proactive* when compared to their international counterparts? Has the passage of time changed the perception of *stimuli* that *decision-makers* receive*?* Or *h*as the acquisition of *knowledge (awareness, how-to* or *principles)* through training or education enabled *decision-makers* to be more *proactive* towards export initiation? These issues present opportunities that are further discussed in Future Research section below.

5.2.2 Innovation roles & stimuli

This sub-section will discuss the literature from previous studies and the findings of the present study in relation to:

> RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

Each of the four innovation *actor* roles of *champion, sponsor, boundary spanner and gatekeeper* are now discussed in relation to the *stimuli* for the first export.

Championing and stimuli

There was much evidence of *championing* activities in relation to *proactive stimuli* in the case studies. This finding was expected, with c*hampions* being more likely to be proactively involved with innovations due to their internal locus of control in *decision-making* (Durand & Shea, 1974; Howell & Shea, 2001). Howell and Shea (2001) explained that *reactive stimuli* may be associated with threats which would be less attractive to *champions*. Hence, *reactive stimuli* are associated less strongly with *championing* activities. The present study reached the same conclusion. Each *champion* factor is discussed below in relation to *stimuli*.

Decisions outside hierarchy were mainly involved with a *proactive stimulus* (Cases C, D, E, & I), with one case involving an *external-reactive stimulus* (Case M). Three of these cases did not achieve the first (Case I) or subsequent export (Cases C & M). Perhaps making decisions outside the firm hierarchy may jeopardise the next export, particularly if the owner-manager did not initially perform this activity. This was the situation in Cases C, I & M. Interestingly, the other two cases (D & E) had owner-managers performing *decisions outside hierarchy* activities and these firms did perform a subsequent export. It is possible that even with a *proactive stimulus* perceived by a *champion*, support or involvement by an owner-manager could be influential in export initiation in SMEs.

There was one case with *championing - rule bending* activities and it involved a *proactive stimulus* (Case G). Past research has found that *champions* with an internal locus of control use rules in small firms to assist innovation implementation. Without these rules, innovations might be unstructured and difficult to implement (Miller & Toulouse, 1986). As such, the concept of *rule bending* as defined by Shane (1994), seems at odds with a *champion's* internal locus of control (Howell & Shea, 2001) where an innovation is proactively perceived (Durand & Shea, 1974). As such, the following of rules (rather than bending them) due to an internal locus of control may explain the lack of observations for *rule bending* when a *proactive stimulus is* involved with export initiation.

The *team as equals* factor was observed in few cases involving a *proactive stimulus*. Only three cases (C, H & J) had evidence of a *champion* treating the *team as equals* with a *proactive stimulus.* An *internal locus of control* would lead to more participation with lower level staff (Dutton & Jackson, 1987). Of the other cases with a *proactive stimulus* (A, D, E, F, G & M) all but one had multiple *decision-makers*. In these cases, (A, D, F, G & M) *decision-makers* performing *championing* roles were junior to other participating *decision-makers* suggesting a power or control imbalance within first export teams. Thus, a *champion* treating a *team as equals* with more senior *decision-makers* is unlikely in an SME export initiation regardless of the *proactive stimulus*.

Similar to *team as equals*, the *plans and projections* factor involved other *decision-making* group member support. This factor had some observations with *proactive*

stimuli in the present study; however they were mainly where *decision-makers* as *champions – provided benefits to the organisation* or *worked with senior management*. A *champion* who *worked with senior management* would have a belief that he/she can control that interaction due to his/her perceived internal locus of control, providing *benefits to the organisation* (Dougherty & Bowman, 1995). However, as indicted in the *team as equals* discussion above, the *champion* might find this internal control difficult if he/she were in middle rather than top management in an SME. But if he/she had some unique knowledge (*awareness*, *how-to* or *principles*), this may enable the persuasion of superiors to initiate export (for example Cases A or F).

Sponsoring and stimuli

Sponsoring activities were more likely to have been involved when a *proactive stimulus* instigated the first export. *Sponsors* often receive an innovation from a *champion* (Markham et al., 2010). Given the symbiotic relationship between *sponsors* and *champions*, when a *proactive stimulus* is involved in an export initiation, *decision-makers* perform *sponsoring* activities. This finding is consistent with the conceptual model.

A *reactive stimulus* can elicit a passive response from the exporting *decision-maker* (Acedo & Galán, 2011). As such, top management support in the form of *sponsoring* may not be involved when a *reactive stimulus* is received by middle management *decision-makers*. Even if a *decision-maker* decides to act on a *reactive stimulus*, top management as *sponsors* may not be involved (for example, Case L). Past studies have found that without top management support, an innovation may not be successful (Gambatese & Hallowell, 2011) or, in the present context, may not result in the first export. Interestingly, in Case L no top management was involved, however the first export did take place following receipt of an *external-reactive stimulus*. In another twist, top management were *sponsors* to middle managers in the other two cases (K & M) with *reactive stimuli,* both of which resulted in the first export. Interestingly, the top management in Case M were the same top management for Case L but were not involved as *sponsors*. These observations suggest that *sponsoring* activities are more likely with *proactive stimuli,* but may also occur to a lesser extent with *reactive stimuli* with or without top management support.

Boundary spanning and stimuli

The present study had observations of *information acquisition* from both internal and external sources. Similarly, Johanson and Vahlne (1977) proposed that *boundary spanners* sought information for an export initiation from both internal and external sources. Findings from the present study identified that *boundary spanning* activities were more likely to be involved when an *internal-proactive* or *external stimulus* instigated the export opportunity, a similar finding to Ellis and Pecotich (2001). In the present study, the existence of some *external-reactive stimuli* with a *boundary spanning* role was unexpected due to their internal locus of control (Dailey, 1979). Nevertheless, this result supports Johnston and Czinkota's (1982) finding that a minority of *decision-makers* in exporting firms respond reactively to *external stimuli.* Similarly, innovation studies identify that *boundary spanners* become aware of *external stimuli* by scanning the external environment (Reid & de Brentani, 2004). This certainly sums up the situation for Cases B and L. Indirectly, the *boundary spanning* role in the present study provides a confirmation of the past links between the export and innovation domains.

Physical input control had few observations in three cases connected with both *internal-proactive* and *external stimuli*. These observations were connected with only one activity, *deciding which physical inputs.* Interestingly, the *physical input control* factor had most activities without considering the *stimulus* for the first export. Therefore, the *stimulus* may have only influenced which physical inputs for the first export, but not their quality or when to acquire them. These other *physical input control* functions are most likely to exist in a manufacturing firm but may not be central to the first export and therefore not significantly influenced by the *stimulus*.

Boundary spanning domain determination and interface had all but one associated activity involved with mainly *proactive stimuli*. *Reactive stimuli* were also observed, but unexpected. Interestingly, most *external-reactive stimuli* observations were made with *unsolicited orders* and *decided which customers* or *how product/s would be provided* activities. This is recognition of the *unsolicited order stimulus* and the decision to fulfil them when the opportunity arose (Cases B, L & M). Interestingly, *decision-makers* in these cases could have rejected the *unsolicited orders* (Bilkey & Tesar, 1977) but chose to fulfil them. *Boundary spanning - domain determination and*

interface activities may provide some insight into receipt and action with *unsolicited orders*. *Unsolicited orders* have been found to be a major source in SME export initiation in Australia (Ellis & Pecotich, 2001). A *boundary spanner's* judgement about the acceptability or *fit* of an *unsolicited order* (customers and products) may provide insight into this phenomenon in SME export initiation.

Gatekeeping and stimuli

Gatekeepers were involved in the first export initiation. They acquired information proactively, from either internal or external sources. Considering *gatekeeping* sub-groups of *knowledge handling* and *innovation approval* in relation to *stimuli* provides a deeper understanding of the relationship between *stimuli* to *gatekeeping*.

The similarity between *boundary spanning – information acquisition and control* and the *gatekeeping – knowledge handling activities* was also demonstrated in relation to a *stimulus.* The source of the *stimulus* was *proactive* when received by either *champions* or *sponsors,* as expected. Alternatively, *boundary spanners* or *gatekeepers* in their *knowledge handling* role were able to supply a first export opportunity derived from *internal-proactive* or *external stimuli*. It is this latter *stimuli*, specifically *external-reactive* which was an unexpected difference to the proposed conceptual model in Chapter 2.

The *gatekeeping - innovation approval* activities in contrast, were observed with all *stimuli (internal-proactive, internal-reactive, external-proactive & external-reactive).* This was also an unexpected difference to the proposed conceptual model in Chapter 2. The action in relation to the *stimulus* might provide a possible explanation. For example, in Case K the *stimulus* was *internal-reactive*. The key informant in Case K was adamant that *declining domestic sales* was the primary *(internal-reactive) stimulus* but the *decision-makers* were *proactive* in their response, by seeking export sales. Interestingly, the CEO in Case K had an understanding of *principles* and *how-to knowledge* of export that may have aided his *proactivity*. Therefore, it may not be the categorisation of the *stimulus* that determines whether an innovation role is involved in export, but the response or behaviour that results from the receipt of the *stimulus*.

Locus of control

Past studies have found an internal locus of control is associated with *champions* (Durand & Shea, 1974; Howell & Shea, 2001) and *boundary spanners* (Dailey, 1979). In the present study, *sponsors* and *gatekeepers* were also likely to be involved in the first export with a *proactive stimulus* suggesting that they might also possess an internal locus of control.

Summary

Innovation roles were mainly observed when *proactive stimuli* instigated the export. In the past, an internal locus of control has been associated with *champions* and *boundary spanners*. The findings of the present study now suggest that *sponsors* and *gatekeepers* by responding to *proactive stimuli* also have an internal locus of control. In addition, *boundary spanning* activities could also receive *external-reactive stimuli* and *gatekeeping – innovation approval* can receive *proactive* or *reactive stimuli*. Both the *boundary spanning* and *gatekeeping* activities in response to *reactive stimuli* provide some insight into the 'go or no-go' process made by *decision-makers* in relation to *unsolicited orders*.

5.3 Subsequent export

A subsidiary purpose of the present study was:

> To provide a better understanding of *decision-makers* and their innovation roles following the first export and how their involvement influences subsequent export/s.

5.3.1 The progression from the subsequent export to regular exporting

The central argument of this thesis is that sustainable exporting is the last or confirmation stage in the innovation-decision process. If the innovation trial (first export) is successful, then innovation is adopted through completing the subsequent confirmation stage (Rogers, 2003). Confirmation means that there is a subsequent export. This subsequent export was seen by the researcher as a substitute measure for *regular export.* As such, it was regarded as evidence of export innovation

adoption. Confirmation in this context is where *decision-makers* seek “reinforcement for the innovation-decision already made, and may reverse this decision if exposed to conflicting messages about the innovation” (Rogers, 2003 p. 169).

Non-confirmation of exporting or *sporadic export* suggests a lack of innovation adoption by *decision-makers*. Two cases (C & M) which did not achieve a subsequent export are both examples of non-confirmation. Rogers (2003) explained non-confirmation as disenchantment discontinuance between the implementation and confirmation stages of the innovation-decision process. Disenchantment discontinuance of a previously implemented innovation occurs when it does not live up to expectations or there are better alternatives (Rogers, 2003).

Disenchantment discontinuance may have applied in Case M, as the Research and Development Manager felt that the first export should not have gone ahead as it was too early for the firm. Another discontinuance situation, Rogers (2003) explained, was when powerful *decision-makers* leave, impacting the confirmation stage. This was the circumstance for firm C. The innovation lens allows us to consider that *sporadic export* as not confirming the innovation but simply conducting a trial ending with the implementation stage. Situations of confirmation or discontinuance in the present study, suggests that this may be a critical step in sustained or *regular export*.

In the present study, confirmation of the export innovation was measured using the AUSTRADE (2002 p. 38) definition of *regular export* as an export “year on year”. In addition, a more stringent test of having a different customer or a different market for the subsequent export was applied by the researcher. By using a longitudinal approach, the present study tracked the first exporters to see if they became *regular exporters*, therefore, confirming the innovation. Of the 13 SME cases, one did not get to the first export (Case I), two did not obtain a subsequent export, and were thus *sporadic exporters* (Cases C & M), but the other ten did achieve a subsequent export. In all but one subsequent export case (E), the firms demonstrated *regular export,* that is, they exported to a different customer or market. This different customer/market test was applied by the researcher to avoid the innovation *fit* issue (see Sub-section 2.4.1), where implementation through repeat orders does not necessarily lead to adoption (confirmation) of export. Interestingly, firm E was

expecting to export in the next year to a new customer in another country, suggesting confirmation was imminent.

Other firms (Cases D, H, J & K) exported to another customer in the same year as the first export suggesting confirmation but not qualifying for the *regular export* definition of AUSTRADE (2002). However, all of these firms continued to export to different customers in the following year as well, thus meeting the AUSTRADE (2002) definition of *regular export*. Therefore, nine of the ten cases with a subsequent export could be considered to have become *regular exporters*.

Cases that had a subsequent export were triangulated with activities associated with *regular* and *sporadic export* derived from extant literature. In eight out of the ten cases, the *regular export* activities equated to firms with a subsequent export. Two other cases (B & L) had a subsequent export but these were best described as *sporadic exporters*. As such, *regular export* activities generally appeared with the subsequent export in the present study. This suggests that *regular export* and the subsequent export are similar and the AUSTRADE (2002 p. 38) “year on year” definition with the different customer or market test is a suitable measure of *regular export*.

This sub-section will discuss the literature from previous studies and the findings of the present study in relation to:

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

5.3.2 Innovation roles in the subsequent export

Each of the four innovation *actor* roles of *champion, sponsor, boundary spanner* and *gatekeeper* are discussed below in relation to the subsequent export.

<u>Champions in the subsequent export</u>

The methodological triangulation between qualitative and quantitative findings showed a lack of support for *championing* behaviour in the subsequent export. Whilst

there was plenty of evidence of *championing* activities observed in the case studies, in the quantitative data there was no significant statistical result. Each *champion* factor is reviewed below to consider possible reasons for this lack of support in methodological triangulation.

In the methodological triangulation between qualitative and quantitative findings for the subsequent export, the *decisions outside hierarchy* factor was not supported, due to a non-significant quantitative test result. Most activities related to this factor appear in the cases, but there were fewer observations in the subsequent export than the first export. Markham et al. (2010) found that a *champion's* influence on an innovation decreased from implementation (first export) to confirmation stages (subsequent export). The present study appears to indicate a similar process.

A *champion* that *avoided financial justification* was found in one case (G). In contrast, there was also one case (F) that portrayed a *decision-maker* concerned about financial justification, contrary to a *champion avoiding financial justification* (Shane, 1994). Apart from the two opposing observations cancelling each other out, more broadly, *championing - avoided financial justification* may not be important for the subsequent export.

The activity, *made decisions outside hierarchy,* was not observed in the subsequent export, in contrast with the first export (Case D). A *decision-maker* that that *took initiative without approval* was expected, as this was the experience for the first export (Case A). Instead, they required approval in the subsequent export (for example Case A). These observations, suggest that subsequent export decisions in SMEs require owner-managers approval when they participate as either *champion* or *sponsor* (Cases A, & D), or approval is sought from these *decision-makers* when they are not involved in decisions related to exporting activities (Case J). The latter situation was also found in the literature (Crick & Chaudhry, 1997).

There was only one case (G) with observations of the *rule bending factor* for the subsequent export, similar to the first export. However, when methodological triangulation between qualitative and quantitative findings was conducted, there was a significant finding in the quantitative analysis suggesting that *rule bending* is an

activity of *decision-makers* involved in both the first and subsequent export. Interestingly, the *rule bending* factor had a low Cronbach alpha in the present study, suggesting a lack of internal reliability, thus negating the significant result. The lack of observations could suggest that *rule bending* activities were covertly performed by *decision-makers.* However, it is hard to envisage *rule bending* by owner-managers who in effect set the rules in an SME. The theoretical support from past innovation studies and the resulting *rule bending* factor by Shane (1994) may be indicative of large firms rather than SMEs. The items in this factor mention bypassing standard operating, personnel and budgetary procedures found previously in a large firm by Burgelman (1983). In SMEs, these procedures may be non-existent, less obvious when the export initiation is discussed or not recalled due to the position of the *decision-maker*. For instance, a Marketing Manager may not recall changes to budgetary procedures involved with export initiation.

The *team as equals* factor had a lack of sample adequacy (KMO) and was not significant in the quantitative analysis, therefore the cross-case analysis was not supported under methodological triangulation. Observations for this factor showed a decline between the first and subsequent exports. In the first export, there was evidence of this factor in five cases, whilst for the subsequent export there were observations in only three cases. The notable difference was two cases that did not have a subsequent export (Case C & I). Interestingly, observations of the first export involved one activity, *included the idea generator*. There is no suggestion in the literature that if an idea generator is not included in an innovation, that it does not go ahead, but this may be the explanation for Case C not having a subsequent export. In this case, the Managing Director as the idea generator left the organisation before a subsequent export occurred. Conversely, in Case I, the idea generator was included in the first export preparation, but it didn't take place due to the CEO withholding further funds for implementation from the idea generator.

In a broader sense, does this mean that teams are less important in decisions for the subsequent export? In Case B the number of *decision-makers* grew from one in the first export to two for the subsequent export, whilst in Case F the number of *decision-makers* reduced from four to one. For the other eight cases, the same numbers of *decision-makers* were involved in both the first and subsequent export. In two cases

(E & L) there was only one *decision-maker* involved in both, whilst in six cases there were multiple *decision-makers*. Therefore, the size of teams is not instructive when explaining the export *champion* treating team members as equals.

Another explanation for a lack of *team as equals* activities might be that the decisions to undertake the subsequent export had team members with unequal position levels. It has been found previously that owner-managers are the main *decision-makers* in SME export (Czinkota, 1982; Holmlund & Kock, 1998). Similarly in SMEs, owner-managers generally take the role of *champion* for innovations (Chakrabarti & Hauschildt, 1989; Elliott & Boshoff, 2009). Five cases included the owner-manager, with four performing *championing* activities. In contrast to Shane's (1994) findings, owner-managers in the present study did not take a *team as equals* approach in the subsequent export.

The *plans and projections* factor was not significant in the quantitative analysis, therefore there is no support for the cross-case analysis under methodological triangulation. There were fewer observations of the use of *plans and projections* to convince others of the merits of the subsequent export than in the first export. In the first export there were observations made in ten cases, whilst for the subsequent export there were only five. Rogers (2003) explained that this reduction in activities could be a result of the *routinisation* of the innovation. For example, when an innovation is diffused throughout the organisation it becomes a routine process and less effort is required to convince others of its merits. In some cases in the present study, exporting became routine relatively quickly with a stream of exports occurring soon after the first and subsequent export (Cases B, D, F, G, J, & K). The early *routinisation* of export innovation has not been recognised before in SMEs.

The *champion* role resides in the knowledge, persuasion and decision stages of the conceptual model for the subsequent export, as expected. However, there was only one observation for knowledge stage and five observations in the decision stage. There were 14 observations of persuasion related activities in seven cases. Of the persuasion observations, five were contrary to past innovation findings (See Table 4.105). Contrary findings aside, *championing* activities were still concentrated in the persuasion stage similar to the first export.

In summary, the present study found a lack of *championing* activities in SMEs that achieved a subsequent export. This finding potentially conflicts with Knight (1987) who found that an innovation is 50 per cent more likely to succeed with a *champion* than without. The absence of a significant finding for *champions* may be explained with Rogers' (2003) innovation-decision process stages. A *champion's* major role of introducing the innovation into the organisation is at the knowledge or persuasion stage (Markham et al., 2010). By the time the innovation reaches decision and implementation stage, other *actors* such as *sponsors* or *gatekeepers* have a more prominent role and the need for *champions* is reduced (Markham et al., 2010). As found in the present study, the reduced role of *champions* applies to the confirmation stage (subsequent export) with a focus more towards persuasion activities.

Sponsors in the subsequent export

Sponsoring activities were shown to have support in the methodological triangulation of qualitative and quantitative findings. However, the case studies had less *sponsoring* activity observations in the subsequent export when compared to the first export. Various reasons can be found to explain lower levels of *sponsoring* in subsequent exports.

In Case D, the Managing Director who performed *sponsoring* activities in the first export did not perform them prior to or during the subsequent export. Rapid receipt of the subsequent order meant that his role was not required. In effect, the Managing Director's *sponsoring* carried over from the first to the subsequent export.

In Case E, the *decision-maker* did not demonstrate *sponsoring* activities. This was possibly due to there being only one owner-manager *decision-maker* involved in the first and subsequent export. As such, there was no other *decision-maker* with whom to delegate export activities. Interestingly, in this case the owner-manager delegated domestic activities, rather than exporting activities. It could be that his *sponsoring* activities were directed to subordinates who carried out domestic activities. He stated: "It has to be able to run without me being here to turn around and tell everyone what to do. You have to delegate and you have to make sure that you put the right people in the right places, so you don't need to be interacting with the people six times a day."

In Case F, the Directors were *sponsors* in the first export but did not participate in decisions in the subsequent export. The Business Development Manager already had financial assistance and resources in place as the Directors had *sanctioned* exporting prior to the first export initiation.

From both Case D and F, it can be deduced that the *sponsoring* influence may last longer than one export order and can extend for a number of export transactions. In addition, in all cases *sponsoring* activities remained the same or slightly decreased, between implementation (first export) and confirmation (subsequent export). This contrasts with the findings of Markham et al. (2010).

Boundary spanners in the subsequent export

Methodological triangulation between qualitative and quantitative findings indicated support for *boundary spanning* activities in the subsequent export. However, there are different contributions to the subsequent export for the three *boundary spanning* factors: *information acquisition and control, domain determination and interface* and *physical input control,* as defined by Jemison (1984). Detailed discussion appears below for these *boundary spanning* factors.

Information acquisition and control activities mainly related to the acquisition of information rather than the control of its distribution. Such activities have been observed previously in subsequent exporting development for Australian SMEs (Ellis & Pecotich, 2001). *Information acquisition* was evenly divided between formal and informal activities. Formal *information acquisition* may be linked to *market selection.* For example, the *decision-makers* (B, E, H & L) that used *formal information acquisition* did not select their subsequent export markets. *Decision-makers* in other cases (A, F, G & J), who used informal acquisition of information selected their subsequent export market formally. Apart from Case E, all the other cases chose different markets for the subsequent export regardless of the formality of *information acquisition*, thus necessitating *how-to knowledge* acquisition. From the observations made in the present study, *information acquisition* activities appear to be just as important for the subsequent export as they are for the first.

Interestingly, *information control* activities observed in the first export in four cases (B, C, F & G) were only observed in one (G) for the subsequent export. Two activities, regarding the provision of reports for the organisation from external sources, were not observed. The development of reports may be more relevant for large business and not performed in SMEs. Other control activities such as deciding when and to whom to distribute external information may have been tacitly performed and were not mentioned by the key informant/respondent (Case G) or not performed at all (Case F).

Seven of the ten cases had some *physical input control* activities for the subsequent export. Four of these *decision-makers* performed input control activities in the first export as well as the subsequent export. Deciding on the *quality of physical inputs* was the most common code found in the cases. Another three cases (A, B & F) were observed in the subsequent export, concerned with the *quality of physical inputs*. For example, in Case A it was the size of the subsequent order that spurred the *decision-maker* to consider quality. The importance of product quality with SME manufacturing exporters has been noted previously (Bonaccorsi, 1993; Rundh, 2011) but not for inputs into the manufacturing process, nor within Australia, a novel finding.

All cases that completed a subsequent export had *domain determination and interface* activities. Four of the six codes in this factor (*decided how products would be provided, provided information formally to outside groups, decided which customers* and *met with customers*) were observed several times. Customer interface such as providing information to outside groups and meeting with customers would be expected given these are recognised activities in export initiation and associated with networking (Ellis, 2000). Similar to the first export, *made speeches to outside groups* occurred in just one case (G). No other respondents mentioned giving speeches as part of their recruitment of potential customers. Interestingly, three firms participated in trade fairs (D, E & F), which offered potential for speeches at technical seminars (Fletcher & Crawford, 2011).

Boundary spanning activities were observed in relation to the subsequent export. These activities have been observed in subsequent export studies for Australian SMEs (Ellis & Pecotich, 2001). Two cases had *boundary spanning* activities in the

first export, but not in the subsequent export (Cases C & M). In Case C, the *boundary spanning decision-makers* left the organisation, thus forcing the cessation of the subsequent export. In Case M, the *decision-maker* withdrew from exporting due to his *decision-making* autonomy, contrary to a past finding (Pauwels & Matthyssens, 2004). These exceptions aside, all cases in the subsequent export had *boundary spanning* activities. In effect, *boundary spanning* is integral to *regular export*.

Gatekeepers in the subsequent export

Gatekeeping activities were supported under methodological triangulation for the qualitative and quantitative findings. *Knowledge handling* activities by *decision-makers* were observed in most cases. Interestingly, the activities were similar to the first export. Rogers (2003 p. 189) explained that a *decision-maker* in the confirmation stage of the innovation-decision process "seeks reinforcement for the innovation-decision already made." Reinforcement is achieved by acquiring more information about the innovation (Rogers, 2003) that then becomes new knowledge to the *decision-maker* (Oliveira, Rozenfeld, Phaal & Probert, 2015). Most cases had new markets and/or new customers for the subsequent export. These were the main reasons for seeking new information.

There were several occurrences of *gatekeeping - knowledge handling* for the subsequent export. For example, three cases (A, G & L) had *interpreted or filtered information*, two cases (A & G) had evidence of *decision-makers* that *determined the value of information to potential recipients* and three cases (A, B & G) where they *controlled the distribution of information*. These actions may be where a *gatekeeper's* control increases from the knowledge stage through implementation (first export) and peaks at confirmation (subsequent export) of an innovation (Markham et al., 2010). Then, a *gatekeeper's* influence culminates in *innovation approval* in the decision stage.

Innovation approval evidence was apparent in four cases (A, D, H & K) in the subsequent export. In contrast, in six cases (B, E, F, G, J & L) there was no evidence of *innovation approval* for the first or subsequent export, suggesting that these activities do not occur in every export transaction. The approval for the first export may have also applied to the subsequent export where the export was to the same

market (Case E). *Innovation approval* activities may have been performed tacitly by *decision-makers* in the process of confirmation of export. For example, resources were assigned in each case; otherwise the export would not have taken place. Resources are critical for success in export decisions (Nemkova et al., 2012). Similarly, internationalisation decisions usually include consideration of criteria as part of the decision process (Seifert et al., 2012). Therefore, selection criteria would have been used to make a decision. Sometimes these criteria were linked to a *stimulus* such as *extra sales potential* (Case F), discussed below. It is likely that *innovation approval* activities are involved in most export decisions.

Innovation roles in the first & subsequent exports

Those performing innovation role activities mainly continued for these roles in the subsequent export, with the exception of Cases C, D, and M. As stated in Case C above, two of the *decision-makers* left. However in the other two cases, the *decision-makers* were still employed by their organisations a year after the first export but did not participate in the subsequent export. This suggests that the presence of a *decision-maker* who has performed an innovation role in the implementation stage (first export), does not necessarily continue for confirmation (subsequent export) (see Table 5.10).

Table 5.10 Innovation roles & titles in the first & subsequent export

Decision-maker titles	Champion 1st export cases (subsequent)	Sponsor 1st export cases (subsequent)	Boundary spanner 1st export cases (subsequent)	Gatekeeper 1st export cases (subsequent)
Business Coach		H@ (H@)		H@ (H@)
Business Development Manager	C, F (F)		C, F (F), K (K), N# (N#)	C, F (F), N# (N#)
CEO	I%, K (K)	I%, K (K)	I%, K (K)	I%, K (K)
Customer Service Officer			B (B)	B
Director		A (A), F, G (G)	(A) D (D)	D (D)
Export Director	G (G)		G (G)	G (G)
General Manager	N# (N#)		N# (N#)	N# (N#)
Manager (division)	L (L)	L (L)	L (L)	L (L)
Managing Director	C, D, E (E), H (H),	C, D, G (G), H (H), J (J), M, N# (N#)	D (D), E (E), H (H), M	C, E (E), H (H), M
Marketing Director	A (A)		A (A)	A (A)
National Sales & Marketing Manager	J (J)		J (J)	J (J)
Operations Manager		K (K)	K (K)	K (K)
Procurement Manager		(B)		(B)
Research & Development Manager	M		M	
Top management team		N# (N#)	N# (N#)	N# (N#)

Large exporting firm
% Non-exporting firm
@ External to firm
Source: Compiled by author

The influence of *stimuli* might assist in the understanding of innovation roles in subsequent export.

5.3.3 Stimuli & the subsequent export

It was found from analysing the literature, that *proactive stimuli* are generally linked to SME *regular export*, whilst *reactive stimuli* are more likely for SME *sporadic exporters* (See Table 2.8). For the ten cases, the initiating *stimuli* were the same for the subsequent export as they were for the first export order. That is, if a case had an *internal-proactive stimulus* in the first export order, this was also present in the subsequent export order. A primary *proactive stimulus* featured for the subsequent export in seven cases (A, D, E, F, G, H & J) mostly *internal-proactive* (6 Cases) with

one case being *external-proactive.* In contrast, and somewhat unexpectedly, *reactive stimuli* accounted for subsequent exports in three cases (B, K & L).

In Case B the unsolicited first and subsequent export orders were treated as though they were domestic orders. Cohen and Levinthal (1990 p. 148) explained that "the ease of learning, and thus technology adoption, is affected by the degree to which an innovation is related to the pre-existing knowledge base of prospective users." The *decision-makers' how-to knowledge* in Case B was mainly required for international shipping. In the subsequent export, *how-to knowledge* was augmented by the Purchasing Manager's importing experience. Thus, *decision-maker how-to knowledge* through past experience mitigates the *sporadic* nature of *reactive stimuli,* such as *unsolicited orders* thereby enabling *regular export*.

In Case K, an *internal-reactive stimulus* of *declining domestic sales* resulted in a subsequent (*regular*) export. This finding was in contrast to a past study (Crick & Chaudhry, 1997). It could be argued that the *decision-maker* (CEO) in Case K was proactive in light of the *internal-reactive stimulus*. His proactivity involved the appointment of a new Business Development Manager who provided access to his New Zealand network to secure the first and subsequent exports. This suggests that a *reactive stimulus* could elicit a proactive (internal locus of control) response with some *decision-makers* and this explains why they perform innovation roles. In contrast, those with an external locus of control do not see those same opportunities or choose not to act on them (Howell & Shea, 2001). As stated above, the categorisation of the received *stimulus* may not determine whether an innovation role is involved in export. However, the perception and action of a *decision-maker* will provide an indication of innovation role activity.

Case L received *unsolicited orders* from different customers in both the first and subsequent export, complying with the definition of *regular export*. The *decision-maker* in Case L, due to his *awareness knowledge* created by past connections with customers, acted on the *unsolicited orders*. Bell et al. (2004) found that manufacturing firms that had received *unsolicited orders* in their first export initiation continued to receive similar orders on an *ad hoc* basis from unrelated new customers. This appears to be the situation in Case L.

The primary *stimulus* for Case M for the first export was a *unique product*, an *internal-proactive stimulus*. Successful organisation innovation requires proactive input by *decision-makers* (Kandemir & Acur, 2012). If consistent with theory, Case M should have had a subsequent export. The absence of a subsequent export in Case M may have been more to do with the first export secondary *stimulus* than the primary *proactive stimulus* or the involvement of an innovation role. In Case M, the secondary *stimulus* was an *unsolicited order*, a characteristic of *sporadic exporters* (Bell et al., 2004). Crick and Chaudhry (2006) found that *decision-makers* who were stimulated by *unsolicited orders* in the first export were not stimulated to continue in subsequent exporting. It could be that the underlying perception by the *decision-maker* in Case M of the secondary *external-reactive stimulus* (*unsolicited order* in Case M) rather than the corresponding primary *internal-proactive stimulus*, a *unique product* (See Table 5.9) is an explanation for the lack of a subsequent export.

Another explanation for no subsequent export for Case M, may be that firm L was a *sporadic exporter*. Case L and M are both divisions in firm L. Interestingly; both first exports were *unsolicited orders* with Case L having a subsequent *unsolicited order*. The evidence of *sporadic export* activities with Case L for both the first and subsequent export was observed with “less innovation with products”, “less planning” and “less likely to train in export functions”. Case M on the other hand had observations of *regular export* with “more innovation with products” and more resources for exporting. These activities are contrary to those expected of a *sporadic exporter* (Case M) and a *regular exporter* (Case L). Firm L and its *decision-makers* behaviour is at odds with the accepted theory on *sporadic* and *regular export*.

5.3.4 Innovation roles and stimuli in the subsequent export

The balance of this sub-section is divided into the four innovation *actor* roles: *champion, sponsor, boundary spanner* and *gatekeeper.* Each role is considered in relation to the nature of the *stimuli.*

Champions and stimuli

Championing activities were more prevalent with *decision-makers* when a *proactive stimulus* instigated the subsequent export, however there was no significant finding from the quantitative data. As such, there was no support found in methodological triangulation between qualitative and quantitative data. Each *champion* factor is reviewed below to consider possible reasons for this lack of support.

The *decisions outside hierarchy* factor in combination with *proactive stimuli* were shown to be significant in the quantitative analysis. Therefore, this factor was supported in the methodological triangulation of qualitative and quantitative findings. This result is in contrast with the quantitative findings for this factor in the *champion* role in H1. The difference was to do with the influence of the *proactive stimulus*. The *proactive stimulus*, as perceived by *champions* with their internal locus of control, enables a sense of personal competence in *decision-making* (Baron & Rodin, 1978). As such, *decision-makers* in their *championing* role for the subsequent export may not consult higher authorities (5 out of 9 cases did not consult), as indicated in the present study.

There were two observations in one case (G) of *rule bending* in conjunction with *proactive stimuli* in the case studies. Similarly, there was no significant result from the quantitative data. As such, there was no support found in the methodological triangulation between qualitative and quantitative findings for *rule bending*. As discussed above, this result is most likely due to the concept of rule following that *champions* in SMEs use (Miller & Toulouse, 1986), owner-managers not *rule bending* and the inability to hide *rule bending* behaviour.

The *team as equals* factor had observations in two cases involving *proactive stimuli* with no observations were made of *reactive stimuli*. However, when considering quantitative analysis, no significant result was obtained most likely to a lack of sampling adequacy (low KMO). Thus, there is no methodological triangulation between the two methods. As stated above, SME owner-managers as *champions* in teams (4 out of 8 cases) in the present study did not take a *team as equals* approach in the subsequent export.

The *plans and projections* factor also did not achieve a significant result for the quantitative analysis, therefore methodological triangulation between qualitative and quantitative findings was not supported. There were almost equal numbers of observations in the case studies for both *proactive* and *reactive stimuli* in relation to this factor. This lack of support for this factor may be relative to firm size. For example, in Shane's (1994) study (the basis of this factor), the sample comprised medium to large firms. Similarly, the studies that provided convergent validity to the Shane (1994) factor were large firms, not SMEs (Burgelman, 1983; Dougherty & Bowman, 1995; Howell & Higgins, 1991). Similarly, the large firm (Case N) had observations for most codes in the *plans and projections* factor. Perhaps this factor does not apply to SMEs.

Another issue with the *plans and projections* factor may be the scale itself. In the original Shane (1994) study, the factor had a Cronbach coefficient alpha of 0.59. This alpha is below the exploratory factor analysis minimum of 0.6 (Hair et al., 1998) suggesting a lack of internal reliability. As such, this factor is problematic, thus disabling the quantitative analysis and methodological triangulation in the present study.

Sponsors and stimuli

The *sponsor* scale achieved a significant quantitative result when a *proactive stimulus* was involved in the subsequent export. This result supported methodological triangulation between qualitative and quantitative findings. However, the observations in the cases were generally different depending on the *stimulus*. For example, *coached*, *protected the innovation team* and *advocated the innovation to influence others* were observed for *reactive stimuli* (4 observations in 2 cases), *w*hilst obtaining resources or financial assistance was observed three times in one case with *proactive stimuli* involved for the subsequent export. *Sanctioned* was the only *sponsoring* activity common to both *stimulus* types (5 cases).

Considering the *decision-maker's* management level, *sponsoring* activities (coaching, protecting and advocating) with reactive *stimuli*, were performed by a middle manager for subordinates (Cases B & L). In contrast, the *proactive sponsoring* activities (*obtained financial assistance & resources*) were performed by a top

manager (Case H). Similarly, *sanctioning* was more likely for top managers with a *proactive stimulus* (Cases A, G, H & J) than a *reactive stimulus* for middle management (Cases K & L). No studies have drawn a connection between the type of *stimuli,* management level and *sponsoring* activities before.

The interaction between *championing* and *sponsoring* activities provides some evidence that the two roles were linked for the subsequent export. Some *internal-proactive stimuli* cases with *championing* activities observed for the subsequent export (Cases A, E, F, G, H & J) also had *sponsoring* (Cases A, G, H & J). *Championing* and *sponsoring* activities were also common in two cases (K & L) instigated by *reactive stimuli*, suggesting that the two roles are related regardless of the *stimulus* type (*proactive* or *reactive*) for the subsequent export.

Boundary spanning role and stimuli

The *boundary spanner* scale with a *proactive stimulus* obtained a significant result in quantitative analysis. Thus, methodological triangulation was supported between qualitative and quantitative findings. All but one case (J) with a subsequent export had *boundary spanning* activities with most (6 cases) having evidence of *proactive stimuli*. Three cases (B, K & L) had *boundary spanning* activities with *reactive stimuli*.

Boundary spanners can receive as well as seek information as *stimuli* from internal or external environments (Leifer & Huber, 1977; Reid & de Brentani, 2004). The receipt of unsolicited external information (*stimulus*) is *reactive* as opposed to deliberate scanning, which would be proactive. Conceivably, the external provider of the *reactive stimulus* would have recognised the previous proactive scanning by the *decision-maker* of the external domestic environment and provided an *external-reactive* export *stimulus*. The Case L subsequent *unsolicited order stimulus* (*external-reactive*) was as a result of past proactive domestic scanning by the *decision-maker* from a network contact who ventured abroad. A similar situation existed for Case K as well. *Boundary spanning* activities observed in the present study were mainly involved in the *information acquisition*, *domain determination and interface* for the subsequent export with a *proactive stimulus*, consistent with the conceptual model.

Gatekeepers and stimuli

The quantitative analysis indicated a significant result for *gatekeeping* combined with *proactive stimuli*. Thus, methodological triangulation between qualitative and quantitative analysis was supported. Similarly, seven cases where *proactive* primary *stimuli* instigated the subsequent export had *knowledge handling* activities with only one case with a *reactive stimulus*. However, there were fewer cases with a subsequent export that had *innovation approval* activities conducted by *gatekeepers* linked to a *proactive stimulus* (2 cases) and *internal-reactive stimulus* (1 case). The lack of observations for *innovation approval* was similar for this *gatekeeping* role without the influence of *stimuli* for the subsequent export. This is not to say that the *stimulus* influence is unimportant, but that the *innovation approval* process is performed by most *decision-makers* for the first export and that approval extends to the subsequent export. Alternatively, *innovation approval* occurs after the first export. In this latter sequence, the success of the first export in meeting criteria (some directly related to the *stimuli*) would then lead to a subsequent export. If the first export did not live up to expectations or the *decision-maker* was not proactively involved, then a subsequent export would not take place.

Traditional and knowledge-based exporters

A comparison between *traditional* and *knowledge-based* exporters yielded some significant results (p>.1 exact) using quantitative M-W U tests. All four innovation roles (*championing - decisions outside hierarchy, sponsoring, boundary spanning & gatekeeping*) were significant for *decision-makers* involved in both the first and subsequent exports in *knowledge-based* firms (Cases A, C, F, G & M), when compared to other *decision-makers* occasionally involved in export. In contrast, no roles were significant for *traditional* firms (Cases B, D, E, H, I, J, K & L). In the *knowledge-based* firms, *decision-makers* were innovation *actors* in the first and subsequent export possibly due to the innovative nature of the product being manufactured or the firm's innovative culture (Knight & Cavusgil, 2004).

In *knowledge-based* firms, a *proactive stimulus* provided a significant result (p>.1 exact) for the four roles (*championing - decisions outside hierarchy, sponsoring, boundary spanning & gatekeeping)* of *decision-makers* involved in both the first and subsequent exports compared to *decision-makers* who were occasionally involved in

only one export. In contrast, there was no significant relationship with *decision-makers* in similar roles in *traditional* manufacturing firms. See Table 5.11.

Table 5.11 Results for H1-2 for traditional & knowledge-based SMEs

Hypotheses	**Champion**	**Sponsor**	**Boundary spanner**	**Gatekeeper**
1 Innovation role subsequent export – traditional SMEs	Not significant	Not significant	Not significant	Not significant
1 Innovation role subsequent export – knowledge-based SMEs	p<.1 exact #	p<.1 exact	p<.05 exact	p<.05 exact
2 Innovation role subs. *proactive stimulus* – traditional SMEs	Not significant	Not significant	Not significant	Not significant
2 Innovation role subs. *proactive stimulus* – knowledge-based SMEs	p>.1 exact #	p>.1 exact	p>.1 exact	p>.1 exact

Decisions outside hierarchy only
Source: Compiled by author.

Summary

A subsidiary purpose for the present study was to provide a better understanding of *decision-makers* and their innovation roles following the first export. In particular, it is important to know how their involvement influences subsequent export, the confirmation stage of the innovation-decision process.

The methodological triangulation between qualitative and quantitative findings indicated support for *sponsoring, boundary spanning and gatekeeping* activities for the subsequent export. A *similar result occurred when a proactive stimulus was involved.* Triangulation of qualitative and quantitative findings also indicated *that championing – decisions outside hierarchy* when a *proactive stimulus* was involved was supported. These results suggest that innovation roles and *proactive stimuli* have a part to play with the subsequent export.

A non-parametric quantitative analysis of innovation roles of *decision-makers* in *knowledge-based* also yielded some significant results. *Decision-makers* in *knowledge-based* manufacturers were more likely to have innovation roles

(*championing – decisions outside hierarchy, sponsoring, boundary spanning & gatekeeping)* if they were involved in both the first and subsequent export compared to those only occasionally involved. These significant results also held for *proactive stimuli*. In contrast, the results for traditional manufacturers were non-significant.

5.4 Chapter conclusion

This chapter discussed the findings in light of past research. For each research question that related to: innovation roles, *stimuli* and subsequent export, the implications of the discussion complete each section.

The first research question (RQ1) asked whether *decision-makers* involved in the first export undertake innovation role activities. This section discussed the four innovation roles based on observations made during the present study.

Most cases had *decision-makers* who performed some *championing* activities associated with the first export. Activities from all four *champion* factors were observed in the present study. Interestingly, *decisions outside hierarchy* and *plans and projections* had the most observations in the case studies suggesting that these activities are important for the first export. For the other factors, (*rule bending & team as equals*) possible explanations for their lack of observations were proposed. In addition, *decision-makers* in middle management, rather than owner-managers, were slightly more likely to perform *championing* activities for the first export. The findings suggest that not all *championing* activities are necessary for the first export but it is likely that at least one *decision-maker* who is involved in the first export will perform *championing* activities.

Sponsors were generally in top management and were important for the first export. They *sanctioned* and *obtained resources* or provided *financial assistance* for the first export. However, several *sponsoring* activities were rarely observed, for example *advocated the innovation, influenced others*, *protected the innovation team* and *bootlegged funds*. It is possible that not all components of the *sponsor* codes are important in SME export initiation, or that they are performed but not recognised by *decision-makers*.

Observations were made of the three *boundary spanning* factors: *information acquisition and control, physical input control,* and *domain determination and interface* in the first export. Most cases had *decision-makers* performing *boundary spanning - information acquisition and control* activities. In contrast, past studies have found that formal *information acquisition* activities were rarely observed in Australian manufacturing SMEs. *Information control* activities by *decision-makers* have not been documented before in an export initiation context and they could be responsible for unrequited export orders. *Domain determination and interface* activities of *decision-makers* were also observed in most cases and were linked to the middle management roles in marketing or owner-managers. In contrast, *physical input control* activities were not widely mentioned by *decision-makers* involved in the first export.

Nearly half of the cases had owner-managers acting in the role of *gatekeepers*, with the balance from middle management. *Gatekeeping - knowledge handling* activities by *decision-makers* was common in the present study. Evaluations of the value of information about the first export and controlling the distribution of this knowledge have not been identified previously in export initiation studies. *Gatekeeper - innovation approval* activities were evident in the majority of cases. Some approval decisions observed in the cases suggest that when the export decision is referred by owner-managers to lower level managers, it was due to a subordinate's greater *how-to knowledge*, another novel finding.

In the present study, most *decision-makers* performed both *boundary spanning* and *gatekeeping* activities and both roles were generally performed by the same person. A key finding of the present study is that the two roles are related but different.

The presence and number of innovation roles could provide an alternative measure of the radicalness of export initiation. In combination with the literature involving radical or incremental innovations and the observations of innovation roles in the present study, it can be suggested that export initiations are mainly an incremental innovation.

Research question Two was related to the influence of *stimuli* and innovation roles involved with the first export. The focus on *stimuli* identified issues such as the multiple *decision-makers* perception of *stimuli*, hierarchy of *stimuli* and the dominance of *internal-proactive stimuli*. These issues were discussed in this chapter.

There was evidence of *championing* activities in relation to *proactive stimuli* in the case studies. However, the analysis of data relating to factors within *championing* showed mixed results. *Sponsoring* activities were more likely to have been involved when a *proactive stimulus* instigated the first export. However, top management may not be involved as *sponsors* when a *reactive stimulus* is received by middle management *decision-makers*. In this instance, either the middle manager becomes the *sponsor* to his/her innovation or no *sponsor* role is involved. The implementation of an innovation without a top management *sponsor's* support contrasts with findings in past studies.

It was identified that *boundary spanning* activities were more likely to be involved when an *internal-proactive* or *external stimulus* instigated the export opportunity. The *knowledge handling* activities of *gatekeepers* were observed in the context of *proactive stimuli.* Conversely, the *innovation approval* activities were observed with mainly *proactive* and some *reactive stimuli.* As such, approval of the first export may not be dependent on the perception of the *stimulus* but may be explained as a trial of export that has support from other innovation roles (*champions, sponsors & boundary spanners*).

All but one case reflected *regular export* behaviour with the subsequent export in the following year to new customer or market. Similarly, *regular export* activities indicated in the cases generally appear with the subsequent export in the present study. This finding suggests that *regular export* and the subsequent export are similar. As such, the subsequent export measure was based on the AUSTRADE (2002 p. 38) "year on year" definition plus the different customer or market test is a suitable substitute for *regular export*.

Research question three was whether innovation role activities of *decision-makers* involved in the initial export process alter with the subsequent export. There was no

support for *championing* activities with a subsequent export from methodological triangulation between qualitative and quantitative findings. This finding potentially conflicts with past studies that found that an innovation is more likely to succeed with a *champion* than without. The absence of support for *champions* may be explained by their reduced role in the confirmation stages of the innovation-decision process.

Methodological triangulation using the quantitative findings supported the cross-case analysis findings for *sponsoring* activities. In contrast with past studies, *sponsoring* activities did not increase between the first and subsequent export. In several cases *sponsoring* was not as apparent for the subsequent export, as the ***sponsor's*** support was carried over from the first export.

Boundary spanning activities obtained support in the methodological triangulation. *Information acquisition* activities appear to be just as important for the subsequent export as they were for the first. Case evidence indicates that, *information control* activities were less common in the subsequent export. All cases that completed a subsequent export had *domain determination and interface* activities. More cases had *physical input control* activities for the subsequent export than was apparent for the first export, a novel finding.

Methodological triangulation using the quantitative findings supported the cross-case analysis findings for the *gatekeeping* activities. *Knowledge handling* activities by *decision-makers* were observed in most cases. There was less evidence of *gatekeeping - innovation approval* activities for the subsequent export. It was theorised that all export transactions have *innovation approval* activities that were sometimes tacitly performed for the subsequent export or carried over from the first export.

The initiating *stimuli* were the same for the subsequent export as they were for the first export order. Most cases had *proactive stimuli* for the subsequent export. However, *reactive stimuli* accounted for subsequent exports in three cases.

There was no support from the methodological triangulation, due to non-significant test results from the quantitative analysis of the *champion* scale and *proactive stimuli.*

However, the *decisions outside hierarchy* factor was associated significantly with *proactive stimuli*. As such, *decision-makers* in their *championing* role for the subsequent export may not consult higher authorities, as indicated in the present study. The other *championing* factors (*rule bending, team as equals* & *plans and projections*) did not achieve significant results from the quantitative tests. Possible reasons were provided for these results, such as rule following rather than *rule bending* and SME owner-managers not taking a *team as equals* approach in the subsequent export. The lack of a result for *plans and projections* may have to do with past studies conducted with large firms rather than SMEs and the factor having a lack of internal reliability.

Methodological triangulation using the quantitative findings supported the cross-case analysis findings for the *sponsoring* activities when a *proactive stimulus* was involved in the subsequent export. The type of *stimulus* impacts differently on *sponsoring* activities and *decision-maker's* level. For example, the *reactive sponsoring* activities, such as coaching, protecting and advocating, were performed by middle managers for subordinates. The *proactive sponsoring* activities (obtaining resources or financial assistance) were performed by top managers. No studies have drawn a connection between the type of *stimuli*, *sponsoring* activities and management levels before.

Boundary spanning activities were shown to have support under methodological triangulation when a *proactive stimulus* was involved in the subsequent export. *Boundary spanning* activities observed in the cases were mainly involved in the *information acquisition*, *domain determination and interface* for the subsequent export with a *proactive stimulus*, consistent with the conceptual model.

Methodological triangulation using the quantitative findings supported the cross-case analysis findings for *gatekeeping* activities*,* when a *proactive stimulus* was involved in the subsequent export. Most cases where *proactive* primary *stimuli* instigated the subsequent export had *knowledge handling* activities. However, most cases did not have *innovation approval* activities conducted by *gatekeepers*. *Innovation approval* may not be as important for the subsequent export as the initial approval for the first export also applied to the subsequent export.

Several innovation roles (*championing - decisions outside hierarchy, sponsoring, boundary spanning & gatekeeping*) were significant with non-parametric statistical analysis for *decision-makers* involved in both the first and subsequent exports in *knowledge-based* firms. No roles were significant for *traditional* firms.

The next chapter provides conclusions, implications for theory, policy and practice, limitations and future directions.

Chapter 6 Conclusions & implications

In Chapter 1, an argument was made that Victorian SME manufacturers are an important participant group in Australian exporting, but they mainly demonstrate *sporadic export. Sporadic export* may be constraining SME growth and profit. For an SME to embark on the first export, individual *decision-makers* or groups, as powerful coalitions within the firm, must agree on an internationalisation strategy (Andersson, 2002). Accordingly, the focus of the present study was the individual *decision-maker* or groups in SME export initiation.

Export initiation is a market innovation that can be interpreted using the innovation-related stages approach to internationalisation (Bilkey & Tesar, 1977; Cavusgil, 1980; Lee & Brasch, 1978; Lim et al., 1991; Wickramasekera & Oczkowski, 2006). The approach aligns with the innovation-decision process model proposed by Rogers (1962). The Rogers (1962; 2003) innovation-decision process accommodates individual *actors* within their social system (firm). This approach has not been applied previously to individual actors involved in a market innovation, such as export. In order to turn an innovation idea into reality, a coalition is needed (Kanter, 1988). It is this coalition of innovation *actors* (*champion*, *sponsor*, *boundary spanner* & *gatekeeper*) that was of interest to the present study.

According to the innovation–decision process model, an export initiation results from the receipt of a *stimulus*. A *stimulus* can emerge from either internal or external sources and may be *proactive* or *reactive*. Rogers' (2003) innovation-decision process seeks to explain how the innovation actors and their activities interact with *stimuli* from their external and internal environments. It was expected that when a *proactive stimulus* is involved in an export initiation, it would involve innovation roles in the knowledge, persuasion or decision stages of the innovation-decision process model.

As such, the main purpose of the present study is to determine:
"What are the innovation roles of decision-makers involved in the first and subsequent exports in SMEs and to what stimuli do they respond?"

The first section of this chapter comprises a set of conclusions drawn from the discussion in the preceding chapter (Evans & Gruba, 2002). Then the implications for theory, policy and practice follow. Based on these conclusions, a revised conceptual model is then presented. Then the limitations section points out the study's shortcomings and the researcher's responses to these issues. Finally, a section on future research identifies opportunities for further work.

6.1 Innovation roles of decision-makers who initiate export

Conclusions for each innovation role in the first export are provided next. They will refer in turn, to *champions*, *sponsors*, *boundary spanners* and *gatekeepers* in the process of the first export, influence of export *stimuli* and the subsequent export.

6.1.1 Innovation roles in the first export

In the present study, most cases had innovation role activities associated with the first export. This evidence indicates that export as a market innovation has innovation role activities. All four innovation roles (*champions*, *sponsors*, *boundary spanners* & *gatekeepers)* interact with each other to implement the first export, a process not identified before in this context.

The interactions between the roles were as follows. *Boundary spanners* received first export opportunities from the internal and external environment; these were then passed to *champions* who, in turn, sought to persuade *sponsors*. If persuaded, *sponsors* then sought approval for the first export from *gatekeepers*. However, *boundary spanners* could also pass the first export opportunities directly to *gatekeepers* who approved the innovation. As such, all four roles perform distinct functions in the first export initiation.

Decision-makers can perform one or more innovation roles in relation to the first export. Middle managers were more likely to perform *championing* activities whilst owner-managers or top management were more likely to perform *sponsoring* activities in the first export. All levels of *decision-makers* (top, middle & entry-level)

perform *boundary spanning* activities for the first export. However, owner-managers or middle managers perform *gatekeeping* activities.

The use of the Rogers (2003) innovation-decision process model indicated that there was evidence that the *champion* role resides in knowledge, persuasion and decision stages of the conceptual model for the first export, but *championing* activities were primarily in the persuasion stage. Similarly, *sponsoring* activities were involved in the persuasion and decision stages of the first export, however, they were mainly concentrated in the decision stage. The *boundary spanning* role resides in the knowledge, persuasion and decision stages as predicted in the conceptual model for the first export. *Gatekeeping - knowledge handling* activities are located in the knowledge and persuasion stages in the conceptual model. In contrast, *innovation approval* activities occur in the decision stage for the first export. As such, the innovation-decision process model enables the delineation and understanding of the innovation roles interactions in the first export.

6.1.2 Influence of stimuli & innovation roles in the first export

Export initiation *stimuli* were identified from the literature for the present study and these were considered in relation to *decision-maker* responses. The source of the *stimulus* (*internal* or *external*) proved to not be as important as the *decision-maker's* perception of the *stimulus* and the action (*proactivity* or *reactivity*) that they take on receipt of the *stimulus*. Most cases had observations of innovation role activities with *proactive stimuli*, with the primary *stimulus* mainly being *internal-proactive*, consistent with the conceptual model.

Boundary spanners and *champions* were involved *with proactive stimuli* and sought support from a *sponsor* for a decision by *gatekeepers* in their *innovation approval* role. The *champion* to *sponsor* interaction was consistent with the conceptual model. However, the *boundary spanner* to *sponsor* interaction was unexpected. In addition, *boundary spanners* could also act on *external-reactive stimuli.* When an export took place with a *reactive stimulus,* limited *championing* and *sponsoring* activities

occurred. These results led to a re-specification of the model linking *external-reactive stimuli* to *boundary spanners* (discussed in Section 6.4 below).

Gatekeeping – knowledge handling activities were involved in export initiation that was influenced by *proactive stimuli. Gatekeeping – knowledge handing* could act on *proactive stimuli* by passing it to a *sponsor* or directly for *gatekeeping - innovation approval.* The relationship between *gatekeeping – knowledge* and *sponsors* was also not expected and led to a re-specification of the conceptual model.

For *gatekeeping - innovation approval* activities the source of *stimuli* were *proactive* when received from *champions via sponsors* or both *proactive* and *reactive* when received from *boundary spann*ers. As such, the involvement and interaction of innovation roles is dependent on the type of *stimuli*.

6.1.3 Innovation roles in the subsequent export

The same innovation roles were apparent for both the first and subsequent export, suggesting that their activities are necessary for *regular export*. However, the frequency of innovation role activities in the subsequent export was less than the first export due to decisions about exporting extending beyond initiation. Innovation role activities were located in the same stages of the innovation-decision process for the subsequent export as they were for the first export.

Support of qualitative by quantitative findings in methodological triangulation confirmed that three of the innovation roles (*sponsor, boundary spanner & gatekeeper)* participated in subsequent export. However, methodological triangulation between qualitative and quantitative findings did not indicate support for *championing* in the subsequent export, suggesting that their activities are not necessary for *regular export*.

6.1.4 Influence of stimuli on innovation roles in the subsequent export

The cross-case analysis indicated that *sponsoring*, *boundary spanning* and *gatekeeping* activities were more likely when a *proactive stimulus* instigated the subsequent export. Methodological triangulation between qualitative and quantitative findings supported a relationship between these activities and the presence of a *proactive stimulus* in the subsequent export.

There were fewer observations of *championing* activities associated with *proactive stimuli* in the cases with a subsequent export, compared to the first export. In response to the quantitative results for *championing* and its factors, the methodological triangulation indicated that only *decisions outside hierarchy* activities were involved with *proactive stimuli.* As such, a change to the conceptual model (as presented in Chapter 2) was made to reflect the more limited *championing* role in *regular export*. See figure 6.1 below.

Summary

Innovation roles occur in both the first and subsequent export. Their existence provides a clue to *regular export*. These roles are more likely with a *proactive stimuli* determining *regular export*. One or more *decision-makers* can perform innovation roles however owner-managers often feature as one or all the roles in SME export initiation.

6.2 Implications for theory

6.2.1 Innovation roles in the first export

Innovation literature identifies that *champions* are not necessarily required in an innovation (Burgelman, 1983; Knight, 1987; Schon, 1963), however *champions* were more likely in the first export. Specifically, there was evidence of *championing* activities that have also been recognised in past internationalisation studies, however some of these studies focussed on other market entry modes apart from export, for example Collinson and Houlden (2005). The present study revealed several activities

that had not been linked previously to internationalisation or export initiations, such as *made decisions outside hierarchy* (Schon, 1963; Van de Ven, 1986). In contrast, the case studies revealed examples that were contrary to innovation theory, for example a *decision-maker* provided financial justification opposite to *avoided financial justification* (Burgelman, 1984; Souder, 1981). Finally, there were some activities reported regularly in the innovation literature that were not observed for the first export, such as *bypassed personnel procedures* (Howell & Higgins, 1991). Contrary and unobserved activities aside, the majority of *championing* activities were observed in the present study suggesting that, *champions* are involved in SME first export.

The present study was conducted with SMEs and in this context, theory from past innovation studies suggest that *champions* would be owner-managers rather than middle management (Chakrabarti & Hauschildt, 1989; Elliott & Boshoff, 2009). For the first export, *decision-makers* in middle management were more likely to perform *championing* activities than owner-managers, a finding associated previously with large firms (Dougherty & Bowman, 1995; Howell & Higgins, 1991).

It was established from the literature by the researcher that *championing* activities occur in the knowledge, persuasion and decision stages of Rogers' (2003) innovation-decision process model (see Table 2.3). From the observations made in the first export, *champions* tended to favour persuasion activities directed towards *sponsors,* an association recognised previously in product innovation findings (Markham et al., 2010). As such, the application of Rogers' (2003) innovation-decision process model is of use in interpreting *championing* activities in export initiation.

Most cases in the present study had evidence of *sponsoring* activities in the first export, similar to earlier innovation studies of SMEs (Wolf et al., 2012). Some of the *sponsoring* activities, have been recognised in past internationalisation studies, for example *obtained financial assistance* (Westhead et al., 2001). One activity contradicted the results of published internationalisation research, namely *coached* against export rather than for it, found previously (Fischer & Reuber, 2003). In addition, *sponsoring* activities have been observed in the present study but not in

internationalisation studies, such as *bootlegged funds* (Roberts, 2007; Roberts & Fusfeld, 1981). However, the *protected the innovation team* activity (Roberts & Fusfeld, 1981; Smith, 2007) was not observed in the present study suggesting that this activity does not have a role to play in the first export. Notwithstanding the lack of *protected the innovation team* activities, *sponsoring* activities were prevalent in the first export.

Top management or owner-managers were more likely to perform these *sponsoring* activities in SME export initiation. In most cases, owner-managers or top management were *sponsors* and had *championing* tendencies as well, supporting past innovation research (Day, 1994; Kanter, 1985). In the balance of cases, middle managers were *champions* and owner-managers were *sponsors,* as has been found in product innovation studies (Wheelwright & Clark, 1992). These observations support existing SME innovation literature (Wolf et al., 2012) and clarify who performs these roles for export initiation. Another new observation in the present study was when a *champion* becomes a *sponsor* for a new *champion,* observed only in large firms previously (Leifer et al., 2000).

The researcher established from the innovation literature that *sponsoring* activities occur in the persuasion and decision stages of Rogers' (2003) innovation-decision process model (see Table 2.4). *Decision-makers* in the first export tended to favour activities in the decision stage*,* an association recognised previously in product innovation (Markham et al., 2010).

Most of the *boundary spanning* activities identified in the present study have been recognised in past internationalisation studies, such as *acquired information formally for the organisation from external sources* (Ellis & Pecotich, 2001; Evers & Knight, 2008). However, some of these studies involved neither export nor SMEs, for example Pauwels & Matthyssens (2004). Similarly, *boundary spanning* activities were observed for the first time for export initiation, for example *decided what external information to distribute*. Conversely, activities found in innovation studies were not observed, such as *acquired information formally for another department* (Jemison, 1984; Leifer & Huber, 1976*).* However, the bulk of observations suggest that *boundary spanning* activities are mainly prevalent in SME first export.

Boundary spanning activities were widely conducted by middle managers with marketing roles or by those who were owner-managers. In contrast, a past internationalisation study has only linked these activities to middle management (Pauwels & Matthyssens, 2004). In addition, the present study has identified inter-relationships between *championing*, *sponsoring* and *boundary spanning* activities. These inter-relationships between the three roles have not been identified in export initiation before, but they have been in broader innovation literature (Kanter, 1986). However, in this innovation literature the order of interaction between the roles remained unclear. *Boundary spanners* in the present study operated in the knowledge, persuasion and decision stages of the export decision process model, as mentioned above, *champions* were less likely to operate in the knowledge stage but more so in persuasion. *Sponsors* mainly operated in the decision stage. The delineation of activities according to Rogers' (2003) innovation-decision process model provides an indication of the likely order of interaction between innovation roles in SME export initiation, a refinement of past innovation theory.

All seven *gatekeeping* activities recognised in past internationalisation studies were also found in the present study. Of these past studies, only one was in SME export initiation (Ellis & Pecotich, 2001). Additionally, two *gatekeeping* activities were observed for the first time in export initiation, *controlled the distribution of information* (Pettigrew, 1972) and *determined the value of information to potential recipients* (Macdonald & Williams, 1993). As such, all *gatekeeping* activities occur in SME first export.

Gatekeepers in the present study were mostly in middle management with the balance being owner-managers. Middle managers sometimes controlled the information flow to their owner-managers and other stakeholders in export initiation, a result not found before in SME innovation or export studies. This is similar to behaviour of middle managers in innovations with larger firms (Macdonald & Williams, 1993; Pettigrew, 1972).

Gatekeeping activities were divided into two components by the researcher: *knowledge handling* and *innovation approval,* a delineation not considered before in the literature. There was considerable overlap identified between a *gatekeeper's*

knowledge handling activities *and* a *boundary spanner's information acquisition and control* activities, a connection not made previously. This relationship between *boundary spanning* with *gatekeeping* activities refines past innovation studies that consider these roles to be the same (Hoch, 1990; Jones, 2006; Lievens & Moenaert, 2000).

Gatekeeping – knowledge handling activities due to their overlap with *boundary spanning – information acquisition and control* activities had a similar relationship with *sponsors*. This relationship was primarily the passing export opportunities to *sponsors* for a decision to continue and then seek out *innovation approval* by *gatekeepers*. A chain of relationships not identified before.

Some *gatekeeper - innovation approval* decisions observed for the first export showed that the export decision was referred by owner-managers to lower level managers. This was due to a subordinate's greater *how-to knowledge*. In the past, owner-managers have been credited with making decisions on export initiation rather than subordinates in SMEs (Crick & Chaudhry, 1997; Khan, 1975). This reversal of *decision-making* roles is another novel finding in SME export initiation, thus the role of knowledge provides a nuance to authority-based decisions in SME export extending past research (Halikias & Panayotopoulou, 2003).

The *gatekeeper's innovation approval activities* interact with that of the *champion, sponsor, boundary spanner, and gatekeeper – knowledge handling roles,* a novel finding in innovation and export initiation theory. If *innovation approval* is not provided by a *gatekeeper* then no export will occur, an important finding in SME export initiation. The lack of an *innovation approval* role provides insight into *sporadic export*.

The delineation of the *knowledge handling* and *innovation approval* roles of *gatekeepers* resulted in a change to the conceptual model. See Figure 6.1 below in Section 6.4.

6.2.2 Influence of stimuli on innovation roles in the first export

Innovation theory identified that *champions* may interact with internal (Alexy et al., 2012) or external environments (Rogers, 2003). Similarly, the present study identified that *champions* interact with *stimuli* from internal and external environments in export initiation, which is an extension to innovation theory.

As concluded above, *champion* activities were linked to *proactive stimuli* in the present study. In innovation theory, on receipt of an *internal* or *external stimulus,* a *champion* will frame an innovation as an opportunity due to his/her internal locus of control (Howell & Shea, 2001). In addition, those with an internal locus of control are more proactive than others with an external locus of control (Durand & Shea, 1974). The present study indicated a similar relationship between *champions* and *proactive stimuli* for the first export initiation, export initiation as a new context for this relationship.

According to innovation theory, a *champion* seeks a *sponsor's* support and if persuaded, a *sponsor* supports the innovation (Markham et al., 2010). The present study demonstrates that the first export occurred most commonly to a *proactive stimulus,* a novel finding for SME export initiation.

The present study identified that *boundary spanning* activities were more likely to be involved when an *internal-proactive stimulus* instigated the export opportunity. In contrast, both *proactive* and *reactive external stimuli* were also present, a similar finding to Ellis and Pecotich (2001). In the present study, the existence of some *external-reactive stimuli* with a *boundary spanning* role was unexpected. This result supports Johnston and Czinkota's (1982) finding that a minority of *decision-makers* in exporting firms respond reactively to *external stimuli.* However*, boundary spanning information control* activities were observed for the first time in SME export initiation. *Boundary spanners can* use their control activities to direct a *reactive stimulus* to other innovation roles, contrary to innovation theory. This observation needs further study, see suggested Future Research directions in the section below.

Gatekeeping – knowledge handing activities were mainly found with *proactive stimuli*. These observations align with the internal locus of control predictions made for *boundary spanners* (Dailey, 1979) and internal locus of control links to *proactivity* (Durand & Shea, 1974). It was established in innovation literature that there is a symbiotic relationship between *gatekeepers* and *boundary spanners* (Reid & de Brentani, 2004; Tushman, 1977). In addition, it was identified above that there is a significant overlap between *gatekeeping – knowledge handling* and *boundary spanning - information acquisition and control* activities. In the present study, both roles were influenced by a *proactive stimulus*, a novel observation. In addition, *gatekeepers* in their *knowledge handling* role also provided *proactive stimuli* to *sponsors* in several cases, contrary to past product innovation research where information was passed from *sponsor* to *gatekeeper* (Markham et al., 2010). These observations resulted in a change in the conceptual model, see below.

In the present study, a *gatekeeper's - innovation approval* can occur in relation to either *proactive* or *reactive stimuli* received from other innovation roles. *Reactive stimuli,* as discussed above were not anticipated due to the symbiotic relationship with *boundary spanners* and their internal locus of control (Dailey, 1979) with *proactive* tendencies (Durand & Shea, 1974). Therefore, a *gatekeeper* in their *innovation approval* role can receive any type of *stimulus* to decide on the first export, a novel observation.

6.2.3 Innovation roles in the subsequent export

The researcher defined a subsequent export as; "an export to another customer or market in the year following the first export." In an export context, a different customer or market (to the first export) would provide a *decision-maker* with the opportunity to accept (confirmation) or reject (non-confirmation) the innovation with consideration of the *fit* to the organisation of the first export experience. The explanation from some innovation-related export models is that the final stage is the full-scale adoption of exporting (Wickramasekera & Oczkowski, 2006). Potentially, for *regular exporting* to be adopted, subsequent exports to new customers or markets would be an indicator of full scale adoption. *Regular export* activities, as identified in

the export literature (Kaynak, 1992; Rao & Naidu, 1992; Samiee & Walters, 1991) were associated with cases that had a subsequent export. A subsequent export was judged to foster *regular export* as opposed to *sporadic export*. As such, the subsequent export definition was demonstrated to be a suitable substitute for *regular export*.

Fewer *championing* activities were observed in the subsequent export than the first export. In a product innovation study, a *champion's* influence on an innovation decreases from implementation (first export) to confirmation stages (subsequent export) (Markham et al., 2010). The present study appears to indicate a similar *champion* role reduction applied in an export initiation context.

Those performing *championing* activities in the subsequent export were mainly the same *decision-makers* as for the first export. However, in one case, a *champion* participated in the first but not the subsequent export. This observation conflicts with Knight's (1987) finding that an innovation is 50 per cent more likely to succeed with a *champion* than without. In two other cases, *champions* were present for the first export but there was no subsequent export. As such, the presence of a *champion* did not result in a subsequent export (confirmation of an innovation). These observations need further study, see suggested Future Research directions in the section below.

The case studies had fewer observations of *sponsoring* activities in the subsequent export than observed in the first export, a contrast to past product innovation findings (Markham et al., 2010). *Sponsors* were generally the same *decision-makers* as the first export. That is, they were in top management or owner-managers. A commonality of SME *regular export* with SME innovation literature (Wolf et al., 2012).

Novel findings were made in relation to innovation roles for the subsequent export. For example, no innovation or export study has previously identified *actors* performing both *boundary spanning* and *sponsoring* activities. Similarly, no innovation study has identified a *boundary spanner* seeking *sponsor* approval, as was found in the present study. This last observation enhances the inter-relationship between the separate *sponsor* and *boundary spanner* roles in innovation decisions observed by Kanter (1986).

Gatekeeping activities were largely observed with *decision-makers* involved in the subsequent export. *Gatekeeper - knowledge handling activities* have been observed previously in *regular export* development for Australian companies (Ellis & Pecotich, 2001). However, control of information by *gatekeepers* found in the subsequent export is an activity not reported previously.

Gatekeeper - innovation approval activities were evident in the majority of cases. It was shown in the present study that continuance (or discontinuance) of exporting, hinged on a *gatekeeper's - innovation approval* role. This approval role has been found in product innovation before (Markham et al., 2010) but is novel in *regular export.* The presence of this role provides a clue as to how this and other innovation roles play a part in moving from implementation (first export) to confirmation (*regular export*).

6.2.4 Influence of stimuli on innovation roles in the subsequent export

From a review of the literature, the researcher ascertained that *proactive stimuli* were more likely to be involved in *regular* rather than *sporadic export* in SMEs (see Sub-section 2.4.4). A connection not established before.

It has been established above that a *decision-maker* who performs a *champion* role involved in the first export may continue the role in the subsequent export, albeit at a diminished level. Plus, a *proactive stimulus* is noticed and acted upon by a *champion*. However, the methodological triangulation indicated that of the *championing* activities, only *decisions outside hierarchy* activities were involved with *proactive stimuli,* a novel finding for SME export initiation.

The present study demonstrated that the subsequent export when linked to *proactive stimuli* was supported and consequently advocated by a *sponsor.* Similarly, the present study identified that *boundary spanning* activities were more likely to be involved when a *proactive stimulus* instigated the subsequent export. These phenomena have not been found previously in *regular export*.

In the subsequent export, *gatekeeping* was more likely when a *proactive stimulus* was involved. In contrast, case evidence indicated that *gatekeeping - innovation approval* can occur regardless of the nature of the *stimulus.* However, considering methodological triangulation of the quantitative results, when other innovation actors pass the export opportunity to the *gatekeeper* it is more likely to be in response to a *proactive stimulus.* This is another novel finding for *regular export*.

Summary

Twenty seven innovation role activities were found that have also been recognised in past internationalisation studies, but unlike the present study some of these activities from past findings were not in SMEs or export initiation. In addition, ten other activities from the innovation literature were not observed in the present study. Similarly, five activities were observed as contrary to extant innovation theory or past internationalisation studies. Finally and most importantly, twenty one innovation role activities were observed for the first time in SME export initiation.

Innovation roles were still prevalent in the subsequent export. As such, *regular export* is more likely to have innovation roles involved and mostly associated with *proactive stimuli*.

6.3 Implications for policy & practice

6.3.1 Innovation roles in the first export

Practice implications

Innovation roles (*champions, sponsors, boundary spanners & gatekeepers*) are integral to the implementation of the first export. These roles also interact with each other and can be the same or different *actors* within an SME. For example, *decision-makers* often rely on *boundary spanning* activities to obtain information about the export opportunity. Therefore, having individuals with *boundary spanning* responsibilities in SMEs can increase the *awareness knowledge* of export opportunities *via information acquisition*. By seeking information about export opportunities, *boundary spanners* can provide SMEs with the impetus to begin

export. *Boundary spanners* can be in middle management or owner-managers and they are more likely to be in marketing roles where they are well placed to interface with first export customers. As such, export opportunity information directed to *boundary spanners* in SMEs initiate export.

Decision-makers undertake *championing* activities to develop the first export opportunity and then seek to persuade others to implement it. Awareness of exporting opportunities can be provided to owner-managers or middle managers as *champions* who would adopt export. If export opportunities are presented to *decision-makers* who are not *champions*, opportunities may be ignored.

Sponsors are essential to export initiation. For example, if they are persuaded by a *champion* they approve the first export opportunity. *Sponsors* and *champions* can be the same or different personnel in an SME. When the owner-manager instigates the first export, they perform *champion* and *sponsor* roles. However, when a middle manager *champions* the export, the owner-manager becomes a *sponsor*. As such, the decision for approval of the first export resides with the owner-manager in their *sponsor* role. Communication to owner-managers as *sponsors* should focus on the availability of resources for the initiation of export. For example, financial resources such as grants or export finance would assist a *sponsor* in approving the first export.

Innovation approval activities take place when a *gatekeeper* decides on information presented by a *sponsor*, *boundary spanner* or *gatekeeper – knowledge handling* activities. A *gatekeeper's innovation approval* activities can determine whether the first export takes place or not. *Gatekeepers* need not be in top management, but they rely on their acquired export knowledge to make decisions provided by the other innovation roles. To enable affirmative decisions regarding export, export knowledge needs to be directed to *gatekeepers*.

6.3.2 Influence of stimuli on innovation roles in the first export

Practice implications

Decision-makers with *boundary spanning* roles may initiate an export on receipt of an *internal-proactive* or *external stimulus*. Generally, *boundary spanners* use their internal locus of control to receive and act on export initiation *stimuli*. They then pass this *stimuli* information on to other innovation roles such as *champions* or *gatekeepers*.

Champions in export initiation will frame a *stimulus* to export *proactively* and then seek to initiate it. As such, *champions* will interpret opportunities *proactively* regardless of whether their origin is *internal* or *external*. *Champions* can stimulate export initiation when new ideas are presented to them. They in turn, *proactively* persuade others such as *sponsors* to initiate export.

Sponsors receive *proactive stimuli* from *champions* and support the first export if they are persuaded. However, *sponsors* are not selective in the *stimuli* they receive from *champions*. Should a *champion* give them a *reactive stimulus*, a *sponsor* may still support it. That is, *stimuli* do not have to be proactively framed to be supported by *sponsors*.

Gatekeepers decide on whether the first export is implemented. The type of *stimulus* is not as important compared to the awareness and persuasion activities to undertake export received from other innovation roles such as *boundary spanners* and *champions via sponsors*.

6.3.3 Innovation roles in the subsequent export

Practice implications

Boundary spanners' activities are necessary for *regular export*. They interact with other innovation roles, such as *sponsors,* in providing information to make decisions on *regular export*. If no *sponsor* approves the subsequent export then *sporadic* or no further export will occur.

A *champion's* role and their activities are somewhat reduced in the confirmation of an innovation, such as *regular export*. Once *champions* have persuaded others to initiate an export they do not need to perform as many activities to ensure continued exporting.

Gatekeeping activities continue to apply in *regular export*. *Knowledge handling* activities need to be considered particularly when these *decision-makers* can control information that determines if a subsequent export occurs. Similarly, *regular export* hinges on a *gatekeeper's* - *innovation approval* activities. Without their support, *regular export* would not be sustained.

Policy implications

Identification of SMEs with a first export should be a focus of assistance by trade facilitators. In this assistance, some effort should be made to understand *decision-maker/s* innovation roles and perceptions of the first export, to determine if there are potential barriers to *regular export*. Focusing on *decision-makers* in the *sporadic* exporter cohort could potentially grow the volume of exports by Australian SMEs.

From a policy standpoint, the identification and training of SME *decision-makers* in export should be directed to middle management as well as owner-managers. In some cases owner-managers are not involved beyond approving or *sponsoring* the trial of export. When selecting candidates for export knowledge enhancement programs, government agencies would be wise to consider his/her propensity to perform innovation roles to ensure sustainability of export.

A situation where a subsequent export does not take place is when first export *decision-makers* leave the firm. When replacement personnel are found, a check of their innovation role propensity may indicate whether export will continue.

6.3.4 Influence of stimuli on innovation roles in the subsequent export

Practice implications

Champions, due to their perceived internal locus of control and persistence, will seek *regular export* when triggered by a *proactive stimulus.* However, *championing activities* will be limited to making decisions outside of the firm's hierarchy. A *champion's* behaviour would be tolerated if he/she was the owner-manager, but if they were a middle manager then this might unsettle the top management in an SME. If possible, owner-managers should enable *proactive* middle managers the ability to perform projects, such as export initiation.

Sponsoring activities were more likely when a *proactive stimulus via* a *champion* or *boundary spanner* instigated the subsequent export. Owner-managers as *sponsors* need to be receptive to *proactive stimuli* through *principles knowledge* in order to develop *regular export*.

Proactive search by *boundary spanners* of export opportunities can result in *regular export*. *Boundary spanners* will most likely act on a *proactive stimulus* to develop *regular export*. They may in some circumstances receive a *reactive stimulus* and due to their internal locus of control, pass it on to other *decision-makers* who have innovation roles, such as *champions* or *gatekeepers*.

Gatekeepers are necessary for the approval of all *regular export* and are more likely to receive *proactive stimuli* in their *knowledge handling* role. Once received and evaluated *gatekeepers* are likely to approve opportunities represented by *proactive stimuli*.

Policy implications

Innovation role activities are more common in response to *proactive stimuli*. This observation suggests that *regular export* is driven by *decision-maker/s* innovation roles proactively, perceiving opportunities and acting on them. Opportunities should be communicated in terms of a *proactive stimulus* to attract *decision-makers* that have innovation roles. For example, messages should contain: *corporate growth*,

extra sales potential, *extra profit* rather than *seasonal product*, *spreading risks* or reduce *excess production capacity*.

The next section discusses the conceptual model and the changes made as a result of the conclusions presented above.

6.4 Revised conceptual model

The revised conceptual model incorporates phenomena from the findings of the present study, thus extending the original conceptual model which was developed from the literature. The first and subsequent exports are presented as dependent variables. Innovation roles and *stimuli* are the independent variables. The five stages of the Rogers (2003) innovation-decision process are indicated along the bottom of the model.

The knowledge stage is where *awareness knowledge* is obtained from the *stimuli*. This knowledge is more likely to be received by *decision-makers* with an innovation role when the *stimulus* is *proactive*. *Awareness knowledge* from a *reactive stimulus* may be received by a *decision-maker* who may not display any innovation role characteristics. Further if *how-to* or *principles knowledge* is lacking, they may not implement the export order.

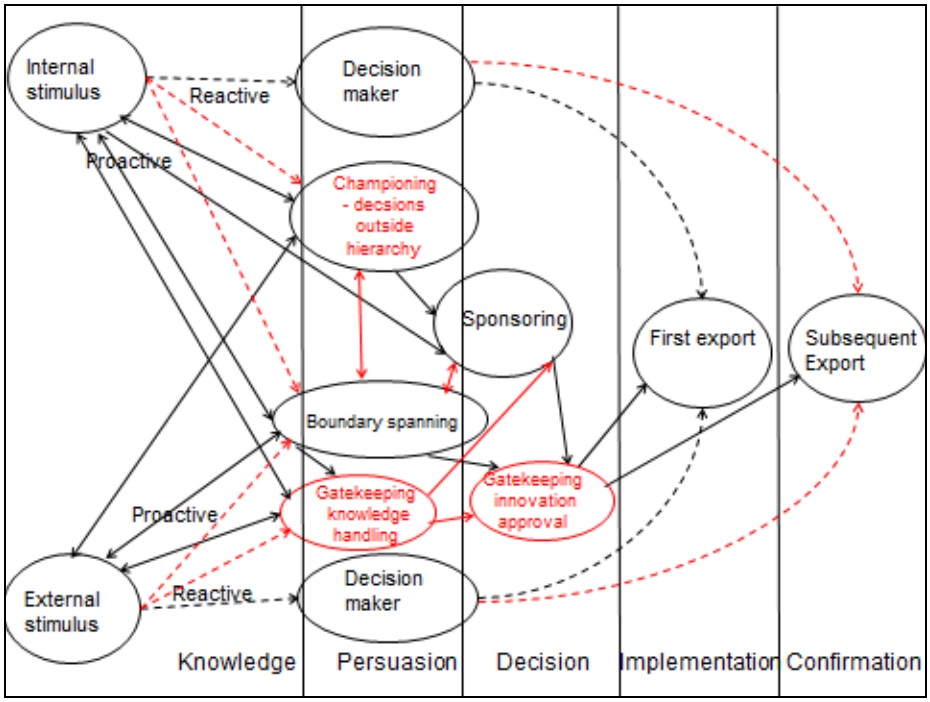
The conceptual model has been revised in light of the findings of the present study in relation to the impact of *reactive stimuli* (indicated by red broken lines in the revised model in Figure 6.1 below). It was established that *external-reactive stimuli* can be received by a *boundary spanner* in his/her *information acquisition* activities or by a *gatekeeper* in his/her *knowledge handling* capacity. Similarly, *internal-reactive stimuli* may be received by a *decision-maker* using his/her innovation role/s in the knowledge stage (*champion – decisions outside of hierarchy*, *boundary spanning – information acquisition or gatekeeping – knowledge handling*) who then *proactively* respond by persuading other *decision-maker/s*.

The persuasion stage is where innovation roles (*champion – decisions outside of hierarchy*, *sponsoring, boundary spanning or gatekeeping – knowledge handling*) interact with each other. In the present study, these interactions have been found to be more intricate and less linear than originally proposed (see red arrows in revised model in Figure 6.1 below). Roles can be bypassed or links made that have not been observed before. For example, a *gatekeeper* obtains *awareness knowledge* through his/her *knowledge handling* activities and then passes information to a *sponsor* to persuade them, to support the opportunity. These innovation roles, in combination or independently, seek a decision from a *gatekeeper via* his/her *innovation approval* authority to implement the first export (see red *innovation approval* role in the revised model in Figure 6.1 below).

The process repeats itself for the confirmation of the export innovation for the subsequent export. All innovation roles involved in the first export (*champion – decisions outside hierarchy, sponsor, boundary spanner & gatekeeper*) are also present for the subsequent export.

Red text and arrows show the amendments to the original conceptual model proposed in Figure 2.2 in Chapter 2. See Figure 6.1.

Figure 6.1 Revised conceptual model



6.5 Limitations

A study of the size and complexity of the present study has several limitations in relation to: sampling, units of analysis, innovation roles, *stimuli* and subsequent export, all discussed below.

6.5.1 Sampling

There are several limitations to the present study relate to market entry mode, sample selection, sample composition and sample size. Each limitation will be addressed below.

Market entry mode

The present study only considered direct export to achieve international sales. The literature has identified a range of foreign entry modes used by SMEs, although export is generally accepted as the most common (Hynes, 2010; Jones, 2001). Other market entry modes do exist, for example: indirect export (Anderson, 2011), franchising (Welch, 1989), licensing (Carstairs & Welch, 1982), strategic alliances (Freeman et al., 2006) and foreign direct investment (Jansson & Sandberg, 2008). These other modes excluding franchising and indirect export, are usually seen not at the inception of internationalisation but later in a firm's internationalisation (Johanson & Vahlne, 1977). In many cases, franchising involves services and some products in a secondary role and is therefore not relevant to the manufacturing focus of the present study. Whilst included in some cases, indirect export was not considered to be an innovation to the firm, as this does not involve a new market for the focal SME. It was therefore judged to be inappropriate for the present study.

Sample selection

Victorian SME manufacturing firms comprise the sample frame. Firms that did not have their head offices in Victoria were excluded. Thus, foreign owned and/or foreign operated Victorian SMEs were also excluded. After contacting approximately 1,000 Victorian exporting firms of all sizes from the Australian Exporters database, 32 SMEs were identified as having begun exporting in the three years prior to 2008. However, not all SMEs contacted were included in the present study. For instance,

some *decision-makers* would not consent to an interview to discuss their exporting history. Other firms were involved mainly in services, not product manufacturing, or did not internationalise using exporting.

The present study was a mixed methods study with a major qualitative component and a supporting quantitative component. Some SME sites could not be used as the key informant and/or respondents did not complete the survey questionnaires thus impacting on the triangulation of data between qualitative and quantitative methods.

The utilisation of Critical Incident Technique to identify all *decision-makers* involved in the export initiation also led to a purposive and non-random selection of respondents. The sample was selected on the basis of its capacity to explain in detail what each of the *actors* does during export initiation. As such, the sample was purposefully selected rather than randomly attained (Creswell & Plano Clark, 2011; Morse & Niehaus, 2009). Future, larger scale studies could achieve statistical generalisability through random sampling; see the Future Research section below.

Sample composition

A number of manufacturing industries are represented in the present study. This approach follows earlier Australian SME research (Andersson & Evangelista, 2006; Barrett & Wilkinson, 1985; Ellis & Pecotich, 2001; Fletcher et al., 1997; Freeman et al., 2006; O'Cass & Weerawardena, 2009; Rennie, 1993; Wiedersheim-Paul et al., 1978). However, such a broad study may gloss over inter-industry differences (Coviello & Munro, 1997). Consequently, some Australian studies have focused on one or a few industries, for example, wineries (Wickramasekera & Oczkowski, 2004) or food and beverage (Lamb & Liesch, 2000). In the present study, it was felt that a broader multi-industry study would be more generalisable (Ellis & Pecotich, 2001; Erramilli & D'Souza, 1993). The present study was somewhat vindicated in its broader approach with the identification of innovation roles in *knowledge-based* manufacturing exporters. This finding may not have been apparent in a single industry study. Even with a broader sample, some sectors, for example, wood products, were not represented. The spread of focal industries was to some extent limited by the sample size. Accordingly, the present study enabled an analytical rather than a statistical generalisation (Yin, 2009).

Study sample

The numbers of cases and respondents in the present study could be considered small in relation to other published mixed methods studies using a QUAL + quan approach. For example, Ellis (2000) had 42 firms whilst Crick (2009) had 21. For quantitative analysis small samples run the risk of type II error (Lee & Brasch, 1978), that is, the null hypothesis is accepted when it is false (Aaker et al., 2005). On the other hand, a large number of case studies can lead to enormous amounts of qualitative data with diminishing returns (Miles & Huberman, 1994). The Miles and Huberman caution regarding sample size is particularly poignant in relation to a PhD. An exclusively qualitative PhD study would normally have 35 to 45 interviews in 4 to 12 cases (Perry, 1998). The present study took a similar approach with the qualitative component of 14 cases (13 Firms) with 35 interviews, methodologically triangulated with quantitative data, with the aim of adding to the validity of the qualitative data. As such, the study is small for quantitative research but is within guidelines for a mainly qualitative PhD.

Non-parametric statistics were used for the quantitative phase to accommodate the small sample (n=16) and its inherent limitations. Given the small sample, the maximum significance was set at $p<0.10$ (90% level of confidence). Such a level of risk, could be subject to type I error, that is the acceptance of the alternative hypothesis when it is false, but is appropriate to avoid the greater risk of Type II in small samples (Aaker et al., 2005). Methodological triangulation mitigated this risk as the qualitative component also provided evidence of the innovation roles.

6.5.2 Level of analysis

The main focus was on the individual *decision-makers* and their activities in their corporate context. Slappendel (1996) argued that a focus on the individual *decision-maker* can ignore changes in the firm or its environment. This focus could lead to a possible error of attribution.

For the present study, data were included for the context of the firm, its exports and industry. These data were built into the cases, allowing changes in the firm and its environment to be considered. A stronger, multilevel approach may have aided the

present study but time restraints and word limits prevented additional data and their analysis.

Export not in isolation

A criticism of many studies is that export is considered singularly to the exclusion of other productive activities within the firm such as increased domestic sales (Leonidou & Katsikeas, 1996). The use of case studies enabled the identification of activities that may or may not have influenced export initiation, for example, a change in ownership. However, non-exporting elements were left to the recollection of the respondent. Respondents were asked for changes that occurred prior to the first or subsequent export. In most case studies, the data from each respondent were also triangulated by questioning other *decision-makers* in relation to the changes surrounding the first and subsequent export thereby gaining a more complete picture of the firm level context.

6.5.3 Innovation roles

There are several limitations related to innovation roles. These are outlined below under the following headings including: innovation types, commonplace activities, *sponsors* and *gatekeepers*.

Innovation types

A basic premise of this study is that a new market is an innovation similar to a new product or process (Schumpeter, 1934a). However, Dewar and Dutton (1986) point out that not all innovation types are the same. For example, machine-based innovations are different from those involving people. Conflating different types of innovation into one construct, for example, “innovation roles” in the present study, may not allow for the innovation type. The contrasting findings on innovation role between the present study and the literature could be a testament to this limitation, such as *champions* who worked with formal plans (Cases H & J). But there are similarities as well, for example, innovation roles that span several innovation types. In the literature, *champions* have appeared in product, process, technology, market and venture innovation studies. However, there is no validated scale indicating *championing* activities solely for market innovations. The use of the Shane’s (1994)

champion scale, validated by *decision-makers* in a broad range of innovations, was a pragmatic compromise by the researcher. Whilst *boundary spanning* activities have been observed in market innovations, no validated scale has been developed for this innovation type. The researcher chose to use the Jemison (1984) *boundary spanner* scale due to its statistical validity and reliability. See Table 6.1.

Table 6.1 Innovation roles & innovation type

Innovation role study	Product	Process	Tech-nology	Market	Venture	Not defined
Allen & Cohen (1969)			G			
Burgelman (1983)			C		C	
Cooper & Edgett (2012)	G					
Day (1994)					C, S	
Dougherty & Bowman (1995)	C, S					
Elliot & Boshoff (2009)	C					
Ellis & Pecotich (2001)				B		
Frohman (1978)	C, S, G					
Hara & Kanai (1994)				B		
Howell & Higgins (1990)			C			
Howell, et al.(2005)	C					
Jemison (1984)			B			
Jones (2006)		B, G				
Kanter (1985)						C, S
Kessler & Chakrabarti (1999)	C					
Kiessling et al. (2008)				B		
Knight (1987)	C, S			C, S	C, S	C, S
Leifer et al. (2000)						C, S
Leiringer & Cardellino (2008)	C	C				
Lievens & Moenaert (2000)	B, G					
Luo (2001)				B	B	
Maidique (1980)			C, S			
Mansfeld et al. (2010)						C, S
Markham et al. (2010)	C, S, G					
Pauwels & Matthyssens (2004)				B		
Rivera & Rogers (2006)		B				
Rogers (2003)	G	C, G				S
Rost et al. (2007)			C, S			
Schon (1963)	C					
Shane (1994)						C
Smith (2007)	C, S					
Souder (1981)	C				C	
Tushman (1977)						B, G
Venkataraman et al. (1992)					C	

Veryzer (1998)	C					
Wheelwright & Clark (1992)	S					
Zaltman & Duncan (1977)						C

C=Champion, S=Sponsor, B=Boundary Spanner, G=Gatekeeper
Source: Compiled by author.

Commonplace activities ascribed to innovation roles

It could be argued that some of the activities described as innovation roles are every-day and commonplace in the duties of managers, thus rendering these activities mundane rather than innovative. For example, a *champion* who *worked with senior management* could be seen as performing a common activity of any *decision-maker*. However, using pre-validated codes and scales according to the literature allowed the researcher to coalesce multiple activities which are used jointly to characterise innovation roles.

Sponsor scale

Given the numerous studies involving *sponsors* and their activities (see Sub-section 2.2.4 above) it was surprising that there was no valid and reliable quantitative *sponsor* scale available for quantitative analysis. The researcher had to use similar activity codes from the Shane (1994) *champion* scale that best matched the extant *sponsoring* literature. To overcome this limitation the quantitative data were triangulated with the qualitative case studies incorporating activities ascribed in the literature to *sponsors*.

Gatekeeper scale

Similar to the situation with *sponsors*, there was no valid and reliable *gatekeeper* scale available to the researcher. Activity codes from the Jemison (1984) *boundary spanner* scale were matched with extant *gatekeeping* literature to develop a surrogate scale. The lack of a scale was overcome by the *gatekeeping* quantitative data being triangulated with the qualitative case studies in relation to activities linked to *gatekeepers* in the literature.

6.5.4 Stimuli & export initiation

Data collection strategies for the export *stimuli* needed to take each respondent's locus of control into consideration. For example, *decision-makers* with an internal locus of control will frame a *stimulus* as a proactive opportunity (Durand & Shea, 1974; Howell & Shea, 2001). Conversely, those with an external locus of control may consider a *stimulus* as a threat and may not react to it (Howell & Shea, 2001). The responses of *decision-makers* in the interviews informed the researcher on how they perceived *stimuli*. This was especially an issue in Cases C & D where multiple respondents had different *stimuli* perceptions, in which the researcher used his judgement as to primacy of these competing perceptions. All the other cases (A, B, F, G, H, I, J, K & M) with multiple respondents had similar perceptions of the key *stimuli*.

6.5.5 Regular export

The *regular export* period of two years might have been too short to truly measure *regular export*. Other studies (Katsikeas, 1996; Rao & Naidu, 1992) that consider the *regular export* phenomenon take a longer view, but this was not possible for the present study. A longer period of four years would allow better measurement and understanding of *sporadic export* behaviour. Attempts to follow up with *decision-makers* in *sporadic export* firms (Cases C, I & M) were undertaken approximately four years after the first export attempt, but follow-up for one case was impossible due to the attrition of *decision-makers* (Case C).

The activities of *regular* and *sporadic exporters* were extracted from the extant literature and compared to the cases in the present study. Most cases that had a subsequent export (8 cases) performed activities linked to *regular export* in the previous literature. Two cases that had a subsequent export performed activities that suggest *sporadic export*. The researcher believes that the subsequent export is a suitable alternative measure for *regular export,* given the time and resource constraints of the present study.

Summary

The limitations in this section are recognised, however, they do not detract from the findings. One way of responding to limitations is with future research, discussed in the next section.

6.6 Future research

Several future research directions emerge from the present study. This section has several sub-sections: extending the present study, innovation, *stimuli* and subsequent export.

6.6.1 Extending the present study

The present study can be extended in several ways; for example, a larger sample, cross-cultural applications, non-export entry modes and external actors. These suggestions are discussed below.

Larger sample

A larger sample of *decision-makers* would enable parametric statistics to be used, ensuring greater statistical power and generalisability. The sample could include *actors* from services and all types of manufacturers, including SMEs and large firms.

Cross-cultural application

The present study could be applied to other cultures to see if the innovation roles hold in export initiation. For example, the Shane (1994) *champion* scale has its roots in cross-cultural application. Alternative national cultures may alter who and what they do in SMEs, in comparison with the Australian context of the present study.

Non-export entry modes

Another opportunity for future research could be the application of innovation roles and their involvement in non-export entry modes. Do the roles change depending on the entry mode, for example, would there be more *championing - team as equals* activities in a joint venture?

External actors

A future study could focus on the information sources that provide opportunities to the innovation *actors* in export initiation. External *actors* could be studied to see how they influence *decision-makers* and what innovation roles are affected by their input.

6.6.2 Innovation

There are several ideas for further research in relation to innovation, including firm level market innovation, radicalness and innovation roles.

Firm level market innovation

An innovation lens could be applied more broadly to export initiation and internationalisation by considering the firm, not just individual *actors*, through a multilevel approach. At an organisational level this innovation lens could consider the knowledge flows (internal and external) and how they influence market innovation.

Radicalness

A study could compare innovation roles with firm-based export radicalness measures (Chetty & Stangl, 2010) to determine the relationship between the two constructs. A large-scale study could determine if innovation roles better explain the degree of radicalness in internationalised firms. The study could include *knowledge-based* and *traditional* manufacturing firms to see if the preliminary finding of the present study holds with a larger sample.

New champion scale

Development of a new *champion* scale as it pertains to market innovation that is more reliable than Shane's (1994) original scale. A study with a large sample would allow a comparison of the new construct with that of Shane's (1994) scale.

New sponsor scale

Using extant literature, future research may develop a *sponsor* scale to better understand this role. A suitable sample using different types of innovation could be used to measure its validity and reliability. This scale could be tested to determine its relationship with other innovation roles.

Boundary spanner information control

Consideration of the use of information control in the *boundary spanner* role and other innovation roles in export initiation may add new insights. Information control, a hallmark of *boundary spanners* (Jemison, 1984), can be a potential block to export initiation. A specific study could consider how information control interacts with export initiation.

New gatekeeper scale

Development of a *gatekeeper - innovation approval* scale, using the extant literature and themes identified in the present study could better isolate this important role. A suitable sample using different types of innovation could be used to measure the new scale's validity and reliability. This scale could then be tested to determine whether there is a relationship between *gatekeeping* and the other innovation roles.

6.6.3 Stimuli

Two suggestions are made in relation to future research regarding *stimuli*. The first is to consider how a change of ownership affects *stimuli*; whether this contributes to awareness of particular *stimuli* and exporting opportunities.

The second suggestion is to conduct deeper research on the importance of a *decision-maker's* locus of control in relation to his/her perception of *stimuli*. The use of a suitable instrument such as that developed by or based on the work by Rotter (1966), comparing the *decision-maker's* locus of control scale with their perception of *stimuli* in a larger sample study would be beneficial. This might provide insight into why some *decision-makers* adopt export, whilst others do not.

6.6.4 Regular export

Three directions have been identified for research on *regular export* with proposals for: extended longitudinal measurement, discontinuation studies and *decision-maker* longitudinal collection.

Extended longitudinal measurement

Further data could be collected from the cases in the present study to extend the longitudinal aspect. This would add more data to contribute to our understanding of sustainable export. For example, do *sporadic* exporters (Cases C & M) become *regular exporters*? In addition, do subsequent exporters continue with their *regular export*, or do they become *sporadic*?

Discontinuation

A larger-scale study could consider discontinuation of export after the first export. Discontinuation could be at both a *decision-maker* and firm level, to gauge innovation disenchantment. Disenchantment issues could include key *decision-makers* leaving, new owners arriving or a change in corporate culture. This study could be performed with firms that did not continue past the first export, such as Cases C and M.

Decision-maker longitudinal collection

The longitudinal approach could also be extended to several collection points to track the performance of innovation *actors* in the firms they work in. That is, the individual *decision-maker* is followed rather than the firm. Do *decision-makers* change their innovation role in relation to export over time with different firms or different macro environmental circumstances?

All of these future directions open up exciting areas for research.

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Chapter 7 Appendices

Appendix 3.2.5a Semi-structured interview guide

I understand that your organisation was involved in its first/subsequent export last year. Tell me about that...

1. Were you directly involved in that export? If no, can you tell me who was?

1a. If yes, what tasks did you do with the first/subsequent export?

1b. If no, what was your role exactly?

2. Did you initiate the first/subsequent export into the organisation?

2a. If so, how did the first/subsequent export opportunity first arrive into the organisation?

2b. If not, how did you find out about the first/subsequent export?

3a. Who else in the organisation was involved in the first/subsequent export?

3b. What was their connection to you in relation to the first/subsequent export?

3c. Are they still employed here?

4. Names/Titles of others in the organisation at the same level as you

5. Did you have to change much/do things differently in the organisation to accommodate the first/subsequent export?

6. What personal obstacles did you encounter in the process of the first/subsequent export?

7. How did you get into exporting? Prior to this firm? Import?

Appendix 3.2.5b Explanatory Statement - Key informants

MONASH University

15 June 2008

Explanatory Statement - Key informants

Title: Innovation roles & characteristics of those involved in export initiation

This information sheet is for you to keep.

My name is Murray Rees and I am conducting a research project with Professor Ron Edwards and Dr Andrew Pirola-Merlo in the Department of Management towards a PhD at Monash University. This means that I will be writing a thesis which is the equivalent of a 300 page book.

We have identified your company as having had its first export last year. We are seeking your support in allowing us access to interview you and others in the firm.

The aim/purpose of the research
This research study attempts to identify those involved in export initiation to enable a better understanding of their role in the first export.

Possible benefits
I hope that it will assist on shedding some light on the export initiation process, who is involved and how they differ from others in the organisation.

What does the research involve?
I am looking for staff involved in the first export last year, who are willing to take part in a meeting with myself to describe the process and complete a survey questionnaire. After these participants have completed these meetings I will be seeking staff who are on the same Managerial level who were not involved in the first export and perform the same interview and complete a survey questionnaire.

All meetings will be audio-taped and the interviewer will use them to write about the first export process.

How much time will the research take?

Meetings will last about half an hour and will be in work time.

Inconvenience/discomfort
The only inconvenience anticipated is an interruption to your normal duties in participating in this study.

Payment
Nil

Can I withdraw from the research?
Being in this study is voluntary and you are under no obligation to consent to participation. However, if you do consent to participate, you may only withdraw prior to the questionnaire being submitted.

Confidentiality
Your information will be confidential and not be divulged to anyone else. The only people who will have access to the information will be the researchers associated with the project. You and your organisation identifying data will be coded and your data de-identified so that no one will be able to connect you or your organisation with the data collected.

Storage of data
Storage of the data collected will adhere to the University regulations and kept on University premises in a locked cupboard/filing cabinet for 5 years. Electronic data will be stored on a password protected computer. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

Use of data for other purposes
It is expected that the de-identified data will be published in academic conferences and journal articles. As it is anonymous aggregate data, nobody will be named and they will not be identified in any way.

Results
If you would like to be informed of the aggregate research finding, please contact **Murray Rees** on [redacted].

If you would like to contact the **researchers** about any aspect of this study, please contact the Chief Investigator:	If you have a **complaint** concerning the manner in which this research CF08/1269 – 2008000623 is being conducted, please contact:
Professor Ron Edwards [redacted]	Human Ethics Officer Standing Committee on Ethics in Research Involving Humans (SCERH) Building 3e Room 111 Research Office Monash University VIC 3800 [redacted]

Appendix 3.2.5c Explanatory Statement - Others involved in exporting

MONASH University

15 June 2008

Explanatory Statement – Others involved in exporting

Title: Innovation roles & characteristics of those involved in export initiation

This information sheet is for you to keep.

My name is Murray Rees and I am conducting a research project with Professor Ron Edwards and Dr Andrew Pirola-Merlo in the Department of Management towards a PhD at Monash University. This means that I will be writing a thesis which is the equivalent of a 300 page book.

We have identified your company as having had its first export last year. We are seeking your support in allowing us access to interview you.

The aim/purpose of the research
This research study attempts to identify those involved in export initiation to enable a better understanding of their role in the first export.

Possible benefits
I hope that it will assist on shedding some light on the export initiation process, who is involved and how they differ from others in the organisation.

What does the research involve?
I am looking for staff involved in the first export last year, who are willing to take part in a meeting with myself to describe the process and complete a survey questionnaire.

All meetings will be audio-taped and the interviewer will use them to write about the first export process.

How much time will the research take?
Meetings will last about half an hour and will be in work time.

Inconvenience/discomfort
The only inconvenience anticipated is an interruption to your normal duties in participating in this study.

Payment
Nil

Can I withdraw from the research?
Being in this study is voluntary and you are under no obligation to consent to participation. However, if you do consent to participate, you may only withdraw prior to the questionnaire being submitted.

Confidentiality
Your information will be confidential and not be divulged to anyone else. The only people who will have access to the information will be the researchers associated with the project. You and your organisation identifying data will be coded and your data de-identified so that no one will be able to connect you or your organisation with the data collected.

Storage of data
Storage of the data collected will adhere to the University regulations and kept on University premises in a locked cupboard/filing cabinet for 5 years. Electronic data will be stored on a password protected computer. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

Use of data for other purposes
It is expected that the de-identified data will be published in academic conferences and journal articles. As it is anonymous aggregate data, nobody will be named and they will not be identified in any way.

Results
If you would like to be informed of the aggregate research finding, please contact **Murray Rees** [redacted]

If you would like to contact the **researchers** about any aspect of this study, please contact the Chief Investigator:	If you have a **complaint** concerning the manner in which this research CF08/1269 – 2008000623 is being conducted, please contact:
Professor Ron Edwards [redacted]	Human Ethics Officer Standing Committee on Ethics in Research Involving Humans (SCERH) Building 3e Room 111 Research Office Monash University VIC 3800 [redacted]

Appendix 3.2.5d – Consent form

CF08/1269 - 2008000623

Title: Innovation roles & characteristics of those involved in export initiation

NOTE: *This consent form will remain with the Monash University researcher for their records*

I agree to take part in the Monash University research project specified above. I have had the project explained to me, and I have read the Explanatory Statement, which I keep for my records. I understand that agreeing to take part means that:

1. **I agree to be interviewed by the researcher** ☐ **Yes** ☐ **No**
2. **I agree to allow the interview to be audio-taped** ☐ **Yes** ☐ **No**
3. **I agree to make myself available for a further interview if required** ☐ **Yes** ☐ **No**
4. **I agree to complete a questionnaire asking me about my characteristics** ☐ **Yes** ☐ **No**

I understand that my participation is voluntary, that I can choose not to participate in part or all of the project, and that I can withdraw at any stage of the project without being penalised or disadvantaged in any way.

I understand that any data that the researcher extracts from the interview and questionnaire for use in reports or published findings will not, under any circumstances, contain names or identifying characteristics.

Participant's name

_____

Signature _____

Date _____

Appendix 3.2.6 Codebooks

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

To answer this research question, codebooks of four innovation roles and their associated activities are developed below from extant literature discussed in Chapter 2.

Are championing activities evident in the generation of the first export?

A priori codes were drawn from the literature on *championing* activities in Sub-section 2.2.3. The activities were grouped into four factors as determined by Shane (1994): *decisions outside hierarchy codes, rule bending, team as equals, plans and projections*. See Tables A.1-4.

Table A.1 Championing - decisions outside hierarchy activity codes

Decisions outside hierarchy activity code	Reference/s
Avoided financial justification	Souder (1981), Shane (1994)
Made decisions based on intuition	Burgelman (1983), Shane (1994)
Made decisions outside hierarchy	Schon (1963), Shane (1994)
Made decisions without higher officials	Schon (1963), Shane (1994)
Took initiative without approval	Howell & Higgins (1991), Shane (1994)
Worked without formal plans	Burgelman (1983), Shane (1994)

Source: Compiled by author.

Table A.2 Championing - rule bending activity codes

Rule bending activity code	Reference/s
Bent organisation rules	Curley & Gremillion (1983), Shane (1994)
Bypassed the budgetary process	Schon (1963), Shane (1994)
Bypassed personnel procedures	Howell & Higgins (1991), Shane (1994)
Bypassed standard operating procedures	Schon (1963), Shane (1994)

Source: Compiled by author.

Table A.3 Championing - team as equals activity codes

Team as equals activity code	Reference/s
Involved all participants in decisions	Souder (1981), Shane (1994)
Enabled all participants to act as equals	Souder (1981), Shane (1994)
Included the idea generator	Knight (1987), Shane (1994)
Met all participants	Souder (1981), Shane (1994)

Source: Compiled by author.

Table A.4 Championing - plans & projections activity codes

Plans & projections activity code	Reference/s
Provided benefits to the organisation	Shane (1994), Dougherty & Bowman (1995)
Obtained employee support before approval	Burgelman (1983), Shane (1994)
Obtained other department support	Burgelman (1983), Dougherty & Bowman (1995)
Presented financial updates	Howell & Higgins (1991), Shane (1994)
Tested but trusted decisions	Shane (1994)
Worked with senior management	Burgelman (1983), Dougherty & Bowman (1995)

Source: Compiled by author.

Are sponsoring activities evident in the generation of the first export?

Drawing on the literature on *sponsoring* activities in Sub-section 2.2.4, *a priori* codes are shown in Table A.5.

Table A.5 Sponsoring activity codes

Sponsoring activity code	Reference/s
Advocated the innovation, influenced others	Witte (1973), Roberts & Fusfeld (1981)
Bootlegged funds	Roberts & Fusfeld (1981), Roberts (2007)
Coached, mentored	Maidique (1980), Wheelwright & Clark (1992)
Obtained financial assistance	Smith (2007)
Obtained resources	Smith (2007), Markham et al. (2010)
Protected the innovation team	Roberts & Fusfeld (1981), Smith (2007)
Sanctioned	Markham et al. (2010)

Source: Compiled by author.

Are boundary spanning activities evident in the generation of the first export?

Drawing on the literature on *boundary spanning* activities in Sub-section 2.2.5, *a priori* codes were obtained. These activities were grouped into three factors as determined by Jemison (1984): *information acquisition and control*; *domain determination and interface*; and *physical input control* activity. Codebooks for each factor appear in Tables A.6-8.

Table A.6 Boundary spanning - information acquisition & control activity codes

Information acquisition & control activity code	Reference/s
Acquired information formally for the organisation from external sources	Miles (1976), Jemison (1984)
Acquired information informally for the organisation from external sources	Keller & Holland (1975), Jemison (1984)
Decided what external information to distribute	Aldrich & Herker (1977), Jemison (1984)
Decided when to distribute external information	Miles (1976), Jemison (1984)
Decided to whom to distribute external information	Miles (1976), Jemison (1984)
Provided formal reports for the organisation from external sources	Leifer & Huber (1976), Jemison (1984)
Provided informal reports for the organisation from external sources	Leifer & Huber (1976), Jemison (1984)
Acquired information formally for another department	Keller & Holland (1975), Leifer & Huber (1976), Jemison (1984)
Acquired information informally for another department	Keller & Holland (1975), Leifer & Huber (1976), Jemison (1984)

Source: Compiled by author.

Table A.7 Boundary spanning - domain determination & interface activity codes

Domain determination & interface activity code	Reference/s
Decided how product/s would be provided	Aldrich & Herker (1977), Jemison (1984)
Decided which customers	Aldrich & Herker (1977), Jemison (1984)
Provided information formally to outside groups or Provided organisation information formally to outsiders for positive outcomes	Keller & Holland (1975), Jemison (1984), Leifer & Huber (1976)
Provided information informally to outside groups or Provided organisation information informally to outsiders for positive outcomes	Keller & Holland (1975), Jemison (1984), Leifer & Huber (1976)
Made speeches to outside groups	Miles (1976), Jemison (1984)
Met with customers	Leifer & Huber (1976), Jemison (1984)

Source: Compiled by author.

Table A.8 Boundary spanning - physical input control activity codes

Physical input control activity code	Reference/s
Acquired resources for organisation function	Aldrich & Herker (1977), Jemison (1984)
Decided quality of physical inputs	Adams (1976), Jemison (1984)
Decided when to acquire inputs	Aldrich & Herker (1977), Jemison (1984)
Decided which physical inputs	Aldrich & Herker (1977), Jemison (1984)

Source: Compiled by author.

Gatekeeping activities evident in the generation of the first export

A priori codes were drawn from the literature on *gatekeeping* activities in Sub-section 2.2.6. Two codebooks were developed by the researcher, *knowledge handling* and *innovation approval*. Both appear in Tables A.9-10.

Table A.9 Gatekeeping - knowledge handling activity codes

Knowledge handling activity code	**Reference/s**
Collected information on the external environment	Allen & Cohen (1969)
Controlled the distribution of information	Pettigrew (1972)
Determined the value of information to potential recipients	Macdonald & Williams (1993)
Interpreted or filtered information	Pettigrew (1972)

Source: Compiled by author.

Table A.10 Gatekeeping - innovation approval activity codes

Innovation approval activity code	**Reference/s**
Set selection criteria	Markham et al. (2010)
Reviewed innovation against criteria	Markham et al. (2010)
Selection criteria met, then innovation accepted	Markham et al. (2010), Cooper & Edgett (2012)
Assigned resources (if innovation meets criteria)	Markham et al. (2010)
Withheld resources (when innovations don't meet criteria)	Pettigrew (1972), Markham et al. (2010)

Source: Compiled by author.

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

A priori codes were obtained from the literature surveyed in Sub-section 2.3.1. Codebooks were based on Leonidou's (1998) typology of *internal-proactive*, *internal-reactive*, *external-proactive* and *external-reactive stimuli* (see Tables A.11-14).

Table A.11 Internal-proactive stimuli codes

Internal-proactive stimulus code	Reference/s
A significant internal event	Czinkota & Ronkainen (2004)
Corporate growth	Leonidou (1998), Katsikeas & Piercy (1993)
Economies of scale	Leonidou (1998), Katsikeas & Piercy (1993)
Extra profit	Johnston & Czinkota (1982), Aspelund & Moen (2005)
Extra sales potential	Simpson & Kujawa (1974), Leonidou (1998)
Managerial urge	Pavord & Bogart (1975), Rundh (2001)
Market expansion	Bell et al. (2004), Aspelund & Moen (2005)
Marketing advantages	Johnston & Czinkota (1982), EFIC (2009)
Process innovation	Bell et al. (2004)
Product innovation	Bell et al. (2004), Chetty & Campbell-Hunt (2003a)
Strategic reorientation	Bell et al. (2004)
Tax advantages	Czinkota (1982), Czinkota & Johnston (1983)
Technological advantages	Johnston & Czinkota (1982), Rundh (2001)
Unique products	Czinkota & Johnston (1981), Rundh (2001)

Source: Compiled by the author

Table A.12 Internal-reactive stimuli codes

Internal-reactive stimulus code	Reference/s
Declining domestic profit	Leonidou (1998)
Declining domestic sales	Pavord & Bogart (1975), Aspelund & Moen (2005)
Overproduction	Czinkota & Johnston (1981), Kaynak & Kothari (1984)
Reduce dependence on domestic market	Pavord & Bogart (1975), Aspelund & Moen (2005)
Seasonal product	Leonidou (1998)
Spreading risks	Katsikeas & Piercy (1993), Rundh (2001)
Excess production capacity	Simpson & Kujawa (1974), Aspelund & Moen (2005)

Source: Compiled by the author

Table A.13 External-proactive stimuli codes

External-proactive stimulus code	Reference/s
Exclusive information on foreign markets	Czinkota & Johnston (1981), Leonidou (1998)
Favourable exchange rates	Katsikeas & Piercy (1993), Leonidou (1998)
Foreign demand/market potential	Anderson et al. (2001), Aspelund & Moen (2005)
Home government export promotion programs	Bonner & McGuinness (2007), Martincus (2012)
Small domestic market	Rundh (2001), EFIC (2009)

Source: Compiled by the author.

Table A.14 External-reactive stimuli codes

External-reactive stimulus code	Reference/s
Domestic competitors exporting	Simpson & Kujawa (1974), Brooks & Rosson (1982)
Domestic market deregulation	Simpson & Kujawa (1974),
Pressure from domestic competition	Leonidou (1998)
Saturated domestic market	Pavord & Bogart (1975), Aspelund & Moen (2005)
Threats from multinational firms	Karagozoglu & Lindell (1998)
Unsolicited orders	Haar & Ortiz-Buonafina (1995), Ellis & Pecotich (2001)

Source: Compiled by the author.

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

Drawing on the literature on *decision making* in the subsequent export in Sub-section 2.4.2, *a priori* codes appear in Table A.15.

Table A.15 Decision making in subsequent export codes

Sporadic exporting behaviour code	Regular exporting behaviour code	Reference/s
No formal structure for export, domestic sales force	Export department	Samiee & Walters (1991), Kaynak (1992)
Owner-Manager responsible	Delegation to another Manager or export Manager	Rao & Naidu (1992), Julien et al. (1997)
Less staff involved	More staff involved	Diamantopoulos & Inglis (1988)
Less staff time to increasing exports	More staff time for increasing exports	Rao & Naidu (1992)
Less marketing knowledge	More marketing knowledge	Rao & Naidu (1992)

Source: Compiled by author.

In Sub-section 2.4.2 *a priori* codes were found from extant literature on export activities that identify *sporadic* and *regular export* activities in the subsequent export. These *sporadic* and *regular export* activity *a priori* codes appear in Table A.16.

Table A.16 Sporadic & regular export activities codes

Sporadic exporting activity code	Regular exporting activity code	Reference/s
	Hired of export related staff	Schlegelmilch (1986), Loane et al. (2007)
	More/excess resources available for exporting	Cavusgil (1980), Rao & Naidu (1992)
	More monetary resources & budget	Rao & Naidu (1992)
Less innovation with products	More innovation with products	Bagchi-Sen & Sen (1997), Julien et al. (1997)
Less planning for export	More planning for export	Czinkota (1982)
Less willingness to adapt products for export	More willingness to adapt products for export	Douglas & Craig (1989), Rao & Naidu (1992)
Staff training in export functions was less likely	Staff training in export functions was more likely	Cavusgil & Naor (1987)

Source: Compiled by author.

Innovation knowledge codes

A priori codes drawn from innovation and internationalisation literature as discussed in Sub-section 2.3.3 are shown in Table A.17.

Table A.17 Innovation knowledge codes

Innovation knowledge code	Reference/s
Awareness knowledge	Lee & Brasch (1978), Rogers (2003)
How-to knowledge	Lee & Brasch (1978), Rogers (2003)
Principles knowledge	Rogers (2003), Hynes (2010)

Source: Compiled by author.

Appendix 3.3a Decision-maker survey questionnaire

1a. Your age?
( )1. 18 to24
( )2. 25 to34
( )3. 35 to44
( )4. 45 to54
( )5. 55 to64
( )6. 65 and over

1b. Your highest education level achieved to date?
( )1. Secondary school not completed
( )2. Secondary school completion
( )3. TAFE or vocational post secondary qualification
( )4. Bachelor/undergraduate degree
( )5. Post graduate degree

1ci. How many languages apart from English are you fluent in? _____

1cii. How many of those languages apart from English, do you use in negotiation when overseas? _____

1ciii. Which languages do you use when negotiating? _____

1d. Were you born in Australia? Yes ( )1 / No ( )2

1e. How often do you travel internationally for work?
( )1. Never
( )2. Seldom
( )3. About once every two years
( )4. About once a year
( )5. About twice a year
( )6. More often, (please state) ____ times a year

1f. How often do you travel internationally for non- work purposes?
( )1. Never
( )2. Seldom
( )3. About once every two years
( )4. About once a year
( )5. About twice a year
( )6. More often, (please state) ____ times a year

1g. How many years have you spent living, not in Australia?
( )1. Never
( )2. Less than a year
( )3. Between one or two years
( )4. Between two and five years
( )5. Over five years

1h. How many years have you spent working, not in Australia?
( )1. Never
( )2. Less than 1 year
( )3. Between 1 and 2 years
( )4. Between 2 and 3 years
( )5. Over 5 years

1i. Your gender?
( )1. Male
( )2. Female

1j. What is your position/job title? (please state)

_____

1ki. How many levels above you is the Chief Executive Officer? ___

1kii. Who do you report to? (their title) _____

1l. How many years have you worked at this organisation?
( )1. 0 to 2 years
( )2. 3 to 5 years
( )3. 6 to 10 years
( )4. 11 to 20 years
( )5. 21 to 50 years

1m. How many years have you worked in a full time position?
( )1. 0 to 2 years
( )2. 3 to 5 years
( )3. 6 to 10 years
( )4. 11 to 20 years
( )5. 21 to 50 years

1n. How many years have you worked in an export related role in employment prior to this position?
( )1. 0 to 2 years
( )2. 3 to 5 years
( )3. 6 to 10 years
( )4. 11 to 20 years
( )5. 21 to 50 years

1o. Of the statements below which best describes your involvement with the first export?
( )1. Identified the first export opportunity but no direct work beyond that
( )2. Identified and worked on the first export opportunity
( )3. Supported the first export opportunity but no direct work on it
( )4. Supported the first export opportunity and worked on it
( )5. Worked on the first export opportunity
( )6. No direct involvement in the first export opportunity

( )7. Other (please explain) _____

_____

1p. How much time do you spend involved in export?
( )0. None
( )1. less than 10%
( )2. 10 to 20%
( )3. 20 to 50%
( )4. greater than 50%

2a. In this section listed below are statements about strategies that could be used to get others to support an innovation such as export. For each of the following statements rate the extent to which you agree or disagree with them.

If you *strongly disagree* with the statement enter	1
If you *disagree* with the statement enter	2
If you *neither agree nor disagree* enter `	3
If you *agree* with the statement enter	4
If you *strongly agree* with the statement enter	5

1. Make it possible for the people working on an innovation to bend the rules of the organisation to develop the innovation ___
2. Make it possible for the people working on an innovation to bypass standard operating procedures to develop the innovation ___
3. Be allowed to bypass certain budgetary procedures to get funds for an innovation ___
4. Be allowed to bypass certain personnel procedures to get people committed to an innovation ___
5. Make it possible for people working on an innovation to take the initiative on their ideas without getting formal approval for them ___
6. Test but trust the decisions of the people working on an innovation ___
7. Work closely with senior management to get their support for an innovation at a very early stage ___
8. Create support for an innovation among employees before formal approval of the innovation by senior management ___
9. Make it possible for the people working on an innovation to make decisions without referring them to higher level officials ___
10. Make it possible for the people working on an innovation to make decisions outside the traditional hierarchy of the organisation ___
11. Seek the organisation's support for an innovation by presenting regular financial updates demonstrating the value of the innovation ___
12. Make it possible for the people working on an innovation to avoid having to justify the innovation financially at every stage of the development process ___
13. Make it possible for the people working on an innovation to work without being required to write formal plans ___
14. Make it possible for the people working on an innovation to make decisions based on their intuition ___
15. Meet frequently with all the people working on an innovation rather than just the highest ranking members ___

16. Include all the people working on an innovation in its decision making process ___
17. Make it possible for all people working on an innovation to participate equally in the planning process regardless of their position in the organisation ___
18. Always include the person who developed the idea for an innovation regardless of his or her status in the organisation ___
19. Convince people in other departments that an innovation deserves their support by showing the benefits of the innovation to them as individuals ___
20. Attempt to get people in other departments to commit their resources to an innovation by showing them the benefit of the innovation to the organisation as a whole ___
21. Get people in other departments to contribute manpower to an innovation by appealing to the employees' sense of commitment to the organisation ___
22. Offer personal rewards to individuals to get them to work on an innovation ___

2b. The purpose of this section is to identify the kinds of activities performed by you. Please indicate in the blank beside the activity the degree to which that activity is a part of your activity in the service of your organisation.

If the activity is *never part of your work* enter 1
If the activity is *seldom a part of your work* enter 2
If the activity is *occasionally a part of your work* enter 3
If the activity is *frequently a part of your work* enter 4
If the activity is *very often a part of your work* enter 5

1. Decide on the kinds of physical inputs to acquire from outside the organisation (e.g. funds, personnel, supplies) ___
2. Decide on the quality requirements for physical inputs (e.g. funds, personnel supplies) to be acquired from outside the organisation ___
3. Decide when to acquire certain physical inputs (e.g. funds, personnel, supplies) from outside the organisation ___
4. Provide information on a formal basis to groups outside your organisation that is intended to create a favourable image of your organisation. ___
5. Provide information on an informal basis to groups outside your organisation that is intended to create a favourable image of your organisation. ___
6. Acquire the physical resources needed for the organisation's functioning (e.g. negotiate a bank credit line, hire personnel, procure supplies). ___
7. Decide what portions of information acquired from sources outside your organisation to transmit to others in your organisation that will make use of it. ___
8. Decide when to transmit to others in your organisation information acquired from outside the organisation. ___
9. Decide to whom information received from outside your organization should be sent. ___
10. Make speeches to outside groups on other than specifically company business. ___
11. Meet with customers and convince them to use your organisation's products. ___
12. Decide on the kinds of customers that your organisation will pursue. ___
13. Acquire information formally from specific individuals or groups outside your organisation that is needed by a department in your organisation other than your own. ___

14. Acquire information informally from specific individuals or groups outside your organisation that is needed by a department in your organisation other than your own. ___
15. Provide information on a formal basis about your organisation to outsiders that will induce them to act favourably on behalf of your organisation. ___
16. Provide information on an informal basis about your organisation to outsiders that will induce them to act favourably on behalf of your organisation. ___
17. Decide the method by which your product will be provided to your customers. ___
18. Prepare formal reports for others in your organisation about information that you've acquired about external factors that could influence your organisation. ___
19. Prepare informal reports for others in your organisation about information that you've acquired about external factors that could influence your organisation. ___
20. Acquire information formally from specific individuals or groups outside your organisation that is needed by your department or office. ___
21. Acquire information informally from specific individuals or groups outside your organisation that is needed by your department or office. ___

Appendix 3.3b – Organisation survey questionnaire

About your organisation…

1a. What was your organisation's total turnover last year?
( )1. under 100,000
( )2. 100,000 to 999,999
( )3. 1 to 4.999 million
( )4. 5 to 9.999 million
( )5. 10 to 19.999 million
( )6. 20 to 49.999 million
( )7. 50 to 100 million
( )8. over 100 million

1b. What was your organisation's export turnover last year?
( )1. under 10,000
( )2. 10,000 to 99,999
( )3. 100,000 to 999,999
( )4. 1 to 4.999 million
( )5. 5 to 9.999 million
( )6. 10 to 19.999 million
( )7. 20 to 49.999 million
( )8. 50 to 100 million
( )9. over 100 million

1c. How many employees did the organisation have last year?
( )1. 1 to 4
( )2. 5 to 19
( )3. 20 to 49
( )4. 50 to 99
( )5. 100 to 199
( )6. 200 to 499
( )7. 500 and over

1d. Last year, how many of the organisation's employees spent over 50% of their time on international activities?
( )0. 0
( )1. 1
( )2. 2
( )3. 3 to 4
( )4. 5 to 19
( )5. 20 to 49
( )6. 50 to 99
( )7. 100 to 199
( )8. 200 to 499
( )9. 500 and over

1e. How many years has the organisation been in business?
( )1. 0 to 2 years
( )2. 3 to 4 years
( )3. 5 to 9 years
( )4. 10 to19 years
( )5. 20 to 50 years
( )6. over 50 years

1f. How long has your organisation been exporting?
( )1. 0 to 2 years
( )2. 3 to 4 years
( )3. 5 to 9 years
( )4. 10 to 19 years
( )5. 20 to 50 years
( )6. over 50 years

1g. Does your organisation have some foreign ownership?
( )1. none
( )2. up to 10%
( )3. 11 to 49%
( )4. 50 to 100%

1h. What best describes the initial source of your first export order?
(if more than one, which was first?)
( )1. Bank
( )2. Existing domestic/local customers
( )3. Foreign opportunity identified by your organisation
( )4. Australian/Victorian Government export promotion program
( )5. Bilateral Chamber of Commerce
( )6. Export intermediaries (distributors or agents)
( )7. A staff member's (from your organisation) foreign contact
( )8. Trade/Professional Association
( )9. Unsolicited order from a foreign customer
( )10. An overseas supplier to the firm
( )11. Significant internal event (please explain) _____

( )12. Other (please explain) _____

1i. To which country did you organisation send its first export?

1j. What best describes why your firm first exported?
(if more than one, which was most important?)
( )1. exclusive information
( )2. Managerial urge
( )3. unique products
( )4. profit
( )5. marketing advantage/s
( )6. technological advantage/s
( )7. tax advantage/s
( )8. competitive pressures
( )9. overproduction
( )10. declining domestic sales
( )11. excess capacity
( )12. saturated domestic market
( )13. proximity to ports
( )14. process innovation
( )15. international from inception
( )16. strategic thinking and planning
( )17. foreign demand or opportunity
( )18. corporate growth
( )19. favourable exchange rates
( )20. Other (please explain) _____

1k Since your first export order, has your firm exported again?
Yes ( )1 (go to 1m) or No ( )2

1l. Will your organisation export this year? Yes ( )1 or No ( )2 go to 1n.

1m. What best describes the source of your next/subsequent export order?
(if more than one, which was first?)
( )1. Bank
( )2. Existing domestic/local customers
( )3. Foreign opportunity identified by your organisation
( )4. Australian/Victorian Government export promotion program
( )5. Bilateral Chamber of Commerce
( )6. Export intermediaries (distributors or agents)
( )7. A staff member's (from your organisation) foreign contact
( )8. Trade/Professional Association
( )9. Unsolicited order from a foreign customer
( )10. An overseas supplier to the firm
( )11. Significant internal event (please explain) _____

( )12. Other (please explain) _____

1n. Type of business that your organisation is in, predominately

1ni. Physical product/s ( )1 or Service/s ( )2

1nii. Type _____

Appendix 4.1.1 Case A

The information in this appendix is in addition to that noted in Sub-section 4.1.1.

The first export had multiple *decision-makers* with a number of activities (see Table A.18).

Table A.18 Decision-maker/s involved in the first export

Decision-maker	Activities
Marketing Director	Attended trade fairs, planned for export, networked, travelled internationally, selected export markets, performed foreign market research and adapted the brand.
Director (Sales)	Approved the first export order.
Director (Finance)	Approved the first export order and obtained some information on the market and customer.

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

Several of the Marketing Director's activities typify an innovation *champion*. The previous owner did not have much interest in exporting, but was focussed on the sale of the business. The Marketing Director stated: "with the other guy, the company [that] used to belong to his father was at a stalemate. He didn't care for close down, whatever it may be and he's always been trying to sell it." As such, the Marketing Director by singularly initiating export, *made decisions without higher officials,* a *championing* activity (Shane, 1994). By seeking the first export, he *took initiative without approval* from the previous owner, another *championing* activity (Howell & Higgins, 1991).

The innovation *champion* role with the first export continued once the new owner-directors had arrived. For example, the Marketing Director *worked with senior management* (the new owner-directors) and persuaded them on the *benefits to the organisation* in pursuing the initial export. The Marketing Director stated: "we sat down and did a program, like we need to go here and go there and go there and just say alright, these are three areas that we want to push. So that's what we pushed."

Such activities were typical of the *plans and projections* of innovation *champions* (Shane, 1994).

Neither *rule bending* nor *team as equals* activities of a *champion* stated in the literature (Shane, 1994) appeared in the account given by the Marketing Director. The lack of *team as equals* activities was due to all decisions related to the export initiation being his own, although he cleared them with his owner-directors.

The firm's owner-directors fulfilled *sponsor* roles for the export initiation by sanctioning the Marketing Director's decisions, an activity that innovation *sponsors* perform (Markham et al., 2010). The owner-directors' *sponsoring* activities also took the form of obtaining *financial assistance* and resources. The Director (Finance) also assisted the Marketing Director with obtaining background information including financial data about the customer.

The Marketing Director showed through his behaviour, several examples of *boundary spanning* activities. One example was where he *provided information formally to outside groups* in many presentations abroad through involvement in international trade fairs. He stated that: "I do a lot of presentations overseas". Other *boundary spanning* activities included where he met with prospective customers and *decided which customers* the firm would deal with. He stated: "identifying the opportunity over there, we could see our products would work well". In addition, he *decided how product/s would be provided* from those meetings, another *boundary spanning* activity (Jemison, 1984).

The Marketing Director *acquired information for the organisation from external sources* such as trade fairs that informed the owner-directors of the export market potential. *Information acquisition* from trade fairs has been observed previously in export literature (Evers & Knight, 2008). This *information acquisition and control* activity was also evidence of a *boundary spanning* role (Jemison, 1984).

Another example of *information acquisition and control* by the Marketing Director was his involvement with Standards Australia in relation to the Protective Footwear Board. The activities of the Marketing Director on the board enabled him to gain access to

both local and international markets by acquiring and controlling information on protective footwear. This acquisition and control of information with his Standards Australia role provided his firm and its products with central status, within its current and potential markets. He travelled to several foreign markets and gave presentations about the Australian standards. As such, providing *information formally to outside groups* were instances of *domain determination and interface* activities of *boundary spanners* (Jemison, 1984).

The Marketing Director also had a *gatekeeping* role of *acquiring, assimilating, transforming and exploiting* information (Jones, 2006). He *collected information on the external environment* through his trade fair and Standards Australia activities, a *gatekeeping* role (Allen & Cohen, 1969). He also *filtered information* to his owner-directors about the potential export markets as this selection did not change after their inclusion. The Marketing Director stated that: “this is where I want to go and that’s where it’s going to be, and I can see that there’s potential, let’s hit those three markets”. *Filtered information* used by *gatekeepers* has been observed in innovation literature (Pettigrew, 1972). The Marketing Director alluded to his knowledge of the footwear industry, the respect he had from stakeholders due to his years of experience and his extensive specialist knowledge. He *controlled the distribution of information* (Pettigrew, 1972) through his role with Standards Australia where this information could dictate product standards. Similarly, the firm could benefit by the knowledge of the board’s inner workings and acquire advance information on any changes to the standards that might have an impact on the firm and its products.

Another *gatekeeping* activity by the Marketing Director was when he set, reviewed and decided that the first export *met selection criteria*. His market selection criteria on product performance in Australia and in his opinion that firm A’s: “products would work well” in the USA. A *gatekeeper* will *set selection criteria* then *review* an innovation and if the innovation *met selection criteria*, it is accepted (Markham et al., 2010).

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

The Marketing Director considered that there were a number of *stimuli* for the first export. He identified that the firm had *unique products* and *marketing advantages*. Both of these are portrayed in the literature as *internal-proactive stimuli* (Leonidou, 1998). The *unique product* he attributed to the firm's long experience of successfully supplying protective footwear to Australian fire fighters. The Marketing Director felt that their fire-fighting boot was the best in the world. Potentially, there was a perceived *country of origin* or *technological advantage* in the construction of the footwear. A *technological advantage* has also been found as a *stimulus* for export (Rundh, 2001) and is categorised as an *internal-proactive stimulus* (Leonidou, 1998).

The Marketing Director felt that the *marketing advantage* was integrated into the brand of the product, another *internal-proactive stimulus* (Leonidou, 1998). He also stated that the move to export mitigated the *seasonal product* aspect, where sales peak in early summer in Australia. A *seasonal product* is an *internal-reactive stimulus* to export (Leonidou, 1998). Another *stimulus* identified was a *small domestic market*, with the firm having over 75 per cent of the Australian market. The *small domestic market* is an *external-proactive stimulus* (Leonidou, 1998). From the interview, the *unique product* was identified as the prime *stimulus* to export by the Marketing Director. He stated that: "when I first did this boot, I went over to America and explained about the standards".

The Marketing Director promoted the *benefits to the organisation* and he *worked with senior management* by convincing his owner-directors that there was a: "big market potential" to offset the *small domestic market stimulus*. In addition, he stated the benefit of counteracting the *seasonal product* side of their Australian business. These activities were clustered in the *plans and projections* that innovation *champions* use to convince others of the value of the innovation (Shane, 1994). The Marketing Director convinced the new owner-directors of the need to export in relation to the *stimuli*. In response, the *sponsoring* role of sanctioning the export initiation was due to the owner-directors' agreement with his evaluation. *Sponsors* in the past have *sanctioned* innovations presented to them by *champions* (Markham et al., 2010).

The promotion of the firm's fire-fighting boots as the 'world's best' was a demonstration of the *unique product stimulus* and the *boundary spanning* activity of *domain determination and interface*. This is where a *boundary spanner provided information formally to outside groups,* and *decided which customers* and *how product/s would be provided* (Jemison, 1984). The promotion of the boots was performed *via* trade fairs and the connections obtained through the Marketing Director's membership of Standards Australia. Promotion in this way put the firm and its products in a favourable light with their customers. Similarly, *information acquisition and control* enabled the Marketing Director to make the claim of having a *unique product* with both the owner-directors and external stakeholders, such as customers and members of the fire-fighting community. He also used the *information* to convince the owner-directors that the *small domestic market* increased the importance of export markets. The *stimuli* for this case were *internal-proactive* and *external-proactive* with the Marketing Director performing *boundary spanning* activities. Previously, Ellis and Pecotich (2001) found *boundary spanners* receiving *internal-proactive* and *external stimuli* for the first export.

The *unique product stimulus* was based on a number of criteria, such as the materials used, product performance and applicability of Australian standards compared with those of the USA. Similarly, the USA was identified as having a number of criteria, such as market size, bushfire propensity and respect for Australian standards. Market selection criteria were used by the Marketing Director to overcome the issue of a *small domestic market* and *seasonal product*. Considering both *stimuli*, the setting of selection criteria, *review against criteria* and meeting criteria leading to acceptance of an innovation, are *gatekeeping* activities (Cooper & Edgett, 2012; Markham et al., 2010).

<u>RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?</u>

The subsequent export was to Indonesia. This export order was sizeable for the firm and another order followed quickly. The Indonesian order was secured by the Marketing Director by networking using his Standards Australia role. Indonesia was the first country to adopt Australian standards in relation to fire-fighting boots. The Marketing Director's role on the board enabled the firm to meet those standards that

in turn made its products attractive to the Indonesian Fire Service. The Indonesian order was specifically planned for, due to his knowledge gained by serving with Standards Australia. This market opportunity offered a competitive advantage through the perceived compatibility with the firm's products due to the adoption of the Australian Standards by the Indonesian authorities.

Both owner-directors increased their involvement through more active participation in the subsequent export order. The Director (Finance) aided the Marketing Director in getting information specifically for Indonesia. The Director (Sales) and the Marketing Director both visited Indonesia, where they gave presentations on the firm's products. The addition of resources, such as the owner-directors' time for subsequent export, has been identified in *regular exporting* activities (Rao & Naidu, 1992).

Following the subsequent export, the Marketing Director was promoted to General Manager. He decided to keep the exporting function to himself, rather than delegate this to other personnel at lower levels or appoint new staff. This is contrary to existing export literature where *hiring new staff* is expected in *regular exporting* (Loane et al., 2007; Schlegelmilch, 1986).

The subsequent export had multiple *decision-makers* with a number of activities (see Table A.19).

Table A.19 Decision-maker/s involved in the subsequent export

Decision-maker	**Activities**
Marketing Director	Planned for export, networked, travelled internationally, selected the market and gave presentations and was also responsible for quality control.
Director (Sales)	Approved the subsequent order, travelled internationally and gave presentations.
Director (Finance)	Approved the subsequent order and acquired information on Indonesian market.

Source: Compiled by author

The participation of the owner-directors in the subsequent export is evidence of how they were convinced by the Marketing Director of the export potential of the Indonesian market. Thus, the Marketing Director used *championing* activities of

espousing *benefits to the organisation*, as well as working with senior management (Shane, 1994). However, unlike the first export, both owner-directors were involved directly in the subsequent export. In effect, they became part of the innovation team, with one owner-director supporting the innovation by seeking information and the other presenting information for the innovation. The Marketing Director as *champion worked with senior management* (owner-directors) *in decisions* for the innovation (Shane, 1994). In contrast to a *champion* making *decisions outside hierarchy* of the firm (Shane, 1994), the Marketing Director sought the owner-directors approval for the Indonesian order.

With the subsequent export, the owner-directors *sanctioned* the innovation, a *sponsoring* activity (Markham et al., 2010). They provided *financial assistance* and *resources* through their participation in the preparation to obtain the subsequent export. Obtaining *financial assistance* and *resources* are activities of *sponsors* (Smith, 2007).

Boundary spanning roles of *information acquisition* were present with the subsequent export to Indonesia. For example, the Marketing Director *acquired information informally for the organisation from outside sources* to enable the export to take place. In this instance, he learned that Indonesia had adopted the Australian standards. *Information acquisition* from external sources is a *boundary spanning* activity (Jemison, 1984).

As explained previously, the Marketing Director and the Director (Sales) met and provided *information formally* to customers in Indonesia. They also *decided how product/s would be provided* to the Indonesian customer. Jemison (1984) mentions that the provision of *information formally to outside groups*, deciding on which customers, *how product/s would be provided* and meeting with customers, are all *boundary spanning* activities in the *domain determination and interface* factor. Due to the size and importance of the subsequent export, the Marketing Director acquired the task of quality control. This is where he *decided quality of physical inputs*, an activity of *physical input control,* another *boundary spanning* role (Jemison, 1984).

The subsequent order to Indonesia was an example where the Marketing Director collected information on the external environment from Standards Australia. Collecting this information is a *gatekeeping* activity (Allen & Cohen, 1969). The Marketing Director became aware that Indonesia was the first country to adopt Australian standards for fire-fighting boots, giving firm A an advantage due to his prior knowledge of these standards. The Marketing Director *interpreted or filtered information* about the Indonesian opportunity, a *gatekeeping* activity (Pettigrew, 1972). He then *determined on the value of the information* and *controlled the distribution of information* to the owner-directors, also *gatekeeping* activities (Macdonald & Williams, 1993; Pettigrew, 1972).

The *stimuli* of *unique product*, *marketing advantage, technological advantage* and *small domestic market* were still important to the Marketing Director for the subsequent export, as they were for the first export. However, having a *unique product* meeting or exceeding the Australian standards was the main *stimulus* for the Indonesian order. A corollary of the *small domestic market* may be another *stimulus* of *foreign demand/market potential* that may better explain the Marketing Director's view of the Indonesian market. He stated that the order was a: "big one into Jakarta" and that there was huge potential. *Foreign demand/market potential* is recognised in export studies (Aspelund & Moen, 2005) as an *external-proactive stimulus* (Leonidou, 1998).

A *unique product* positioning in the Marketing Director's view was *via* his *awareness-knowledge* that Indonesia was adopting the Australian standard. He stated that firm A's products fully met the Australian standard, meaning they were considered better than other products. The Marketing Director promoted the *benefits to the organisation* and he *worked with senior management* by convincing his owner-directors of the *foreign demand/market potential*, in relation to the *unique product stimulus*. Providing the *benefits to the organisation* and working with senior management, are both activities of *champions* (Shane, 1994). In response to these *championing* activities, the *sponsoring* role of sanctioning subsequent export was the owner-director's agreement with his evaluation of the *unique product stimulus*. *Sponsors* have *sanctioned* innovations presented to them by *champions* (Markham et al., 2010).

Information acquisition of this *unique product* status was achieved by the Marketing Director through his role with Standards Australia and his *awareness knowledge* of the opportunity that Indonesia was adopting Australian standards. *Awareness knowledge* of an opportunity has been found previously with SME exporting firms (Lee & Brasch, 1978). This is where a *boundary spanner acquired information informally for the organisation from external sources* (Jemison, 1984). Then, the *unique product* and *technological advantages stimuli* were measured against a number of criteria by the Marketing Director such as materials used, product performance and applicability of Australian standards to Indonesia. In relation to the *stimulus*, the establishment of selection criteria and their review are *gatekeeping* activities observed in innovation literature (Markham et al., 2010). Then the Marketing Director *decided what external information to distribute*, regarding their *unique product*. In addition, he *decided to whom to distribute external information* of the *unique product*, in this situation the owner-directors, which are both *boundary spanning* activities (Jemison, 1984).

The promotion and presentation of firm A's fire-fighting boots meeting Australian standards to Indonesian customers was a demonstration of the *unique product stimulus* and the *boundary spanning* factor of *domain determination and interface*. *Domain determination and interface* is where a *boundary spanner provided information formally to outside groups*, *decided which customers* and *decide how product/s would be provided* (Jemison, 1984).

Other observations

Since the subsequent export and the Marketing Director's promotion to General Manager, the owner-directors' *sponsoring* activities have vanished. They were no longer involved in the day-to-day function of the firm. Thus, the potential influence of new owners was significantly reduced.

A third potential export market was to Greece. The genesis of this potential order was prior to the first export. This export opportunity was unplanned (due to an unsolicited approach at a trade fair) and opportunistic, but the General Manager was prepared to make an allowance for this market in the firm's export planning. He stated that he

chose the export markets and the products that were sent to them. However, at the time of interview he had not added any other markets to the export program.

Appendix 4.1.2 Case B

The information in this appendix is in addition to that noted in Sub-section 4.1.2.

The day-to-day export arrangements were handled by a customer service team of four who worked with their local customers. One Customer Service Officer in an original team of two handled the first export order.

The main activity of the Customer Service Officer in preparing for export was arranging shipment of the product to the customers' international sites. Tasks comprised: dealing with freight-forwarders, export documentation, selecting ships from sailing lists, planning and coordination with the customer (see Table A.20).

Table A.20 Decision-maker/s involved/not involved in the first export

Decision-maker	Activities
Customer Service Officer	Arranged shipment of the product

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

A Customer Service Officer did the first export order with no *championing* activities associated with their involvement. It may be argued that the Customer Service Officer who received the first export had a *boundary spanning* role of *information acquisition and control* (Jemison, 1984). He *decided what external information to distribute, whom to distribute external information* and *when to distribute external information*. These decisions were on information passed between the freight-forwarder and the customer, examples of *boundary spanning* activities (Jemison, 1984). Similarly, the Customer Service Officer *collected information on the external environment*, a *gatekeeping* activity (Allen & Cohen, 1969), as well as received shipping information from the freight-forwarder and *interpreted or filtered information*,

also a *gatekeeping* activity (Pettigrew, 1972). He then *determined the value of information to potential recipients*, in this case, the customer. This decision was recognised previously in innovation studies (Macdonald & Williams, 1993). Finally the Customer Service Officer *controlled distribution of information* about shipment arrival times with the customer, another *gatekeeping* activity (Pettigrew, 1972).

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

The *stimulus* for the first export was an *unsolicited order* from an existing domestic customer to supply their manufacturing plant in New Zealand. This confectionery customer had decided to shift some of its Australian production to New Zealand and, as a consequence, the firm was asked to supply to this offshore plant. This request was received by a Customer Service Officer. *Unsolicited orders* have been identified in the literature as a major *stimulus* in SME export development (Ellis & Pecotich, 2001) and is considered an *external-reactive stimulus* (Leonidou, 1998).

Firm B was structured to manage all of their customer orders through the customer service team. A Customer Service Officer was assigned to the customer who placed the first export order. The *unsolicited export* order was received in the same manner as a domestic order by the customer service team. In contrast to the literature (Nummela et al., 2006), no special structure was in place for export orders, as the *unsolicited export* order was not anticipated.

There were no *championing* or *sponsoring* activities involved with the receipt of the *unsolicited order*. This may have been due to the perception that sales to New Zealand were routine. In a way, as the *stimulus* is *external-reactive*, the export was thrust on the Customer Service Officer who was required to do what he could to respond to the customer's demand. The lack of involvement of a *champion* with an *external-reactive stimulus* is consistent with the literature, as *championing* activities are more likely associated with an *internal* and/or *proactive stimulus* (Howell & Shea, 2001).

The receipt of orders was part of the role of the Customer Service Officer prior to the first export. This *boundary spanning* activity of *information acquisition* was almost

unchanged by the first export. *Boundary spanners acquire information formally from external sources* (Jemison, 1984). As such, the Customer Service Officer treated the customer's *unsolicited export* order to New Zealand as almost a routine matter.

One element of a *domain determination and interface* is where a *boundary spanner decided how product/s would be provided* to the customer (Jemison, 1984). The product provision activity by the firm's Customer Service Officer is associated with the customer's *unsolicited order stimulus*. The Customer Service Officer agreed that the product would be provided through export to New Zealand by accepting the *unsolicited order*. According to the Procurement Manager: "we would do everything for" the customer. To complete the *unsolicited order* was not perceived to be a big issue for the Customer Service Officer at the time of the order placement. This *unsolicited order* resulted in the addition of sea-going packaging and documentation for the freight-forwarders, new processes not performed previously by the Customer Service Officer or firm B.

The Customer Service Officer also *decided which physical inputs* a *boundary spanning* activity (Jemison, 1984). The *physical input* acquisition activity regarding the unsolicited export order involved the acquisition of freight-forwarding services. This aspect of *boundary spanning* was new to the Customer Service Officer. This finding contrasts with the expectation that *boundary spanning* activity would be more likely with an *external-proactive stimulus* (Stock & Zacharias, 2011).

<u>RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?</u>

Another *unsolicited order* followed shortly after the initial export. The same domestic customer ordered specialist confectionery packaging for their plant in Fiji.

Soon after the first export order occurred, another Customer Service Officer was hired and assigned to the customer. This hiring was in part to replace a staff member who left when the company was sold. The new customer service person did not have any specific export skills. Customer Service Officers were expected to handle all their customer needs, regardless of whether the orders were national or international. The new Customer Service Officer handled the Fiji order. The Procurement Manager was also hired prior to the subsequent export order. She was made responsible for the

export through her management of the customer service team. She had importing skills, but no export experience. The Procurement Manager stated: “I’m more of an import expert than an export expert.” These appointments are in contrast to the literature that describes the hiring of export experienced staff for subsequent or *regular export* (Loane et al., 2007).

The activities for the subsequent export were the same as for the first. The customer service team arranged the packing for shipment, export documentation and liaison with the freight-forwarder. In general, the Procurement Manager oversaw the Customer Service Officer and helped when required by utilising her importing skills. One specific activity was to ensure that the timing of the shipment and the vessel sailing dates coincided with customer’s expectation for arrival in Fiji. It has been found previously that allowing *more staff time for increasing exports* is a characteristic of a *regular exporting* firm (Rao & Naidu, 1992).

Planning for export was not undertaken by firm B. A lack of *planning for export* has also been observed in SMEs (Crick & Chaudhry, 1997) and *sporadic exporting firms* (Czinkota, 1982). However, this lack of *planning for export* was due to the customer’s *unsolicited orders* not being anticipated by the Procurement Manager and Customer Service Officers.

The subsequent export as identified in Case B had two *decision-makers* with a number of activities recognised in prior export literature (see Table A.21).

Table A.21 Decision-maker/s involved in the subsequent export

Decision-maker	**Activities evidence**
New Customer Service Officer	Took the customer order, arranged the packing for shipment, prepared export documentation, and liaised with freight-forwarder
Procurement Manager	Assisted the new Customer Service Officer with Fiji order utilising her importing and resource acquisition skills

Source: Compiled by author

There was no *champion* role apparent for the subsequent export. However, the Procurement Manager was a *sponsor* of export through her supervision of the Customer Service Officers and supports their role by utilising her importing

experience and skills. The Procurement Manager performed several innovation *sponsoring* activities with the customer service team. She influenced others, *coached* and *protected the innovation team*, these are all *sponsoring* activities stated in the literature (Smith, 2007). For example, the Procurement Manager influenced freight-forwarders to make space for the export orders in regard to shipping. She *coached* the customer service staff in relation to the export document completion and export *how-to knowledge*. Finally, she also protected the customer service team from the customers when there was a mismatch of delivery expectations of the export order arrivals. These skills were seen as invaluable when dealing with the customer, freight-forwarder and shipping company demands.

The new Customer Service Officer took the subsequent export order from the customer for Fiji. He acquired *information formally for the organisation from external sources*, a *boundary spanning* activity (Jemison, 1984). The Procurement Manager had oversight of the exporting function that comprised of several *boundary spanning* activities. For example, deciding if she would meet customers' expectations on the delivery dates. This may have involved a choice of airfreight or sea. This is an example of deciding how the product would be provided, a *boundary spanning* activity (Jemison, 1984).

The Procurement Manager also *decided the quality of physical inputs* used in the final product, another *boundary spanning* activity (Jemison, 1984). However, this quality activity can also be attributed to her major role in procurement rather than the export function specifically. Acquisition of the resources for export by the Procurement Manager was identified in association with the efficient use of freight-forwarding services. The management of freight-forwarders was made easier due to the Procurement Manager's import experience.

The Procurement Manager also *controlled the distribution of information* provided externally to customers. Information on vessel sailing dates was provided when she had to deal with demanding customers. She sought to revise their expectations on timing of order arrivals. The Procurement Manager commented: "they have expectations that are higher…an example is like air freighting; people think that oh

you're late or can I get this job done urgently, can we air freight it? They think that because you can hop on a plane today and get somewhere tomorrow". Similarly, she tried to influence the freight-forwarder to obtain suitable space on vessels or adjusted sailing dates to meet the customer's expectations. This is an example of controlled distribution of information to others that has been found previously with studies on *gatekeeping* activity (Markham et al., 2010).

The subsequent export was another *external-reactive stimulus* of an *unsolicited order*. The biggest difference between the first and subsequent export was the inclusion of the Procurement Manager as an additional export *decision-maker*. The Procurement Manager performed *sponsoring* activities with the new Customer Service Officer by coaching him in dealing with the freight forwarder, making space for the *unsolicited order*. Additionally, the Procurement Manager also directly influenced the freight forwarder using her past importing experience. She also protected the new Customer Service Officer from the customer's expectations associated with the subsequent export order. Influencing, protecting and coaching others have been linked to *sponsoring* in previous studies (Roberts & Fusfeld, 1981; Wheelwright & Clark, 1992).

The Procurement Manager assisted the Customer Service Officer in making a choice in relation to the transportation mode of sea or air, deciding on how product/s would be provided (Jemison, 1984). Similarly, the Procurement Manager assisted the Customer Service Officer in determining the *quality of physical inputs* with consideration of the freight forwarding services for the *unsolicited order* to Fiji. This was another example of a *boundary spanning* activity (Jemison, 1984). Similarly, the Procurement Manager controlled information with both customers and freight forwarders to manage expectations of both parties due to the unexpected nature of the *unsolicited order*.

<u>Other observations</u>

The Procurement Manager reported many subsequent exports to New Zealand since. Exports to Fiji, on the other hand, were sporadic. Subsequently, firm B has also exported to Vietnam as a result of an *unsolicited order* from the same customer.

Finally, the Procurement Manager and selected members of her customer service team were involved with the arrangement of an export to Thailand with another domestically based customer.

Appendix 4.1.3 Case C

The information in this appendix is in addition to that noted in Sub-section 4.1.3.

The first export was in part driven by the domestic customer who exported vehicles with firm C's components to the USA. The Managing Director responded to their demands to locate stock in the USA. Hence, a result of this development, the Managing Director identified the need for representation in the USA, therefore a Business Development Manager role was devised.

The establishment of the US sales office had a significant impact on the management of the firm. The key informant stated that: "the move to America was a little bit overwhelming in the initial stages in that they kind of went there thinking we'd do some business and there was more there than was expected."

The US based Business Development Manager used his networking skills with contacts in the auto industry. By using his networks he secured the first export order for firm C's products. See Table A.22.

Table A.22 Decision-maker/s involved in the first export

Decision-maker	Activities
Managing Director	Made the market selection decision and initiated the US export sales office by hiring the US based Business Development Manager
Business Development Manager	Set up and managed the US sales office (an adapted or new routine), used his networking skills to obtain the first export order

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The Managing Director was the *champion* of the first export in the pre-export phase, appointing a US based Business Development Manager rather than a warehouse Manager. The Managing Director *worked without formal plans*. In addition, the Managing Director *tested but trusted decisions* of the Business Development Manager. For example, he relied on the Business Development Manager's advice in relation to the US market. Both activities are ascribed to *champions* (Shane, 1994).

The Business Development Manager may have been the *champion* of the first export rather than the Managing Director. He *worked with senior management* (Managing Director), a *championing* activity (Shane, 1994). The Business Development Manager *included the idea generator*, the Managing Director, in the first export. This is an activity of a *champion*. He did seek the technical department support for potential OEM designs. *Obtaining other department support* is a *championing* activity (Shane, 1994). It is reasonable to conclude that the Business Development Manager was the eventual *champion* of the first export whilst the Managing Director was the *champion* of the US based export sales office.

As was just demonstrated, the Business Development Manager was the *champion* and the Managing Director had a *sponsor* role. The Managing Director's *sponsoring* activities began with the instigation of the Business Development Manager's appointment. *Sponsoring* activities for setting up the first export comprised obtaining *resources*, *financial assistance* and *sanctioned* the sales office in the USA. These activities are linked to *sponsoring* in the innovation literature (Markham et al., 2010).

No *boundary spanning* activities were apparent in relation to the first export activities performed by the Managing Director. However, the Business Development Manager did perform *domain determination and interface* activities with US wholesale customers. Specifically, he *met with customers* and *decided how product/s would be provided*. Once the product provision was determined, he decided to sell some of the stock already located in the USA. Both *boundary spanning* activities are identified in innovation literature (Jemison, 1984). The Business Development Manager also practised some *information acquisition and control* from the US market to firm C

where he *decided what external information to distribute*. *Information acquisition and control* is a *boundary spanning* activity recognised in the literature (Jemison, 1984).

The Business Development Manager *acquired, assimilated, transformed and exploited new knowledge* with his Australian based counterparts, a *gatekeeping* activity observed in the literature (Jones, 2006). For example, he *collected information on the external environment* through his network of wholesalers in the USA, a *gatekeeping* activity found in previous innovation studies (Allen & Cohen, 1969). The Business Development Manager *interpreted or filtered information* obtained from his network in the US market, another *gatekeeping* activity (Pettigrew, 1972). He then *determined the value of information to potential recipients* such as management back in Melbourne, a *gatekeeping* activity (Macdonald & Williams, 1993). Finally, he *controlled the distribution of information* where he proposed the first export to the Managing Director, also a recognised activity in *gatekeeping* studies (Pettigrew, 1972). Whilst this first export order was appreciated by firm C, it put reserve parts stock in the USA under pressure because it was bigger than the Managing Director had anticipated. More stock had to be sent quickly to replenish reserves in case the customer required the reserve stock in the first place.

A case can be made that the Managing Director is also a *gatekeeper* in firm C. For example, he *assigned resources* to the first export such as the appointment of the Business Development Manager and the setting up of the US sales office. *Assigned resources* for an innovation are recognised in the literature as a *gatekeeping* activity (Markham et al., 2010).

<u>RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?</u>

There were two *stimuli* involved with the first export. One was *extra sales potential* due to desire by the Managing Director to sell some of the extra stock already based in the USA. The key informant stated that: “one minute Holden’s exporting to the States … that was our first step into the US market and I guess then it grew by having our own representation there, and selling our locally developed products for local cars that are exported to the USA.” *Extra sales potential* is an *internal-proactive stimulus* observed in the export literature (Leonidou, 1998).

Another *stimulus* was retaliation to a US competitor entering the Australian market. Retaliation to the arrival of an international competitor has not been specifically recognised in the export literature. The nearest *stimulus*, is that of *threats from multinational firms* (Karagozoglu & Lindell, 1998), an *external-reactive stimulus* (Leonidou, 1998).

The Managing Director and US Business Development Manager were both involved in the initiation of export, but the *stimuli* that influenced them would have been different. Both were concerned with the *extra sales potential* of the US market. The entry into Australia of a US competitor was less likely to have been a consideration for the Business Development Manager than it was for the Managing Director.

As identified earlier, formal planning for export was not stated by the key informant. However, a strategy was definitely put in place by the Managing Director to ensure there was stock to service the indirect export market created by the Australian subsidiary of the US customer. Retaliation to the competitor entering the Australian market led the Managing Director to establish a sales office rather than a warehousing operation in the USA. The need for extra sales saw an adapted or new routine of a sales office located in the USA. The appointment of a Business Development Manager instead of a warehouse or distribution Manager to manage the support stock is also evidence of the *extra sales potential stimulus*. The title of Business Development Manager suggests a sales growth strategy was determined for the US by the Managing Director.

According to past studies an *internal-proactive stimulus* such as extra *sales potential* would involve a *champion* (Howell & Shea, 2001). For example, the *extra sales potential stimulus* could equally apply to either the Managing Director or the Business Development Manager to act as a *champion* for the first export. The Managing Director *worked without formal plans* and *tested but trusted decisions* made by the Business Development Manager, both *championing* activities (Shane, 1994). In response to the *extra sales potential stimulus* of setting up the US sales office, the Business Development Manager *worked with senior management*, *included the idea generator*, and *obtained other department support*.

The Managing Director may have used the *championing* activity where he *worked without formal plans* in retaliation to the US competitor *stimulus*. However, no specific plans were initiated in the Australian market in response to the US competitors. His only strategy was to establish the US sales office which, as explained above, was to obtain *extra sales,* as explained above. Therefore, the retaliation to the US competitor was less likely to have a *champion* involved due to the *stimulus* being *external-reactive* (Howell & Shea, 2001).

The *internal-proactive stimulus* of *extra sales potential* led to *sponsoring* activities of the Managing Director. To obtain *extra sales* from the new US sales office, the Managing Director *sanctioned*, *obtained financial assistance* and *resources* all *sponsoring* activities (Markham et al., 2010; Smith, 2007). Conversely, the *stimulus* of retaliation to a US competitor entering Australia did not specifically attract any *sponsoring* activities. *Sponsoring* activities are expected to be more likely when a *stimulus* is *internal-proactive* such as *extra sales potential* than when it is *external-reactive* as with retaliation to foreign competitors (Markham et al., 2010).

The Managing Director performed a *boundary spanning* activity where he *acquired information informally for the organisation from external sources* (Jemison, 1984) that a US competitor had entered the Australian market. This is also a *gatekeeping* activity where he *collected information on the external environment* (Allen & Cohen, 1969). Johnston and Czinkota (1982) found that *decision-makers* in exporting firms responded reactively to external *stimuli*. The Managing Director reacted to the US competitor entering the Australian market, which supports the *external-reactive stimulus*. What is surprising is that the reaction in this case resulted in the establishment of a sales office in the USA, rather than a more localised set of tactics, such as price competition in the Australian market.

The Business Development Manager *decided which customers* in response to the *extra sales potential stimulus*, a *boundary spanning* activity (Jemison, 1984). The *stimulus* of *extra sales potential* was influential in driving him towards proactively obtaining initial export sales in the USA through identification of suitable wholesalers in his network for firm C's product. In contrast, previous export studies found *boundary spanners* were more likely to receive *external stimuli* (Ellis & Pecotich,

2001). This case provides evidence of *boundary spanning* activities with *internal-proactive stimuli*.

The Business Development Manager *collected information on the external environment* for firm C's head office in Melbourne, a *gatekeeping* activity (Allen & Cohen, 1969), and a *boundary spanning* activity of acquiring information from external sources (Jemison, 1984). The new *awareness knowledge* about *extra sales potential* in the US market was *interpreted or filtered* by the Business Development Manager, another *gatekeeping* activity (Pettigrew, 1972). The Business Development Manager then *determined the value of the information* provided to head office, related to an *extra sales potential* of the initial export to a specific US wholesaler before passing the information on to the Managing Director. *Gatekeepers* in the literature *determined the value of information to potential recipients* (Macdonald & Williams, 1993) and *controlled the distribution of information* (Pettigrew, 1972).

The Managing Director could also have been a *gatekeeper* in this case. For example, the *selection criteria* of *extra sales potential* were a benchmark to measure export opportunities. The opportunity from the Business Development Manager was reviewed against the *extra sales potential* criteria by the Managing Director. As the opportunity *met selection criteria*, the Managing Director *accepted the innovation*. The selection and review against the criteria as well as the acceptance of the innovation when the criteria have been met are all *gatekeeping* activities (Cooper & Edgett, 2012; Markham et al., 2010). The Managing Director *assigned resources* to the first export to obtain *extra sales potential* (*stimulus*). The assignment of resources is another *gatekeeping* activity (Markham et al., 2010). The *assigned resources* in this case were extra stock. The extra sales were so large from the first export order that they put pressure on the stock-holding in the USA forcing firm C into a catch-up mode to replenish this quickly, avoiding a stock-out situation. What is surprising in Case C is the occurrence of *gatekeeping* activities with the *internal-proactive stimulus* of *extra sales potential* rather than the expected *external-proactive stimulus*.

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

There was no subsequent export but there were several projects that had potential. According to the key informant, the Managing Director was not involved in subsequent export projects. However, the US based Business Development Manager was central to two projects. As the key informant put it: “the ultimate responsibility for the US market is the Business Development Manager, that’s based over there.” The Business Development Manager identified opportunities in the USA and was supported by a team in Melbourne. Unlike the first export, this potential export project involved the manufacture of OEM components for different engines used by US vehicle manufacturers. The team in the Melbourne office supporting the Business Development Manager included the technical Director who manages product design and development. Another team member is the National Sales and Marketing Manager, whose relationship with the Business Development Manager was associated with identifying leads for and from members of the export cluster. Adding *more staff* and *time for increasing exports* has been observed as a type of behaviour of *regular exporting* firms in the export literature (Diamantopoulos & Inglis, 1988). Similarly, reducing the Managing Director’s involvement is evidence of *delegation* of the export task to subordinates, which is another behaviour of a *regular exporter* (Crick, 1995).

The US based Business Development Manager continued to contact US based engine manufacturers in his network to secure a subsequent export order for firm C’s products. Similarly, the National Sales and Marketing Manager was also looking to develop adapted products from opportunities in the USA from the export cluster. For both Managers, by seeking out new OEM contracts in the USA it was expected the development of new adapted products would result. A *willingness to adapt products* to suit markets has been identified in export literature as a feature of *regular export* (Rao & Naidu, 1992).

The export cluster activities required the Business Development Manager to work with US based networks to identify cluster opportunities. Networking by him not only continued, but escalated to support the drive to a subsequent export. Similarly, the National Sales and Marketing Manager was networking with Australian based

members of the export cluster to see whether there were US based leads. The National Sales and Marketing Manager supported the Business Development Manager to obtain sales in the USA by acquiring information from networking with cluster members.

The conversion of the indirect export market to the Middle East into a direct export market was an activity that the National Sales and Marketing Manager attempted. To begin this process, he was planning to visit the Middle East to identify export sales opportunities through current networks and potential clients. This is evidence of *more staff time for increasing exports*, a regular exporting firm behaviour (Rao & Naidu, 1992).

The proposed subsequent export/s as identified in Case C had multiple *decision-makers* with a number of activities recognised in prior export literature (see Table A.23).

Table A.23 Decision-maker/s involved in the subsequent export

Decision-maker	**Activities evidence**
National sales & marketing Manager	Supported the Business Development Manager with leads in USA from export cluster. Networked with export cluster members. Planned for international travel to see Middle East networks and potential clients
Business Development Manager	Added more staff and time to the exporting team, networked, supported the National Sales and Marketing Manager by following up with export cluster leads
Technical Director	Supported the Business Development Manager with product development

Source: Compiled by author

Other observations

After the second interview both the Managing Director and key informant had left firm C and it had not subsequently exported. After their departure, the firm's website advertised sales *via* agents in the UK and Europe, most likely continuing its long time approach of indirect exporting to these markets. The USA sales office or its customers were not mentioned.

Appendix 4.1.4 Case D

The information in this appendix is in addition to that noted in Sub-section 4.1.4.

For the first export there were two *decision-makers*. One Director (manufacturing) is the key informant, whilst the other was the Managing Director. The key informant's main responsibilities were manufacturing, inventory control, order processing and product certification. The Managing Director was the driving force by attending the initial trade fair that resulted in the first export. No other staff had direct involvement in the first export, except in preparing packaging for export shipment.

The Managing Director was involved in arranging trade fair attendance by applying for grants to seek home government support. The key informant was preparing the products and promotion materials for display at the fair. Once leads were obtained from the initial trade fair attendance, the key informant performed background checks using the Internet on prospective customers who had seen the products. These export related tasks were new to the key informant as they were a departure from his usual duties. In addition, the key informant considered potential cross-cultural communication issues with the customer before and during email negotiations. Further, macro environmental information about countries in the Middle East was also obtained from the Department of Foreign Affairs website. The key informant used authoritative information sources to assist in deliberations on the first export order. See Table A.24.

Table A.24 Decision-maker/s involved in the first export

Decision-maker	Activities
Managing Director	Attended the trade fair, sought home government/s' support
Director (manufacturing)	Attended the trade fair, prepared the products and promotion materials for display, performed background checks on leads from the fair, made cross-cultural contact by email and obtained macro environmental information on host countries

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The key informant was not a *champion* of the first export. From the interview, he was quite reluctant to initiate the first export. He stated that the decision for the initial *trade fair attendance* was influenced by the Managing Director who had succeeded in obtaining home government subsidies. The key informant was reluctant to go to the fair as in his view: “the product wasn’t ready; we didn’t have a CE mark which is the certification”.

It is hard to determine whether this was his view prior to attending the trade fair or a reflection in hindsight. However, the other Directors felt compelled to participate due to the subsidies the Managing Director had obtained. The Managing Director used a *championing* activity where he *made decisions outside hierarchy* of the firm (Shane, 1994). However, as the Managing Director had control of the equity in the firm, this suggests a right to make decisions that the other two Directors would have to go along with. In this way he *worked with senior management*, a *championing* activity (Dougherty & Bowman, 1995).

The Managing Director, performed *sponsoring* activities of advocacy and *influencing others* (Roberts & Fusfeld, 1981), in this case, the two Directors to convince them to support trade fair participation. The Managing Director obtained grants before firm D’s products were ready for export without the other Directors knowledge. As such, the application for a government subsidy could be likened to the *sponsoring* activity of obtaining *bootlegged funds* (Roberts, 2007) and *obtained resources* (Markham et al., 2010). For example, one of the resources funded from the government program was assistance in producing promotional materials.

Domain interface activities such as providing *information formally to outside groups* and meeting with customers (Jemison, 1984) were all present in the generation of the first export. Both the Managing Director and the key informant performed *boundary spanning* activities prior to the first export. The involvement of both at the trade fair is indicative of *domain determination and interface*. The key informant also *decided which customers* the firm would deal with: “we’re interested in [the] development of a long-term ongoing relationship.” This is another *boundary spanning* role (Jemison,

1984). The key informant also displayed *physical input control* activities through his raw materials purchasing function. He was cognisant of the quality issues related to the materials used in the disposable blankets at the time of the trade fair and first export. Deciding on the *quality of physical inputs* is another *boundary spanning* activity (Jemison, 1984).

The key informant also acquired information informally for the organisation from external sources, a *boundary spanning* activity (Jemison, 1984), when he *collected information on the external environment* on the Middle East from the Internet. Collecting external environment information is also a *gatekeeping* activity (Allen & Cohen, 1969). Similarly, the key informant *set selection criteria* of financial capacity and reviewed information about the prospective customer against these. He stated: "generally if you can get either their website or their information in respect to what are the products they're selling, that you can even go and do reference calls back to one of their nominated suppliers and identify the bona-a-fides of the organisation". Both setting customer selection criteria and *review against criteria* are *gatekeeping* activities (Markham et al., 2010). Having *met selection criteria*, the first export order was accepted by the key informant, another *gatekeeping* activity (Cooper & Edgett, 2012).

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

The key informant stated that: "the Australian market is limited. We are a specialist product, a niche product to use in the operating theatre." Firm D had at the time of the interview, 40 to 45 per cent of the Australian market. As such, the Australian market was too small for this niche product. He stated that there were international competitors entering the Australian market, recognised as, *threats from multinational firms* (Karagozoglu & Lindell, 1998), an *external-reactive stimulus* (Leonidou, 1998). Market measurement, the recognition of international competitors and their share of the domestic market, were activities that the key informant performed. During the interview he reframed the *stimulus* as a *small domestic market* (Export Finance and Insurance Corporation, 2009), categorised as *external-proactive* (Leonidou, 1998). Another *stimulus* that could explain the first export, but was not stated by the key

informant, was a *saturated domestic market* (Aspelund & Moen, 2005), an *external-reactive stimulus* (Leonidou, 1998).

Regardless of which *stimuli* the key informant considered as primary for the first export, the Managing Director initially applied for a *home government export promotion program* subsidy. An activity in the knowledge phase of Rogers (2003) innovation-decision process. *Home government export promotion programs* (Martincus, 2012) are an *external-proactive stimulus* (Leonidou, 1998). In this case, the actions of the Managing Director were primary to the first export, thus discounting all but the *home government export promotion program stimulus*.

The *home government export promotion program* offered the opportunity to gain a subsidy for attendance and display products at the Medica trade fair. The Managing Director responded to this *stimulus*. He *made decisions outside hierarchy* of firm D by applying for subsidies from the *home government export promotion programs*, a *championing* activity (Shane, 1994). This may have been to avoid the argument by the other Directors that the firm was not ready for export at that time. On receipt of the government subsidies and with the *stimulus* to participate in the trade fair, the Managing Director then persuaded the other Directors to be involved. This persuasion of the worth of being involved in the trade fair is a *champion plan and projection* activity where he *worked with senior management* (Dougherty & Bowman, 1995).

The receipt of the home government export subsidies enabled the Managing Director to influence the other Directors', a *sponsoring* activity (Roberts & Fusfeld, 1981). There was another *sponsoring* activity of obtaining *resources* (Markham et al., 2010) to support for the marketing of the products *via* promotional material design services. The funds from the *home government export promotion program* also enabled resources to be directed to export. According to the key informant, the firm's products were not ready for export. Export readiness was a prerequisite for the subsidy application. Due to this small deception, the *bootlegged funds* (Roberts, 2007) was instigated by the Managing Director as a *sponsor*.

The *decision-makers* performed two key *boundary spanning* roles in relation to the *stimuli*. The *small domestic market* was identified by the key informant by obtaining information about current international competitors in the Australian market. The market information was then circulated to all of the Directors prior to the first export. This activity is evidence of *acquired information informally for the organisation from external sources*, a task identified in the literature as being performed by *boundary spanners* (Jemison, 1984). Information was also acquired about the *home government export promotion program* subsidy by the Managing Director. Information about the firm was provided to the government agency by the Managing Director to create a favourable image. The decision to provide *information formally to outside groups* is a *domain determination and interface* function of a *boundary spanner* (Jemison, 1984).

The Managing Director performed a *gatekeeping* activity by collecting information on the *home government export promotion program* (Allen & Cohen, 1969). On receiving notice that his application for a subsidy had been successful, he went on to tell the other Directors about it. The home government subsidy was obtained before the other Directors were fully aware of the ramifications of attending the trade fair. For example, product quality requirements were not explained by the Managing Director or fully understood by the key informant until the preparation for the fair was being undertaken. In this way the Managing Director *controlled the distribution of information*, another *gatekeeping* activity (Pettigrew, 1972).

Around the same time, the key informant obtained information on international competitors who had entered the domestic market. Collecting *information on the external environment* is a *gatekeeping* activity (Allen & Cohen, 1969). The key informant *interpreted information* that the entry of international competitors reduced opportunities in the *small domestic market* , thus constricting growth for firm D. Interpreting information is another *gatekeeping* activity (Pettigrew, 1972). The key informant *determined the value of information to potential recipients* and passed this information on to the Managing Director and the other Director. This is another *gatekeeping* activity (Macdonald & Williams, 1993).

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

A subsequent export to Hong Kong was undertaken by firm D from a contact made at the trade fair. The Managing Director and the key informant attended the fair and spoke with the subsequent export customer. Shortly after the trade fair the Managing Director delegated the export function to the key informant. This delegation of the export order by the Managing Director has been observed in *regular export* studies (Julien et al., 1997).

The key informant was involved in checking out bona fides in relation to the capacity to pay and potential for a long-term relationship. For example, he referred to the desire for a long-term relationship and the need for credit checking. He disclosed that customer relationships made at the trade fair in 2005 were still with the firm at the time of the interview in 2008. Additionally, the key informant performed foreign market research using secondary sources, such as Department of Foreign Affairs and Trade (DFAT) websites searching for market information.

For Case D the *decision-makers* remained unchanged; however, their activities changed between the first and subsequent export (see Table A.25).

Table A.25 Decision-maker/s involved in the subsequent export

Decision-maker	**Activity evidence**
Managing Director	Attended trade fair, delegated the export order process
Director (manufacturing)	Attended trade fair, performed credit checks on leads from fair, made cross-cultural contact by email and undertook foreign market research

Source: Compiled by author

The Managing Director's *championing* and *sponsoring* activities performed for the first export did not follow on for the subsequent export due to the delegation of the export operations to the key informant. For example, in the pre-export period he *made decisions outside hierarchy* through the application for trade fair attendance funding. Whilst the subsequent export order was a consequence of *trade fair attendance*, the Managing Director did not make any other *decisions outside hierarchy* for the Hong Kong order. He did not continue with *championing* activities

for the subsequent export order. Similarly, the Managing Director's *sponsoring* activity of advocacy was seemingly concluded with the key informant (Director) continuing with exporting activities.

Both the Managing Director and the key informant performed *boundary spanning* activities prior to the subsequent export. Their involvement began at the trade fair prior to the first export. They *provided information formally to outside groups* and *met with customers*, both *boundary spanning* activities (Jemison, 1984).

The key informant also determined the bona fides of the Hong Kong customer, using the Internet to financially screen this potential customer. When the key informant *decided which customers* firm D would deal with, he demonstrated another *boundary spanning* activity (Jemison, 1984). To determine the bona fides of the subsequent export customer, the key informant *set selection criteria* of financial capacity and reviewed foreign credit information about the prospective customer against these. Both setting and *review against criteria* are *gatekeeping* activities (Markham et al., 2010). Having *met selection criteria*, the subsequent export order was accepted by the key informant, another *gatekeeping* activity (Cooper & Edgett, 2012).

The *external-proactive stimulus* of the *small domestic market* was still present for the subsequent export. Export sales were seen as a way of overcoming the limited domestic market. However, the *external-proactive stimulus* of the *home government export promotion program* was mainly influential in obtaining the subsequent export. Another secondary *external-proactive stimulus* of *foreign demand/market potential* was observed with the consideration of the size of the Hong Kong market made by the Director (manufacturing).

There were no *championing* or *sponsoring* activities by the Managing Director for the subsequent export due to delegation identified in the preceding section. *Boundary spanning* activities in relation to the *stimuli* of *home government export promotion program* were mainly derived from pre-export activities that resulted in both the first and subsequent export. The Director accompanied the Managing Director to the trade fair and performed similar tasks for the subsequent export. For example they both *provided information formally to outside groups* and *met with customers*. Both

boundary spanning activities (Jemison, 1984). There were no additional *gatekeeping* activities observed specifically in relation to *stimuli* for the subsequent export.

Other observations

Since the Managing Director has left the business, it has consolidated to one address, with the office being relocated from Melbourne to the manufacturing plant in Geelong. The export role was now solely with the key informant. The impression given by the key informant was that the aim to increase exports is no longer as important as it was in the period of initiating the first export. Export sales continue with customers obtained at the initial trade fair but few have been added since. Another aspect to this change in strategy was the concept of not trying to service a market that was perceived as being too big for the firm, such as Europe. Since the interview, firm D has appointed an agent in the UK, suggesting a change of heart in relation to entry into Europe.

Appendix 4.1.5 Case E

The information in this appendix is in addition to that noted in Sub-section 4.1.5.

The Managing Director was the sole *decision-maker* in regard to export initiation. The tasks that he performed for the first export were mainly to do with potential customer identification, usually at international trade fairs. The Managing Director would approach these firms with proposals. If they were interested, then he would arrange demonstrations of the access systems. As he attempted to introduce the first export by pursuing leads in the USA and then in the UK, he identified cross-cultural negotiation differences, mainly with the Americans. He stated several issues resulting from negotiations, for example: “to deal with Americans you have to speak American, you have to speak in inches, you have to speak in Fahrenheit, and you have to speak in their drop floor minivans. If you don’t speak the lingo they’ll just get that glazed look in their eye and you may as well be speaking Mandarin because they’re not going to listen and it won’t sink in.” In contrast: “English people think like Australian people”. The cultural difficulty with US contacts and the perceived ease with which communication took place with the UK contacts contributed to the first export.

Another development was that the Managing Director had to delegate his work in Melbourne to enable him to attend to international fairs and visits to potential international customers. He stated: “it’s a balancing act because it’s very easy to focus on the overseas and have your domestic market fall from under your feet.” The contribution to export of other staff by taking on additional domestic tasks has not been observed in the export literature.

The first export as identified in Case E had one *decision-maker* with a number of activities (see Table A.26).

Table A.26 Decision-maker/s involved in the first export

Decision-maker	**Activities**
Managing Director	Identified potential customer, attended trade fair, performed cross-cultural negotiation, delegated domestic activities

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

There were several activities reflective of innovation roles. For example, a *championing* activity that the Managing Director performed in relation to export initiation was that he *worked without a formal plan*. He also *made decisions based on intuition* and chance. The fortuitous meeting with a UK firm in the USA and then choosing another UK firm as the eventual customer is evidence of this intuitive approach. Decisions regarding SME Internationalisation using intuition without planning have been found previously (McNaughton, 2001). Both *decisions based on intuition* and *working without a formal plan* are *champion* behaviours (Shane, 1994).

There was no evidence of *sponsoring* activities involved in the first export by the Managing Director or others in firm E. Previously, *sponsors* were observed with innovations in some SMEs and not in others (Wolf et al., 2012). Sometimes, a *sponsor* does not exist, whilst a *champion* may (Wolf et al., 2012). The finding in firm E indicates that *champions* may exist without *sponsors* for an innovation in an SME.

The Managing Director performed *boundary spanning* activities where he *met with customers* and *decided which customers* the firm would choose. These activities are the *domain determination and interface* activities of a *boundary spanner* (Jemison, 1984). In addition, he *decided how product/s would be provided*, another *domain determination and interface* activity (Jemison, 1984).

Information acquisition activities of a *boundary spanner* were mainly on the firms in the market and the people involved. The Managing Director referred to several potential relationships with representatives of firms with which he wanted to deal. In most situations, these relationships did not lead to an export order. North American based consultants and agents were other *information sources*. External bodies as information sources have been identified in export literature (McAuley, 1993). The Managing Director had obtained significant US and UK market information by working through these relationships. Obtaining information both formally and informally are activities undertaken by *boundary spanners* (Jemison, 1984).

The Managing Director also performed *physical input control* activities with the quality of components imported from the USA. For example, he had a supplier who failed to meet firm E's quality standards and supply deadlines, costing the firm a large amount of money to rectify the situation. Therefore, the Managing Director cancelled the order. This was around the same time as the first export. Deciding the q*uality of physical inputs* is an activity of *boundary spanners* (Jemison, 1984).

The Managing Director *collected information on the external environment*. In this case he gathered information on the US, Canadian and UK markets. In relation to the USA, he stated: "we've met with probably all of the top four or five companies over there." These are examples of collecting *information on the external environment*, a *gatekeeping* activity (Allen & Cohen, 1969).

<u>RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?</u>

There were several *stimuli* for the first export stated by the Managing Director. The primary *stimulus* for the first export was a *unique product*. However, he also felt that the *small domestic market* was another reason to begin export, a *stimulus* observed

previously in Australia (Export Finance and Insurance Corporation, 2009) and described as an *external-proactive stimulus* in the literature (Leonidou, 1998). Other *stimuli* were *foreign demand/market potential* and perceived *economies of scale* that would be achieved with export sales, both *proactive stimuli* (Leonidou, 1998). Whilst the *foreign demand/market potential stimulus* encouraged the Managing Director to consider the US market, it was not the first export market.

As identified earlier, the Managing Director as the *champion* of export initiation *worked without formal plans* and *made decisions based on intuition*. His intuition about the *unique product*, *domestic market too small*, *foreign demand/market potential* and subsequent *economies of scale* led him to attempt export by attending the trade fairs in the USA: “we saw the opportunity being the US market particularly it’s the largest market in wheelchair access vehicles. You don’t need much market penetration to get into make a good earning out of it.”

To establish the uniqueness of firm E’s product, there was evidence of *boundary spanning* information acquisition activities. Informal information was obtained by the Managing Director about the US market and the firms in the sector from trade fair attendance. Through this, the firm’s product was benchmarked with others available on the market, which reassured the Managing Director, that it was unique. Informal information collection is a *boundary spanning* activity recognised in the literature (Jemison, 1984).

Due to the product’s uniqueness, the Managing Director determined how it would be provided to potential customers. In the pre-export phase, the identification of potential customers was a reflection of the *foreign demand/market potential stimulus*. The Managing Director chose the largest manufacturers of special vehicles in the USA to pitch his access kit to. Selecting *which customers* and *how product would be provided* are *boundary spanning* activities observed in the literature (Jemison, 1984).

The Managing Director *collected information on the external environment* about the potential of the company’s *unique product*, *foreign demand/market potential* and subsequent *economies of scale*. In this case, he gathered information on the US,

Canadian and UK markets in his trips to those markets. Collecting information on the external environment is a *gatekeeping* activity (Allen & Cohen, 1969).

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The Managing Director as *decision-maker* involved in the subsequent export remained unchanged. The access system product of firm E was slightly adapted for the subsequent export into the UK market. This was not linked in any way to the *unique product* or its constituent technology, but rather a compliance issue for access to the UK market. The adaptation was only minor. In effect, exporting was becoming routine for *decision-maker* and firm E, an indication of confirmation of an innovation (Rogers, 2003). The Managing Director's other first export activities of delegation of domestic activities, trade fair attendance and cross-cultural negotiation continued with the subsequent export.

The subsequent export as identified in Case E had one *decision-maker* with one activity (see Table A.27).

Table A.27 Decision-maker/s involved in the subsequent export

Decision-maker	Activities
Managing Director	Adapted product (adapted or new routine) for the subsequent export

Source: Compiled by author

The Managing Director's innovation role activities remained unchanged from the first export. The primary *stimulus* of *unique product* and the secondary *stimuli* of *economies of scale* and *small domestic market* were unchanged from the first export.

Other observations

The respondent was quite bitter about the non-performance of the US market. However, at the time of the final interview, the firm was on the cusp of an export to the USA, further evidence of adoption/confirmation of export. This would have been seven years after the first trade fair attendance. The Managing Director lamented in relation to the US market that: "it just has been frustration on frustration on frustration."

Appendix 4.1.6 Case F

The information in this appendix is in addition to that noted in Sub-section 4.1.6.

Firm F was founded by two Directors who were previously with an MNC involved in confectionery. The Directors obtained funds from four colleagues who became shareholders to expand the firm. The first export order to the UK was arranged through a family connection of one of the original shareholders. The Business Development Manager was hired by the Directors to implement the export order. He had extensive confectionery industry and exporting experience. However, based on his previous experience, he felt that the firm was not ready to export. After considerable effort in travelling to the UK and obtaining registrations for the product there, the first export occurred several months after the initiation process began.

The first export as identified in Case F, had multiple *decision-makers* with a number of activities (see Table A.28).

Table A.28 Decision-maker/s involved in the first export

Decision-maker	**Activities**
Business Development Manager	Visited the UK and obtained host government registrations for the product
Directors (2)	Approved the first export
Shareholder (external)	Obtained interest through family connections in the UK for the product that led to the first export

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The Business Development Manager worked with the Directors and a shareholder to initiate the first export to the UK. In this manner he *worked with senior management*, an activity of an innovation *champion* (Dougherty & Bowman, 1995). Similarly, he *provided benefits to the organisation* arguments with the Directors to obtain product information required for product certification authorities before the first export could be made. Such arguments are another *championing* activity (Shane, 1994). There was no other staff involved in the innovation team, so the *team as equals* characteristic of a *champion* was not present in this case.

The Directors *sanctioned* the opportunity that export was presented as an option for firm F's initial growth. Neither the Directors nor shareholders had previous exporting experience, which meant the hiring of a Manager with exporting experience or obtaining resources for export *how-to knowledge*. The sanctioning of export initiation and *obtained resources* are both *sponsoring* activities (Markham et al., 2010). The Directors *obtained financial assistance* from an investor to expand the production capacity and provide early cash flow for export development. *Financial assistance* for an innovation is another *sponsor* role (Smith, 2007).

The Business Development Manager in the pre-export phase had to obtain product certification information requirements from authorities in the UK. This is an example of *acquired information formally for the organisation from external sources,* a *boundary spanning* activity (Jemison, 1984). He also *decided what external information to distribute* about the certification to the Directors, also a *boundary spanning* activity (Jemison, 1984).

This information acquisition and distribution process could also be explained as *gatekeeping*. For example, the Business Development Manager *collected information on the external environment* (Allen & Cohen, 1969). Information in this instance was certification information from the UK authorities. He *interpreted information* from the UK authorities, also a *gatekeeping* activity (Pettigrew, 1972), and *determined the value of information to potential recipients*, the Directors in this case. *Gatekeepers* have been found to judge the value of external information (Macdonald & Williams, 1993). Finally, the Business Development Manager *controlled the distribution of information* to the Directors, another *gatekeeping* activity (Pettigrew, 1972).

<u>RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?</u>

The primary *stimulus* for the first export in this case was the development of a *unique product*, the wine-infused chocolate. The Business Development Manager stated: "wine is water based and chocolate is oil based, so we've perfected a way to actually merge the two together." The *unique product stimulus* has been categorised in the literature as *internal-proactive* (Leonidou, 1998). Related to this is another *stimulus* of the *small domestic market*. The Business Development Manager judged that the

market for the *unique product* in Australia was limited due to quality and price point. A *small domestic market* is an *external-proactive stimulus* (Leonidou, 1998). The Business Development Manager's considered the *unique product stimulus* to be more important.

The Business Development Manager *worked with senior management* to determine the initiation of export to take advantage of the uniqueness of the product and the *small domestic market*. Working with senior management is a *championing* activity (Shane, 1994). The Business Development Manager used a *benefits to the organisation* argument at this job interview with the Directors. In this way he demonstrated his *principles knowledge* of export to the Directors. The Directors *sanctioned* export, even before the *champion* (Business Development Manager) was appointed. This pre-emptive activity by a *sponsor* has not been recognised previously in innovation literature. Sanctioning of an innovation is a *sponsoring* activity (Markham et al., 2010).

The Business Development Manager, using his previous export experience, identified that certification authorities in the UK required information on firm F's *unique product*. A *boundary spanning* activity of acquiring information formally for the organisation from external sources (Jemison, 1984). Consequently, he asked the Directors to release intellectual property about the *unique product* to the authorities. He *decided what external information to distribute* to the Directors, a *boundary spanning* activity (Jemison, 1984): "the argument that I had to use to this business that if we're going to … trade in some countries we have to give that knowledge. And as to how we give that knowledge is it has to be something fairly precise." After this knowledge release approval from the Directors, the Business Development Manager provided *unique product* information to the certification authorities. Providing *information formally to outside groups* is another *boundary spanning* activity (Jemison, 1984).

The Business Development Manager as a *gatekeeper* in this situation used his previous export experience as a *power bias* to influence the *implementation* of an innovation (Pettigrew, 1972). He did this when he *collected information on the external environment* about European certification of the *unique product*, a

gatekeeping activity (Allen & Cohen, 1969). He *filtered information* received from the certification authorities about their registration requirements, another *gatekeeping* activity (Pettigrew, 1972). He then determined the value of intellectual property information about the *unique product* registration and informed the firm's Directors, given their expectant stance on export. In this case, the *decision-maker determined the value of information to potential recipients*, a *gatekeeping* activity (Macdonald & Williams, 1993). Finally, the Business Development Manager *controlled the distribution of information* to the Directors, thus ensuring the release of intellectual property of the unique product, resulting in eventual registration and the first export, another *gatekeeping* activity (Pettigrew, 1972).

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The subsequent export was not associated with the advance work performed by the Business Development Manager with a Japanese distributor. Rather, it came from a foreign order from a Swedish customer met at an international trade fair. Unlike the first export order that was introduced by a shareholder, the Business Development Manager was solely involved in the subsequent export order. An order was sent immediately to Sweden on return from the trade fair. Whilst it could have been expected that the Swedish contact was from the Business Development Manager's previous employment networks, this contact was new to him and firm F. Travel to see the customer's distribution hub in Sweden was performed at a later stage by the Business Development Manager. The Business Development Manager hired another export Manager to conduct export activities resulting from the trade fair. However, this activity was after the subsequent export. As such, the subsequent export as identified in Case F had one *decision-maker* (See Table A.29).

Table A.29 Decision-maker/s involved in the subsequent export

Decision-maker	**Activities**
Business Development Manager	Attended the trade fair, hired an export Manager

Source: Compiled by author

The Business Development Manager *made decisions without higher officials* being involved. This is a *championing* activity (Shane, 1994). He was acutely aware of the financial implications of performing export, in contrast to the *championing* activity of *avoided financial justification* (Shane, 1994). As the Business Development Manager put it: “there’s a significant amount…that goes into funding the export side of the business.”

The Business Development Manager also displayed *boundary spanning domain determination* where he *decided which customers* (Jemison, 1984), from his trade fair attendance he chose to deal with a customer from Sweden. Additionally, his decision on selecting customers was evidenced through the dismissal of the UK distributor after the first export: “the company we were dealing with originally was not a distributor. They didn’t have the funds to put into marketing and growing the brand and the business, and didn’t have distribution centres.” The Business Development Manager chose an alternative distributor for subsequent orders to the UK.

The Business Development Manager’s operations role oversaw the quality of inputs with the contract manufacturer. The deciding of *quality of physical inputs* is evidence of *physical input control* that a *boundary spanner* performs (Jemison, 1984). As he put it: “we had third party manufacturing before we set up here so quality was inconsistent. There’s no way would you go into Europe with those sorts of challenges.”

The Business Development Manager *acquired information informally for the organisation from external sources via* attending the trade fair. This information collection activity has been identified previously with *boundary spanners* (Jemison, 1984) and *gatekeepers* (Allen & Cohen, 1969). The subsequent export order was a foreign order from an international trade fair. The *extra sales potential* from trade fair attendance has been recognised in export literature (Evers & Knight, 2008) as an *internal-proactive stimulus* (Leonidou, 1998). Another secondary *stimulus* for the subsequent export implied by the Business Development Manager was the need to utilise *excess production capacity*. He argued that the firm had to export to enable sufficient volume with the new production facilities. Utilisation of *excess production capacity* is an *internal-reactive stimulus* (Leonidou, 1998). In addition, the *stimuli*

associated with the first export of *unique products* and *small domestic market* was also important to the Business Development Manager in the subsequent export.

The trade fair attendance by the Business Development Manager was an example of a *champion* making *decisions without higher officials*, found in earlier studies (Shane, 1994). He chose to attend a trade fair for the *extra sales potential* and arranged for the subsequent export order immediately on his return, without input from the Directors. However, the Business Development Manager performed an activity unlike that of a *champion* where he provided *financial justification* for performing the subsequent export. This justification was particularly evident in response to utilisation of *excess production capacity stimulus*: “we’ve got one of the most modern chocolate factories in Australia. At the same time the products we do are quite unique; we’re geared to do volume products. We’re not geared just to be a niche player, so exports are a lot of the drivers of the business.”

The Business Development Manager also chose to deal with a customer from the trade fair, responding to the *stimuli* of *extra sales potential* and utilisation of *excess production capacity*. This is an example of a *boundary spanning* activity where the Business Development Manager *decided which customers* to pursue (Jemison, 1984). Similarly, he *acquired information informally for the organisation from external sources* for *extra sales potential*. This information collection activity has been identified previously with both *boundary spanners* (Jemison, 1984) and *gatekeepers* (Allen & Cohen, 1969).

<u>Other observations</u>

Since the trade fair, many export orders have been received by firm F. Today, the firm has distributors in Germany, Sweden, Belgium, Russia, Japan, Malaysia, South Korea, Thailand, Brunei, Americas and New Zealand. Of the markets approached in the Asia Pacific region, some resulted from prior networks of the Business Development Manager’s past employment. Entry into the Japanese market was a slow process. This was the first market that the Business Development Manager proactively chose when he began in firm F and took three years to finally get an export. He approached this market through his existing contacts in AUSTRADE. Whilst the distributors in the first export, did not serve firm F well, in the Business

Development Manager's view, the process of product certification for the first export enabled access to exports in the UK, Germany, Sweden and Belgium.

Appendix 4.1.7 Case G

The information in this appendix is in addition to that noted in Sub-section 4.1.7.

The Export Director was the key export *decision-maker* in firm G. He had determined the market/s for the broad product even before the firm had been formed. The Export Director performed several activities connected to the first export. Planning for the venture and its international markets was performed before the venture first started. Similarly, foreign market research was performed when the Export Director identified that the coulis product would not be as easy to get into markets as first thought. His attention then turned to fruit juice. Another related activity undertaken by the Export Director was that of regional market selection.

Once the market was selected, the Export Director chose networking with potential customers at an inbound trade mission conducted by AUSTRADE. A final activity performed by the Export Director was that of visiting foreign markets. He visited Singapore twice before the first export to meet with the customer and their chosen intermediary, who managed the logistics and in-store detailing and promotion. The Export Director also visited the customer's stores with the intermediary staff for in-store promotion.

The first export as identified in Case G had multiple *decision-makers* with a number of activities (see Table A.30).

Table A.30 Decision-maker/s involved in the first export

Decision-maker	Activities
Export Director	Planned for export, performed foreign market research, selected the market, networked, participated in trade missions, visited foreign markets
Directors (4)	Approved the first export
Managing Director	Approved the first export

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The Export Director performed a number of *championing* activities connected with the first export. He *bent organisation rules* by self-funding his early trips to Singapore to secure the first export order. Bending of rules is a *championing* activity (Shane, 1994).The Directors acquiesced and funded a promotion strategy, demonstrating that the Export Director *worked with senior management*, another *championing* activity (Dougherty & Bowman, 1995). The Export Director admitted that he did not concern himself with making money, performing a *championing* activity where he *avoided financial justification* (Shane, 1994).

The innovation team was extended by foreign distributor staff getting involved with the first export, particularly in promotional activities, such as advertising and sales promotion. Another *championing* activity was the treatment of the intermediary team, an example where he *enabled all participants to act as equals* (Shane, 1994). The Export Director stated: “I think that the fact that you show interest, that you physically get involved, that you get on the shop floor, that you stand alongside and spend time in the stores and I think it’s so important that you show enthusiasm for what we’re doing. Holding meetings with all members of the innovation team is also a *championing* activity (Shane, 1994).

A *sponsoring* activity occurred with the board of Directors when they *sanctioned* the project, once the Export Director convinced them that he had the first export order lined up in Singapore. In addition, the board approved *financial assistance* for in-store promotion for the first export. Both sanctioning and approving *financial assistance* are activities of *sponsors* (Markham et al., 2010; Smith, 2007).

The Export Director exhibited several *boundary spanning* activities in relation to the first export. He displayed *information acquisition and control* activities when he *acquired information informally for the organisation from external sources* for the first export. The external sources were the growers, AUSTRADE, the Singaporean customer and the intermediary. He *decided what external information to distribute* when he persuaded the board of Directors to support the in-store promotion with the

Singaporean intermediary. Deciding *what external information to distribute* within the organisation is another *boundary spanning* activity (Jemison, 1984).

Apart from *information acquisition and control*, the Export Director *provided information formally to outside groups* such as AUSTRADE, another *boundary spanning* activity (Jemison, 1984). He chose customers that offered the most potential before meeting with them at the AUSTRADE Commonwealth Games function. Deciding on and meeting with customers are both *boundary spanning* activities (Jemison, 1984). In addition, the Export Director *decided how product/s would be provided* to his customers by selling them a concept. At the time of the initial presentation and customer interest in the product, the product was not in production. In addition, he *made speeches to outside groups* such as a Food Industry Workshop in the USA. These *domain determination and interface* activities were identified previously in the *boundary spanner* literature (Jemison, 1984).

The Export Director also had *physical input control* functions associated with the first export, also activities of *boundary spanners* (Jemison, 1984). The selection of fruit types and varietals for processing were chosen from his market *awareness knowledge* gained from past research, an example where he *decided which physical inputs*. The Export Director also considered the quality of the labels applied to the finished product. In his view, having bubbles appear under the labels in their application caused some issues with the Singaporean market just after the first export, this necessitated a visit to reassure the customer that at firm G: “we’re on top of that”. He stated that the label issue was: “a bit embarrassing in the sense of the quality control was missing.” This was an example of deciding the *quality of physical inputs,* another *boundary spanning* activity (Jemison, 1984).

The Export Director *collected information on the external environment* from growers, customers, AUSTRADE and intermediaries. Information collected on the external environment is a *gatekeeping* activity (Allen & Cohen, 1969). He *interpreted information* he received from these external sources, a *gatekeeping* activity (Pettigrew, 1972). Interpretation of information comprised the brand positioning of customers and the sales potential of the products. He admitted that they had

overestimated the coulis market in Asia which resulted in a change to juice for the first export.

Previously, it has been found that, *gatekeepers* determine *the value of information to potential recipients* (Macdonald & Williams, 1993), in this case, the firm's Directors. He stated that: "our problem is three of the four Directors and the company secretary are ex-bankers and they don't have a lot of exposure or experience to export". The Export Director *controlled the distribution of information* to the Directors so they could understand the opportunity. Their understanding based on financial metrics eventually resulted in the approval of the first export.

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

The *stimulus* for the first export was the *process innovation* that resulted in the product for export. The pressurisation process enabled fresh fruit juice of a high quality to be exported to a host market with a longer than usual shelf life. This was a world-first process. This *stimulus* of *process innovation* has been recognised in export initiation literature previously (Bell et al., 2004) as an *internal-proactive stimulus* (Leonidou, 1998). It could be said that the Export Director had a passion for the product: "I believe in Australian produce. I think we've got a hell of a lot going for us in the food area." Potentially a *managerial urge stimulus* (Rundh, 2001).

The Export Director *decided which customers* from Singapore could afford the product as well as the value of the long life and taste resulting from the *process innovation.* This decision is an example of a *boundary spanning* activity (Jemison, 1984). He also decided how product/s from the *process innovation* were provided where he determined that the coulis topping would face stiff competition, whilst high-end long-life fruit juice would not. Another *boundary spanning* activity (Jemison, 1984).

The *process innovation* generated interest from external parties such as government bodies, for example, AUSTRADE and the Department of Primary Industry. The Export Director, *made speeches to outside groups*, observed previously for *boundary spanners* (Jemison, 1984). It was likely that if the fruit juice was produced by more

conventional means, then interest from government bodies would have been much less. The *boundary spanning* domain interface was to some extent enabled due to the innovativeness of firm G's processes. *Boundary spanners* have been identified with communication to and from the external environment regarding innovations (Jemison, 1984; Rivera & Rogers, 2006).

Another *stimulus* was that of *foreign demand/market potential*. The Export Director considered the potential of East Asian markets due to the success of the dairy product exporting firms in Australia. After research, he modified his view that fruit juice was more likely to gain market entry instead of coulis topping for yoghurt. He stated in the interview that the market for premium fruit juice particularly in Singapore was unserved and the *foreign demand/market potential stimulus* seemed to apply equally. *Foreign demand/market potential* has been identified in previous export studies (Aspelund & Moen, 2005) as an *external-proactive stimulus* (Leonidou, 1998). Whilst the Export Director had significant experience with the market, the *process innovation stimulus* was to some extent a greater influence on the choice of market for the first export.

The Export Director considered Singapore as a foreign market with potential for the product. He arranged for two country visits paid for these out of his own pocket due to his perceived lack of support by the board of Directors. The *foreign demand/market potential stimulus* was important to the Export Director where he *bent organisation rules*, a *championing* activity (Shane, 1994). Only after the conclusion of these visits did the Export Director received funding from the board to do in-store promotions that resulted in the first export order. Here he demonstrated to the board that the foreign market had potential for the product. As such, he *worked with senior management* where he extolled the *foreign demand/market potential stimulus,* another *championing* activity (Shane, 1994). Similarly, the board of Directors *sanctioned* the first export on receiving *foreign demand/market potential* information about the imminent export order from the Export Director. Sanctioning is a *sponsoring* activity (Markham et al., 2010).

The Export Director obtained *foreign demand/market potential* information from sources including AUSTRADE, Singaporean customer and the intermediary. The

Export Director *acquired information informally for the organisation from external sources*, a *boundary spanning* activity (Jemison, 1984). He decided to provide this *foreign demand/market potential* information to the Directors. He *decided what external information to distribute*, another *boundary spanning* activity (Jemison, 1984). The selection of specific fruit types and combinations of fruits were chosen to maximise *foreign demand/market potential*. He stated that they had to: "start with a Fuji or a Royal Gala, which is a well-known apple, a fresh apple in Singapore". This is a *boundary spanning* activity where he *decided which physical inputs* (Jemison, 1984).

The Export Director *collected information on the external environment* from customers, AUSTRADE and intermediaries to measure *foreign demand/market potential* for the firm's products. Information collected on a foreign market is a *gatekeeping* activity (Allen & Cohen, 1969). The Export Director *interpreted or filtered information* on the extent of the *foreign demand/market potential*, another *gatekeeping* activity (Pettigrew, 1972). Similarly, *he controlled the distribution of information* about the *foreign demand/market potential* to the Directors to obtain their approval, also a *gatekeeping* activity (Pettigrew, 1972).

<u>RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?</u>

The subsequent export was fruit juice into Hong Kong. The approach used for the Singaporean market was replicated. No additional innovation actor activities were identified for the subsequent export. The *process innovation* and *foreign demand/market potential stimuli* remained unchanged from the first export.

<u>Other observations</u>

Following the second export entry, the same intermediary assisted the Export Director to gain access to Thailand and Indonesia. Just after the addition of these export markets, firm G received additional capital from private investors to obtain more equipment to better serve the growing export and domestic markets. The Export Director felt that the export markets had contributed to the attractiveness to invest in firm G. It has since gone on to win awards for the innovative process and a small business award. The business was sold to new investors who have replaced

the Managing Director and Export Director. Since the sale, firm G has gone on to export to India and the Middle East and continues with its original export markets of Singapore, Hong Kong, Thailand and Indonesia.

Appendix 4.1.8 Case H

The information in this appendix is in addition to that noted in Sub-section 4.1.8.

There were three export *decision-makers* in firm H: the Managing Director, his life partner (also an employee), and an external business coach. At export inception, firm H had only four employees and the business coach. According to the Managing Director, all three *decision-makers* determined that export was a route to growth. None had previous experience in export. See Table A.31.

Table A.31 Decision-maker/s involved in the first export

Decision-maker	**Activities**
Managing Director	Planned for export, selected the market, visited foreign markets
Life partner (employee)	Planned for export, selected the market, visited foreign markets
Business coach	Planned for export, selected the market

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The Managing Director displayed two *champion - team as equals* activities. He stated that the decision to export was a joint decision with his life partner and business coach. As the Managing Director *involved all participants in decisions* and *enabled all participants to act as equals,* he portrayed *championing* activities (Shane, 1994). However, in contrast to the *championing* activity of having *worked without formal plans* identified by Shane (1994), the Managing Director worked with a formal plan in this case.

The external business coach was not the innovation *sponsor* as he neither *coached* nor *mentored* the innovation team. He was quite sceptical about the firm's ability to deliver a timely order and receive payment from India. Conversely, the Managing Director performed innovation *sponsoring* activities. In seeking the AUSTRADE

EMDG funding, he *obtained financial assistance* for the innovation team (Smith, 2007). Similarly, the Managing Director *obtained resources* from AUSTRADE to perform *foreign market research*. Obtaining *resources* for the innovation team is another innovation *sponsoring* activity (Smith, 2007). The Managing Director as owner of an SME can be an innovation *sponsor* (Wolf et al., 2012).

The Managing Director and his life partner provided information to AUSTRADE to secure financial assistance through the EMDG and host market opportunities. One example was the three selected markets. The provision of *information formally to outside groups* is a *boundary spanning* activity of *domain determination and interface* (Jemison, 1984). Similarly, he *acquired information formally from external sources*, in the guise of host market analysis from AUSTRADE. This activity has been identified in innovation literature as *information acquisition* of a *boundary spanner* (Jemison, 1984). The Managing Director *decided which customers*, another activity of a *boundary spanner* (Jemison, 1984). According to the Managing Director: "AUSTRADE put people in front of you and you choose".

The market appraisal by the Managing Director was based on information collected on the external environment, a *gatekeeping* activity (Allen & Cohen, 1969). The Managing Director and his team *set selection criteria* of customers and distributors in host markets for the market appraisal by AUSTRADE. The setting of selection criteria is a *gatekeeping* activity (Markham et al., 2010).

<u>RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?</u>

The Managing Director identified that whilst the Australian market was big enough, he wanted to go for a bigger market. *Market expansion* has been identified previously in export literature (Aspelund & Moen, 2005) as an *internal-proactive stimulus* (Leonidou, 1998). In the Managing Director's view, India was a large market, having a similar climate to Australia, with significant potential for export. *Foreign demand/market potential* has been observed as a *stimulus* in export studies (Aspelund & Moen, 2005) and categorised as *external-proactive* (Leonidou, 1998). Another reason given by the Managing Director for adopting an export strategy was a: "desire to see the world". This sentiment may be a reflection of *managerial urge*,

identified previously in export literature as an *internal-proactive stimulus* (Leonidou, 1998).

The Managing Director as *champion involved all participants in decisions* related to *market selection*. *Champions* have been found previously to have *involved all participants in decisions* (Shane, 1994). The *foreign demand/market potential* of India suggested that *market expansion* was possible for *decision-makers*.

The *managerial urge stimulus* by the Managing Director was linked to obtaining *financial assistance* for the export innovation with the application for the EMDG through AUSTRADE. On obtaining the EMDG assistance, the Managing Director and his life partner were able to visit India prior to and soon after the first export. In relation to this *stimulus*, obtaining *financial assistance* for an innovation is a *sponsoring* activity (Smith, 2007). Similarly, the Managing Director *obtained resources* with AUSTRADE doing host market research on the *foreign demand/market potential* of the Indian market, another *sponsoring* activity (Markham et al., 2010).

The Managing Director and his life partner provided information to AUSTRADE to conduct host market research to determine *foreign demand/market potential*, an example of the *boundary spanning* activity of providing *information formally to outside groups* (Jemison, 1984). Similarly, AUSTRADE provided the Managing Director with formal reports of the *foreign demand/market potential* that existed in India, a *boundary spanning* activity of *acquiring information formally for the organisation from external sources* (Jemison, 1984). This collection of information on the external environment is also a *gatekeeping* activity (Allen & Cohen, 1969). The Managing Director and his team *set selection criteria* for *market selection* with AUSTRADE based on *foreign demand/market potential*. *Gatekeepers* have been found previously to *set selection criteria* for an innovation (Markham et al., 2010).

<u>RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?</u>

The subsequent export for firm H was to New Zealand. According to the Managing Director, New Zealand was supposed to be the first export location to: “iron out the

creases", but as explained above, exports to India took place first. Part of the learning process from the initial export to India was a *willingness to adapt products* for the subsequent export market, an indication of *regular exporting* behaviour (Rao & Naidu, 1992).

The *stimulus* for the subsequent export order was *foreign demand/market potential* in New Zealand. According to the Managing Director: "they are very open to new ideas and so forth in New Zealand is what we've found, more so than Australia". The Managing Director had hoped for similar early success in New Zealand, as they had experienced in India, an indication of *managerial urge*, another *internal-proactive stimulus* (Leonidou, 1998). Success was obtained with multiple orders from distributors. The major *stimulus* was *market expansion* unchanged since before the first export. This *stimulus* has been identified previously in export literature (Aspelund & Moen, 2005) as an *internal-proactive stimulus* (Leonidou, 1998).

The export *decision-makers* were unchanged for the subsequent export. In addition, the information seeking actions by export *decision-makers* for the first and subsequent exports were undertaken at the same time. It could be argued that the Managing Director's: "desire to see the world", a reflection of *managerial urge*, *stimulus* appeared unchanged.

The Managing Director *involved all participants in decisions* for the subsequent export, as he did for the first export. This activity has been observed in innovation *champion* literature (Shane, 1994).

The Managing Director *obtained resources* from AUSTRADE to perform the same activities for New Zealand as they had in India. For example, AUSTRADE determined the level of interest in the firm's product and provided lists of distributors and customers for the export *decision-makers* to vet. As the Managing Director *obtained resources* he became an innovation *sponsor* (Smith, 2007). Similarly, the EMDG funding also applied to the New Zealand export. As such, the *sponsor obtained financial assistance* for the innovation team (Smith, 2007).

The Managing Director and his team *set selection criteria* for customers that firm H would target in New Zealand, a *gatekeeping* activity (Markham et al., 2010). The Managing Director and his life partner then provided information to AUSTRADE in relation to the New Zealand market. Providing *information formally to outside groups* is an activity of a *boundary spanner* (Jemison, 1984). Similarly, the Managing Director *acquired information formally for the organisation from external sources*, AUSTRADE in this case, another *boundary spanning* activity (Jemison, 1984).

Other observations

At the time of the interview after the subsequent export, the only remaining export *decision-maker* was the Managing Director, as the other members of the innovation team (life partner and coach) had left firm H. Just prior to the interview he had hired a new office Manager, an expatriate Indian who had no exporting experience. The Indian market had proved to be disappointing with only the first export order. The distributor involved in the first export order has since been removed and the Managing Director was looking to engage a sales person for the Indian market.

Appendix 4.1.9 Case I

The information in this appendix is in addition to that noted in Sub-section 4.1.9.

There were two export *decision-makers*, the CEO and her partner who was a Director for firm I. The CEO had wanted to export, but had not made any conscious decisions on a specific market. In early 2009, she went to a trade fair in Hong Kong called Cosmoprof. Attending the fair did not result in any export orders, but it enthused her to address the packaging for firm I's products.

The CEO felt that the three year gap between the firm's founding and looking to export was necessary to ensure the product range was properly formulated and internationally certified as organic. These steps were important to the CEO to get right before internationalisation. An export consultant contacted the CEO to export to Japan the product range immediately after organic certification was completed. This certification was recognised in the Asia-Pacific region and specifically Japan. The choice of the Japanese market was to some extent fortuitous, as the CEO felt that

the products also had potential in England. The CEO had travelled to several markets (Britain, France & USA) to see if firm I's products had potential.

After the approach by the export consultant, the CEO performed some research on Japanese consumers and considered firm I's products with their organic certification to be acceptable to the market. Finally, the CEO was not concerned about the size of the export orders or the number of markets as she had outsourced her manufacturing: "I don't want to make anything because I've done all that. I know how long it takes and if it's going to be export, it's going to be like a pallet load and not bits here and there. Someone else is going to do it, so I will just manage the thing and that will be just fine. But it doesn't really matter how big it gets."

Case I had three *decision-makers* with a number of activities recognised in prior export literature (see Table A.32).

Table A.32 Decision-maker/s involved in the first export

Decision-maker	**Activities**
CEO	Attended trade fair, adapted packaging (adapted or new routine), visited foreign markets, performed foreign market research
Director	Involved in the first export as a sounding board to the CEO
Export consultant	Selected the foreign market

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The CEO was a *champion* for export, performing a *championing* activity where she *included the idea generator* in the innovation. The export consultant in this case was the idea generator. This *team as equals* activity has been observed previously in *championing* literature (Shane, 1994). The CEO *made decisions based on intuition* in the decision to export and the choice of market. This is not surprising, as *champions* use intuition with decisions for innovations (Shane, 1994). What is different in this case from previous innovation studies is a *champion* who considers fate and astrology in the export opportunity as presented by the export consultant.

Surprisingly, the CEO performed foreign market research of her own to confirm the export consultant's views about the Japanese market, thus validating her intuition with some information. The CEO commented that: "I thought it was a good market to go into to start with. Because, even though they've been in a recession for 15 years, I thought they've got a reasonable economy. They seem to have cash that they can spend on something like that; they probably will appreciate because the Japanese are quite finicky about things like that. So certified organic things, in my opinion, would be interesting to them and it seems that they are because I've done research and all that. So I thought that was a good suggestion." The CEO *tested but trusted decisions* of the consultant. This activity is linked to *champion* behaviour (Shane, 1994).

The CEO in this case was a *sponsor* as she *sanctioned* the export to Japan. Sanctioning has been found previously in innovation studies (Markham et al., 2010). Similarly, the CEO provided *financial assistance* with the payment of fees to the export consultant for entry into the Japanese market. The provision of *financial assistance* to the innovation team is a *sponsoring* activity observed in the literature (Smith, 2007).

The CEO performed *boundary spanning* activities where she *acquired information informally for the organisation from external sources* about the Japanese market and specifically consumer behaviour in relation to organics. She used this information to confirm the export consultant's interest in firm I's products and the Japanese market. This acquiring of information from external sources is recognised as a *boundary spanning* activity (Jemison, 1984). Similarly, *collecting information on the external environment* is a *gatekeeping* activity (Allen & Cohen, 1969).

The CEO also *decided how product/s would be provided* to customers in the pre-export phase with product formulation and organic certification, a *boundary spanning* activity (Jemison, 1984). *Deciding on which customers* a firm wants is another *boundary spanning* activity (Jemison, 1984) undertaken by the CEO. Whilst not connected to the first export, the CEO met with potential customers at the trade fair in the pre-export phase, another *boundary spanning* activity (Jemison, 1984).

The CEO performed *physical input control* activities of a *boundary spanner*. For example, she *decided which physical inputs* through the formulation and certification of the products. She also *acquired resources for organisation function,* such as outsourced manufacturing of firm I's product range to contract manufacturers: "trying to find manufacturers to do what I want, with what I want to put in it and how I want to do it. It takes a long time." Deciding on physical inputs and acquiring resources are both *boundary spanning* activities (Jemison, 1984). The CEO *withheld reso*urces of additional funds with the export consultant, until the first export eventuated. This is evidence that when the innovation does not meet acceptance criteria, a *gatekeeper* will withhold resources required for an innovation (Markham et al., 2010).

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

According to the CEO, the *stimulus* for the first export was that of *unique products*. The uniqueness was derived from the naturopathic formulation of firm I's products. A *unique product* have been recognised in export literature as an *internal-proactive stimulus* (Leonidou, 1998). The CEO used her intuition to consider firm I's *unique products*. *Decisions based on intuition* is an activity found in innovation *champion* literature (Shane, 1994). The CEO backed up her intuition by acquiring information about the consumer interest in organic claims made by firm I's products. Acquisition of *information informally for the organisation from external sources* is a *boundary spanning* activity (Jemison, 1984). Similarly, the CEO *collected information on the external environment* that contributed to ensuring firm I's products were unique, a *gatekeeping* activity (Allen & Cohen, 1969). Finally, the CEO *decided which customers* from her research were likely to appreciate these *unique products*. Deciding on which customers is a *boundary spanning* activity (Jemison, 1984). As a result of this research, the CEO *sanctioned* the consultant's recommendation that Firm I's *unique products* would suit the Japanese market, a *gatekeeping* activity (Markham et al., 2010).

Unique products in this case were as a result of the CEO selecting suitable products to export through formulation and organic certification. This is an example where the CEO *decided how products would be provided*, another *boundary spanning* activity (Jemison, 1984). Similarly, *unique products* were as a result *physical input control*

where the CEO *decided which physical inputs* were to be included, for example, formulation ingredients. The arrangement of physical inputs is recognised in *boundary spanning* literature (Jemison, 1984).

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The CEO reported at the initial interview of another opportunity in India, for export of a weight loss product: “I make other things; like I make a special cereal that this export guy [consultant] said would be really good in India because it’s like a weight loss thing. And I said, India? And he said, yeah. Apparently because of this whole middle class rising up they’re all over-eating and throwing their money around and they’re all going around on weight loss stuff. And I said to him, I’m not giving you any more money until you crack Japan and I get something coming back, then I’ll think about India.” In subsequent interview in 2010 she advised that neither Japan nor this opportunity had gone ahead.

Other observations

The CEO was re-interviewed three years after the initial interview in 2012. When questioned about the first and subsequent exports she reported that no exports had eventuated. She had spent $30,000 on the first export opportunity in Japan with the consultant that resulted in no export. She did mention that she might export again but it depends on economic conditions. She felt that the Global Financial Crisis had reduced the market for this type of products.

Appendix 4.1.10 Case J

The information in this appendix is in addition to that noted in Sub-section 4.1.10.

There were two *decision-makers* for the first export to Thailand, the National Sales and Marketing Manager and the Product Designer. Together they comprise the innovation team for firm J. The National Sales and Marketing Manager hired the Product Designer prior to the first export. The Product Designer’s job requirements involved helping out the National Sales and Marketing Manager with exporting

activities. The Product Designer had no previous exporting experience, but did have importing experience. Studies have found that importing firms can initiate export (Fletcher, 2001), therefore it is possible for *decision-makers* to have an importing skill-set and be involved in export initiation. This was the situation for firm J. Alternatively the National Sales and Marketing Manager had previous exporting experience to New Zealand and a little to Asia, although none with Thailand.

The National Sales and Marketing Manager performed a plan for the export process to select the regional trade fair over other trade fairs as being the best option for firm J: "I had a look at trade shows to try work out what's the easiest trade show to be involved with." Soon after, they both attended a regional trade fair in Thailand. Neither had been to Thailand before.

Cross-cultural negotiation was performed with the Thai customers at the trade fair. The negotiations were conducted in English, without the need for an interpreter. The National Sales and Marketing Manager stated that: "these guys are very friendly and very open and Thai people are a very pleasant people to deal with. So as long as you're pleasant with them and work with them, they will help you and they will develop with you, which is really good. They're not an aggressive race in business."

As identified in Case J, the first export had two *decision-makers* with a number of activities (see Table A.33).

Table A.33 Decision-maker/s involved in the first export

Decision-maker	**Activities**
National sales & marketing Manager	Hired new staff for exporting, attended trade fair, performed cross-cultural negotiation and planned for export
Product Designer	Performed exporting activities and cross-cultural negotiation

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The National Sales and Marketing Manager displayed several *championing* activities. He treated the newly appointed Product Designer as an equal and included him in

the first export decisions. For example, deciding which trade fair and how the products would be marketed. They shared success. The Product Designer stated that in his view the success of the trade show was: “because we both went to the show and I think it’s how we approached it and interacted with the customers.” *Champions* have *enabled all participants to act as equals* and *involved all participants in decisions* in previous innovation studies (Shane, 1994).

The National Sales and Marketing Manager obtained employee support for the export initiation by hiring the Product Designer and taking him to the regional trade fair in Thailand. After trade fair attendance the Product Designer understood the importance of timely and efficient processing of early export orders: “we’re trying to give them a little bit of priority at the moment, you know, make things happen quickly and smoothly.” Previous innovation studies have found that a *champion* seeks *employee support before approval* (Shane, 1994). However, in the present study the Managing Director was in full support of the export initiation before the Product Designer was hired. This is in contrast with *champions* making decisions outside of the firm’s hierarchy as found by Shane (1994).

The National Sales and Marketing Manager’s skill was his expertise in planning. He was appointed to develop a business plan for firm J. His interest and application of planning is contrary to a *champion’s* lack of formal planning (Shane, 1994).

The original Managing Director was a *sponsor* to the National Sales and Marketing Manager in his appointment and charter to grow firm J and make it global. He was not involved beyond the appointment of the National Sales and Marketing Manager. The Managing Director *sanctioned* the National Sales and Marketing Manager to develop export markets. Sponsors have been to have *sanctioned* innovations previously (Markham et al., 2010).

By hiring the Product Designer, the National Sales and Marketing Manager *acquired resources for the organisation function* (Jemison, 1984). The National Sales and Marketing Manager *decided which customers* firm J would deal with. Specifically, he determined who the firm would deal with in Thailand and met with customers. Deciding on customers and meeting them are *boundary spanning* activities (Jemison,

1984). The National Sales and Marketing Manager *provided information informally to outside groups* such as potential distributors, another *boundary spanning* activity (Jemison, 1984). He *acquired information informally for the organisation from external sources* such as AUSTRADE, also a *boundary spanning* activity (Jemison, 1984). Similarly, this task can be coded as a *gatekeeping* activity where the National Sales and Marketing Manager *collected information on the external environment* (Allen & Cohen, 1969).

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

The main *stimulus* for the first export according to the National Sales and Marketing Manager was *market expansion*. Market expansion has been recognised previously in export studies (Aspelund & Moen, 2005) as an *internal-proactive stimulus* (Leonidou, 1998).

Another *stimulus* seemingly at play in this case was that of *foreign demand/ market potential*. The National Sales and Marketing Manager stated: “South East Asia is definitely very easy access from Australia, the agreements with the government, the tariffs and everything made it a lot more attractive.” *Foreign demand/market potential stimulus* has been identified in previous export studies (Aspelund & Moen, 2005) as an *external-proactive stimulus* (Leonidou, 1998).

The National Sales and Marketing Manager also perceived a *country of origin* advantage with the Thai market. In Thailand customers do not like Chinese made locks. In his words: “in Thailand it’s really amazing, they don’t like Chinese. If your product is not made in China, they’ll talk to you. If your product is made in China, unless it is so ridiculously cheap, they don’t want to know.” He also added that Thai customers: “love the Australian made.” A perceived *country of origin* effect is an acknowledged international market selection behaviour construct (Josiassen & Fletcher, 2010), but not confirmed previously in initiation studies as an export *stimulus*. To some extent, the reaction of Thai buyers to firm J’s products led the National Sales and Marketing Manager to decide that the Thai market had significant potential.

The National Sales and Marketing Manager included the Product Designer in the trade fair in part to discuss the production of the locks and explaining their *country of origin*. This is an example of a *champion* that *involved all participants in decisions* (Shane, 1994).

By appointing the National Sales and Marketing Manager the Managing Director *sanctioned* the initiation of export in firm J in response to the *market expansion stimulus*. Regarding his appointment, the Managing Director wanted the National Sales and Marketing Manager to grow firm J. Sanctioning is an activity of innovation *sponsors* (Markham et al., 2010).

The National Sales and Marketing Manager *acquired information informally from external sources* regarding the *foreign demand/market potential*, a *boundary spanning* activity (Jemison, 1984). He *collected information on the external environment* (Allen & Cohen, 1969) that is a *gatekeeping* activity. The gathering of information reinforced his view of the *foreign demand/market potential* of the region and the *country of origin* effect of non-Chinese goods.

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

A subsequent export to Malaysia was also resulted from the 2008 Thai trade fair. The *decision-makers* for the subsequent export to Malaysia were unchanged, with the National Sales and Marketing Manager and Product Designer both involved.

Whilst the introduction of export was initially welcomed by the Managing Director, the cash flow required was one of the reasons the Managing Director gave for selling firm J. The Managing Director instructed the National Sales and Marketing Manager to sell the firm on his behalf. The buyer was a conglomerate of Australian hardware manufacturers with well-known brands in several categories in hardware, including locks. After the sale, the National Sales and Marketing Manager ran firm J. The National Sales and Marketing Manager reported to the board of Directors, but the Directors did not participate in export decisions.

There were several activities between the first and subsequent exports. For example, country visits to Thailand and Malaysia were made after the first export to appoint distributors. The subsequent export order resulted from these follow-up visits during which the National Sales and Marketing Manager spent time with the distributors. After these visits, brochures and the firm J website were translated after consultation with the distributors, both of whom were educated in Australia. Whilst *regular exporting firms* have *more willingness to adapt products* (Rao & Naidu, 1992), adaptation of marketing communications has not been reported previously in the literature.

The distributors in Thailand introduced the National Sales and Marketing Manager to a Scottish expatriate based there who became the regional representative for firm J in Thailand and subsequently Malaysia. As the National Sales and Marketing Manager put it: “he looks after my distributors in South East Asia. So he’s virtually my arms and legs in Thailand now, so it saves me having to go there on a regular basis.” The *hiring of export related staff* has been recognised previously as *regular exporting* behaviour (Loane et al., 2007).

The subsequent export as identified in Case J had two *decision-makers* with a number of activities (see Table A.34).

Table A.34 Decision-maker/s involved in the subsequent export

Decision-maker	**Activities**
National sales & marketing Manager	Visited foreign markets, developed a new product and communications (adapted routines), hired a new staff member for exporting, networked
Product Designer	Developed a new product and communications (adapted routines)

Source: Compiled by author

Most *championing* activities continued as they did for the first export. For example, in relation to the first and subsequent exports, the National Sales and Marketing Manager claimed that the staff of firm J: “all love it and they all embrace it because they can see the amount of the work that’s coming and it’s creating.” This is an example where the National Sales and Marketing Manager obtained employee

support but in contrast with *champion* theory (Shane, 1994) did have the approval of senior management.

The Managing Director did not change his sanctioning position for the subsequent export. His motive for export initiation (and the subsequent export) was to grow the firm. What is less clear is whether the growth from export was to add value to the sale of the firm which occurred shortly after the subsequent export.
The National Sales and Marketing Manager performed several *domain determination and interface* activities after the subsequent export. For example, he provided information about firm J and its products at trade fairs. He continued this activity through his attendance at the Thai trade fair that followed the subsequent export in 2009. The fair had a bigger display and with the Thai brochures. Local distributors generated more interest in firm J and its products. Providing *information formally to outside groups* is a recognised activity by *boundary spanners* in innovation studies (Jemison, 1984).

The National Sales and Marketing Manager chose customers by spending time with distributors and meeting their customers when visiting foreign markets and attending trade fairs. Meeting with potential customers and in deciding who the firm will deal with *Domain determination and interface* activities have been found in innovation studies (Jemison, 1984).

The National Sales and Marketing Manager *acquired resources for the organisation function* of export. For example, the *hiring of export related staff*, in Case J, the regional representative. The acquisition of resources has been observed previously in innovation studies involving *boundary spanners* (Jemison, 1984).

The National Sales and Marketing Manager *filtered information*, a *gatekeeping* activity (Pettigrew, 1972). According to him, the firm J staff were very positive about the growth which exports had achieved so far and expected in the near future. However, he stated that: “taking a new business into a new country is very hard financially because your return, you’ll get virtually no returns for two years. So all your outgoings are going to be outgoings for over two years and then the return will come. Very, very seldom the return will come before two years. We’re starting to get

return now but that return, we're still not breaking even as yet." This comment suggests that the staff may not have known the full financial facts in relation to exporting for firm J.

The primary *internal-proactive stimulus* of *market expansion* plus the secondary *stimuli country of origin effect* and *foreign demand/market potential* were unchanged for the subsequent export. Therefore, the innovation role activities associated with proactive *stimuli* observed with the first export also applied to the subsequent export.

Other observations

The new owners that arrived after the subsequent export manufactured locks in China and were exporting back to Australia and New Zealand. They had minimal success with exports to the Asian region. At the time of the second interview, the National Sales and Marketing Manager was trying to persuade the new owners to move their lock manufacturing back to Australia, as they could be made cheaper at the Melbourne plant. The National Sales and Marketing Manager also determined the new: "Asian lock" to South East Asian markets, another *boundary spanning* activity (Jemison, 1984). The National Sales and Marketing Manager was hoping for enough success with this new product line to get a new factory.

The National Sales and Marketing Manager, soon after the firm's sale attempted to convince the new Directors of the benefits of continued exporting to South East Asia. The National Sales and Marketing Manager was aware that the new Directors had had a bad experience with Asia. The National Sales and Marketing Manager took the new owners' Chinese made locks to the Thai fair in 2009 but they were seen as too expensive. Also the Chinese manufacture did not attract any interest from Thai customers. In addition, the National Sales and Marketing Manager wanted to ensure that his efforts in South East Asia would continue rather than, as he feared, the relegation of firm J to just operating in the Australian and New Zealand markets.

After the subsequent export, firm J also appointed distributors in the Philippines that resulted in exports. These distributors were also contacts from the initial Thai trade fair in 2008. After the sale of firm J to the hardware conglomerate, the National Sales and Marketing Manager was networking with the distributors in the new export

markets on behalf of the parent firm for associated hardware opportunities. The National Sales and Marketing Manager was using his South East Asian networks to bolster his claim to continue exporting for the benefit of the corporate group, more evidence of the continued influence by the *internal-proactive stimulus* of *market expansion*. Export specifically to Malaysia did not attract any additional comment from the National Sales and Marketing Manager in relation to the *external-proactive stimulus* of *foreign demand/market potential.* However, the *stimulus* would be expected to hold, given his enthusiasm for the *foreign demand/market potential* of South East Asia.

By obtaining *resources* and *financial assistance* from the new Directors of the parent company the National Sales and Marketing Manager was performing a *sponsor* role. The National Sales and Marketing Manager described his relationship with his new Directors: “I’ve come in and I’ve sold this business to them so I’ve virtually sold my job, and then they’ve taken me on to continue on, and now I’m trying to pass my passion and drive right through and I’m hitting a lot of brick walls”. In relation to *financial assistance* he stated: “they have to spend money”. Both obtaining *resources* and *financial assistance* have been linked previously to *sponsors* in innovation studies (Roberts, 2007; Smith, 2007). Advocacy of the exporting activity was also evident when the National Sales and Marketing Manager introduced other firms connected with the parent organisation to his newly formed network in South East Asia. Indirectly, sales with other Strategic Business Units (SBU) in the group would assist his quest to continue exporting to South East Asia. Advocacy is another *sponsorship* activity which has been observed in previous innovation studies (Roberts & Fusfeld, 1981).

The National Sales and Marketing Manager demonstrated several *boundary spanning* activities, particularly on his appointment to run firm J after its sale. For example, there is evidence of *information acquisition and control*; *domain determination and interface* as well as *physical input control*. He acquired Information about the South East Asian market from distributors and the regional representative. *Acquiring information informally for the organisation from external sources* has been observed previously with *boundary spanners* in innovation studies (Jemison, 1984)

and *gatekeepers* (Allen & Cohen, 1969). As such, the National Sales and Marketing Manager's innovation role activities continued well after the subsequent export.

In 2012, distributors remained in place in both Thailand and Malaysia. Firm J is still owned by the national hardware group, and lock design and manufacturing continued in Melbourne.

Appendix 4.1.11 Case K

The information in this appendix is in addition to that noted in Sub-section 4.1.11.

The key informant was the Operations Manager who oversaw both the first and subsequent export orders. Another two actors, the CEO and the Business Development Manager, were involved in obtaining the first export order.

The activities for the first export order centred on obtaining and fulfilling the order. The main activity for obtaining the order was the networking undertaken by the CEO and Business Development Manager. The CEO was a Manager in the previous incarnation of firm K. In this previous organisation the owner did not consider exporting. The CEO was keen to export and, with the Business Development Manager's network contact in New Zealand, the first export order was completed. Both the CEO and the Business Development Manager visited the potential customer in New Zealand and obtained the first export order.

No planning for export seemed to take place for the first export order. As the Operations Manager put it: "our CEO was venturing to export to New Zealand. We didn't know how it was going to go … He came back with a stack of orders." The orders caused some stock issues, as their size was quite unexpected by the Operations Manager.

The purchasing officer, who was hired just before the first export order, needed to learn shipping tasks such as dealing with freight-forwarders and export documentation. The Operations Manager, who had previous experience in shipping

tasks, trained the purchasing officer accordingly. In addition, the Operations Manager sent the purchasing officer to a short course on exporting.

The first export as identified in Case K had multiple *decision-makers* with a number of activities (see Table A.35).

Table A.35 Decision-maker/s involved in the first export

Decision-maker	**Activities**
CEO	Obtained the first export order, visited foreign markets
Business Development Manager	Obtained the first export order through use of past networks, visited foreign markets
Operations Manager	Hired and trained the purchasing officer in shipping tasks

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

Activities associated with all four innovation roles were present in this case. For example, the CEO *worked without formal plans*, a *championing* activity recognised previously (Shane, 1994). The lack of *planning for export* resulted in not including *all participants in decisions* or *obtaining other department support*. The purchasing officer mentioned that: “I’d only been here a short amount of time and yeah, all of a sudden, bang, the orders came through that we weren’t expecting.” Had either or both of these *championing* activities (*all participants in decisions* & *obtaining other department support)* been included, then the stock-out issues associated with the first export might not have occurred.

The CEO extolled the benefits of export to the organisation, with the first export order perceived as having saved jobs that may have been lost due to reducing domestic sales. *Champions* have been found to use arguments that *provided benefits to the organisation* to secure support for an innovation (Dougherty & Bowman, 1995).

The CEO *sanctioned* export for firm K. Export had not been used in the previous organisation prior to firm K being formed. On formation of the firm, the CEO began

the search for the first export order. Sanctioning of innovations by *sponsors* has been found in previous studies (Markham et al., 2010).

The Operations Manager *coached* the purchasing officer in exporting skills, due to his exporting experience in previous positions. Coaching is a *sponsoring* activity found previously in innovation studies (Wheelwright & Clark, 1992). Obtaining resources such as freight-forwarding for export represents other evidence of the Operations Manager's *sponsoring* activities. *Sponsors* have *obtained resources* for innovations previously (Markham et al., 2010).

The CEO and Business Development Manager performed several *boundary spanning* activities for the first export. They *provided information formally to outside groups* such as potential customers, as well as selected and *met with customers*. These activities have all been linked with *boundary spanning* activities in innovation literature (Jemison, 1984).

The Operations Manager also performed *boundary spanning* activities in relation to resource acquisition for the first export. He *acquired resources for the organisation function* of international freight-forwarding. Whilst not new to the Operations Manager due to his past exporting experience, the activity was new to firm K. Resources acquired for an innovation have been recognised previously in *boundary spanning* studies (Jemison, 1984).

The CEO and the Operations Manager both performed *gatekeeping* activities for the first export. The CEO *assigned resources* to begin export with the appointment of the Business Development Manager. The Business Development Manager had network contacts in New Zealand and the CEO *assigned resources* such as *foreign travel*, to him to secure the first export. Similarly, the Operations Manager *assigned resources*, such as *export skills training* to the purchasing officer. Innovation studies have found that *gatekeepers* assign resources (Markham et al., 2010).

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

The *stimulus* for export for firm K was its *declining domestic sales*. *Declining domestic sales* has been identified in export studies (Aspelund & Moen, 2005) as an *internal-reactive stimulus* (Leonidou, 1998).

Another *stimulus* that may have explained the export initiation was that of *spreading risks* (Katsikeas & Piercy, 1993). However, the Operations Manager stated that: "if the demand for our products was so great that we were having trouble supplying the Australian market, I think we'd walk away from the export. You know, it's not the highest margin and again, I think in Australia the barrier to exporting is the remoteness from the rest of the world, so it's not cheap." This comment *explains* that *spreading risks* was not an issue for the Operations Manager.

The CEO *sanctioned* export sales as a means of offsetting the *declining domestic sales*. A *sponsor* has been found to have *sanctioned* an innovation previously (Markham et al., 2010). Similarly, the CEO as *champion* highlighted the *benefits to the organisation* in exporting to offset the *declining domestic sales* for firm K. *Champions provide benefits to the organisation* to secure support of others for an innovation (Dougherty & Bowman, 1995).

The CEO *assigned resources* by appointing a Business Development Manager to reverse the *declining domestic sales*. *Gatekeepers* have been found to *assign resources* for an innovation (Markham et al., 2010). Once the Business Development Manager was appointed, both he and the CEO *decided which customers* to offset *declining domestic sales*. Selecting customers is a *boundary spanning* activity (Jemison, 1984).

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

A subsequent export order came from another New Zealand customer lead that was generated from the Managing Director's initial visit. The *decision-makers*, innovation roles, and *stimulus* were unchanged between the first and subsequent exports.

Other observations

After the subsequent export, the CEO left the organisation as firm K had divested itself of crop protection products, his original background. Export activity continued after his departure. Around a year after the subsequent export, firm K had two new potential markets, Iran and South Africa. The lead from Iran resulted from an unsolicited fax enquiry to the Operations Manager. The lead from South Africa came from a raw materials supplier.

Appendix 4.1.12 Case L

The information in this appendix is in addition to that noted in Sub-section 4.1.12.

The first export identified in Case L had one *decision-maker* (see Table A.36).

Table A.36 Decision-maker/s involved in the first export

Decision-maker	Activities
Wine Division Manager	Networked, considered export regulations for product

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The Wine Division Manager undertook the first export without referring the decision to the Managing Director: “I head up the wine division so that becomes my primary responsibility to initiate the set-up of the work”. It has been found previously that *champions made decisions without higher officials* (Shane, 1994). The customer in the first export was also part of the innovation team. The Wine Division Manager had to test but trust their ability to apply labels properly in Bali as this was a major cause of customer complaints: “we have to place a huge amount of trust in the end user to have good equipment to be able to apply it well, because if we have any hiccups or any complaints then it is very difficult to deal with.” In the case of the first export, the Wine Division Manager said, in relation to the expatriate Australian: “I know the guy, I trust him.” It has been found previously that *champions* have *tested but trusted*

decisions of others (Shane, 1994). The presence of trust in collaborative innovation with customers has been found previously (Ojanen & Hallikas, 2009).

The Wine Division Manager sanctioned the first export and then passed the work on to others. Sponsors sanction innovations for others to implement (Markham et al., 2010). Similarly, the Wine Division Manager sometimes *coached* his staff when issues arose with the first export. Coaching is another *sponsoring* activity found in innovation studies (Wheelwright & Clark, 1992).

The Wine Division Manager *decided which customers* the division would deal with based on the label application equipment the customer used. He met with the customer and information was exchanged. Choosing customers and meeting them are both *boundary spanning* activities (Jemison, 1984).

The Wine Division Manager, obtained information from the AWBC about export regulations, as they applied to the first export order, due to his past experience. This is an example of where a *boundary spanner acquired information formally for the organisation from external sources* (Jemison, 1984). He interpreted the information and passed this on to the customer regarding export regulations: “it’s just to-ing and fro-ing of information [and] artwork proofs.” Interpreting information has been observed as a *gatekeeping* activity (Pettigrew, 1972).

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

The *stimulus* for the first export was an *unsolicited order.* The Indonesian customer was alerted to firm L’s capabilities by an expatriate Australian. According to the Wine Division Manager, the order from the expatriate came about due to the Wine Division Manager’s knowledge of the industry and past networking. *Unsolicited orders* have been identified previously in export initiation (Ellis & Pecotich, 2001) and are categorised as an *external-reactive stimulus* (Leonidou, 1998).

The Wine Division Manager, as *champion, tested but trusted* decisions of the expatriate contact (Shane, 1994). The Wine Division Manager also decided on accepting the *unsolicited order* from the expatriate Australian without referring this

decision to the Managing Director. *Champions* have been found to make *decisions without higher officials* (Shane, 1994). Similarly, the Wine Division Manager *sanctioned* the first export, a *sponsoring* activity (Markham et al., 2010).

Due to his previous export experience, the Wine Division Manager could coach staff with issues related to the *unsolicited export* order. Coaching has been found as an innovation *sponsoring* activity (Wheelwright & Clark, 1992). Similarly, his experience with exporting meant that he acquired information from the AWBC, a *boundary spanning* activity (Jemison, 1984). Finally, the Wine Division Manager decided on the *foreign customer's unsolicited order* due to past experience with him. *Boundary spanners* have been found to decide on which customers their firm will deal with (Jemison, 1984).

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The subsequent export was to New Zealand. This was another *unsolicited order* from another expatriate in the Wine Division Manager's network. The *decision-maker's* activities, innovation roles and *stimuli* remained unchanged between the first and subsequent exports.

Other observations

The Wine Division Manager felt that exporting opportunities were limited. He stated: "we are subject to the exchange rates, and of course the huge growth in China and India will probably mean that they will probably start making their own labels and it will probably be cheaper than we can. For a company like us, there's potential, huge potential around this country. Exporting interstate, yes, but not exporting overseas." Similarly, his view on the New Zealand market was: "there may be possibilities for us to chase more work in New Zealand but, given the exchange rate, it's not easy."

Appendix 4.1.13 Case M

The information in this appendix is in addition to that noted in Sub-section 4.1.13.

The key informant was the Research and Development Manager in firm L. Originally he was hired to work on flexible film: “they actually saw a potential in the market place that we could exploit, and after working on that for a period of time I realised that in its current state it wasn’t going to go to the market, so we invented a system to take it to the market and we’re starting to see some nice results.” Research and Development Managers have not been credited as *decision-makers* of export initiation in past studies.

The key informant arranged for the POS system to be globally patented. After applications for patents were made (but not registered), a supplier manufacturer displayed the POS system at a local trade fair without firm L’s knowledge nor approval. From this trade fair a vendor approached the firm to sell the POS system in New Zealand. This approach resulted in the key informant and the Managing Director visiting New Zealand to negotiate with and appoint the vendor.

The first export as identified in Case M had two *decision-makers* with a few activities (see Table A.37).

Table A.37 Decision-maker/s involved in the first export

Decision-maker	**Activity evidence**
Research & development Manager	Registered intellectual property, visited foreign markets
Managing Director	Visited foreign markets

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

The *champion* of the first export was the key informant. The key informant worked with the Managing Director with the unsolicited interest in the system from New

Zealand, going there to negotiate with and appoint the vendor. Previous studies have found that *champions worked with senior management* (Dougherty & Bowman, 1995).

The approach by the vendor in New Zealand triggered a negative reaction from firm L's management. The negative feelings were aimed at the hardware manufacturer for pre-empting the launch of the product before intellectual property was protected. The key informant felt that once the system was: "in the marketplace" then the firm should: "find as many markets as we can." He *provided benefits to the organisation* of exporting to New Zealand. *Champions* have been found previously to provide *benefits to the organisation* for innovations (Dougherty & Bowman, 1995).

Arguments regarding domestic market limitations and potential *benefits to the organisation* were used to avoid financial justification. The key informant lamented that budgets were not sufficient to cover a project such as his. He identified issues with the first export raised by other Managers in firm L, such as: "the expenditure of how much it's going to cost to set this thing up?" and "have we got a large enough footprint on our own shore before we take it offshore?" *Champions* have *avoided financial justification* in innovation literature (Shane, 1994). Similarly, the key informant felt that there were more opportunities for the system internationally than within Australia. Having no previous experience in the process technology, little export experience and a: "new to the world" concept, suggests that the key informant was making an intuitive assessment of the markets, rather than based on hard data. *Decisions based on intuition* have been identified with *champions* (Shane, 1994) and SME export (Brouthers & Nakos, 2005).

After meeting and negotiating with the vendor in New Zealand, the Managing Director *sanctioned* the first export. He could have decided not to continue with the export as it was deemed to be premature for firm L, but he *sanctioned* its continuation. Sanctioning of an innovation by *sponsors* has been observed previously (Markham et al., 2010). In addition, the Managing Director enabled the first export by providing *financial assistance* to the key informant. Innovation *sponsors* have been found to provide *financial assistance* (Smith, 2007). Similarly, an extra staff member was assigned by the Managing Director to support the first export. *Sponsors* have

obtained resources for innovations previously (Markham et al., 2010). Previous studies have found that *gatekeepers* have *assigned resources* for an innovation (Markham et al., 2010).

Both the key informant and the Managing Director met the vendor in New Zealand and after negotiation decided that they would allow the vendor to be customers for the POS system. Previous innovation studies have found that *boundary spanners* have *met with customers* and *decided which customers* (Jemison, 1984).

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

The *stimulus* for this case was an *unsolicited order* from the New Zealand vendor. *Unsolicited orders* have been recognised in previous export studies (Ellis & Pecotich, 2001) as an *external-reactive stimulus* (Leonidou, 1998). According to the key informant, he had planned to export once the Australian market was established. He saw the POS system as having worldwide appeal. Therefore, a *unique product stimulus* can apply to this case and was the primary *stimulus* to export before the *unsolicited order* came along. A *unique product stimulus* has been identified previously in export studies (Rundh, 2001) and classified as an *internal-proactive stimulus* (Leonidou, 1998).

The *unsolicited order stimulus* had influences on innovation role activities. For example, the key informant went with the Managing Director to New Zealand to respond to the *unsolicited order* request. The key informant *worked with senior management*, a *championing* activity (Dougherty & Bowman, 1995). Similarly, the Managing Director *sanctioned* the first export resulting from the *unsolicited order*, a *sponsoring* activity (Markham et al., 2010). He also *obtained financial assistance* and *resources*, both *sponsoring* activities (Smith, 2007). The Managing Director *assigned resources* in response to the *unsolicited order*, a *gatekeeping* activity (Markham et al., 2010). Both the Managing Director and the key informant decided to meet the vendor with the *unsolicited order* request and appointed them as vendor for the POS system. *Boundary spanners* have *decided which customers* and *met with customers* previously in innovation studies (Jemison, 1984).

The *unique product stimulus* was used as a basis by the key informant to provide *benefits to the organisation*, a *championing* activity (Dougherty & Bowman, 1995). Similarly, he determined that the product was a world first (unique) with no supporting information or data. Making *decisions based on intuition*, is a *championing* activity (Shane, 1994). Finally, the key informant, using the *unique product* benefit, *avoided financial justification*, another *championing* activity (Shane, 1994).

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

A subsequent export had not eventuated at the time of the interview.

Other observations

Since the interviews, the Research and Development Manager has left firm L and is now the VP sales and marketing for a company based in China that produces the POS system. Firm L's role has shifted from manufacturer of the POS system to that of Australian distributor.

Appendix 4.1.14 Case N

Case N is a large firm located in a port suburb of Melbourne. This case is included in this analysis as a control to compare and contrast *decision-makers* involved in the first export in a large firm with peers in SMEs. Firm N is a publicly listed Australian owned company. The key informant was the General Manager.

In 2004, as an Original Equipment Manufacturer (OEM), Firm N produced parts for Australian-built cars exported to the USA. The key informant stated that, "we were starting to get some great recognition for our products internationally." After this, the Top Management Team planned to internationalise firm N with a production plant set up in China. The first export involved designs and tooling sent to firm N's new joint venture plant in China. A subsequent export went shortly afterwards to Thailand. Table A.38 provides a timeline of case details.

Table A.38 Brief chronology of Case N

Year & Month	Events
1997	Firm was founded
2004	Indirect export of firm N's seats in local customer's vehicle exports to USA
2005	Business Development Manager joined firm N
2005	Joint venture set up in China
2007	Export to JV in China (first export)
2007	Export to another customer in Thailand (subsequent export)
2009 October	Interviews
2009 October	Began construction of a plant in Thailand
2010	Plants developed in South Africa and USA
2011	Divestment of the automotive production division announced by parent organisation
2012 June	Division still not sold

Source: Compiled by author

The Top Management Team comprised of several Managers headed by the Managing Director, General Manager (key informant), Business Development Manager and chief financial officer (CFO). The Top Management Team was involved in planning for export and market selection.

After China was chosen as an export market, the key informant and the Business Development Manager visited the market, networking and conducting cross-cultural negotiation. From their initial one month visit the key informant stated: "we visited probably 20 vehicle manufacturers all over China, doing presentations, and in all of that probably half a dozen opportunities emerged. So we went back for a second visit and from that half a dozen it really came down to two major opportunities." At this point another visit was planned and included the Managing Director negotiating a deal with a Chinese manufacturer. The deal was signed and then the CFO visited to complete the contract with the customer. The key informant also advised that he had to work with the Chinese government to obtain import licences for the first export.

The first export as identified in Case N had multiple *decision-makers* with several activities (see Table A.39).

Table A.39 Decision-maker/s involved in the first export

Decision-maker	Activities
General Manager	Planned for export, performed cross-cultural negotiations, visited foreign markets, networked, obtained host market registrations
Business Development Manager	Planned for export, selected market/s, visited foreign markets, networked
Managing Director	Planned for export, selected market/s, performed cross-cultural negotiations, visited foreign markets
CFO	Performed cross-cultural negotiations, visited foreign markets

Source: Compiled by author

RQ1 Do decision-makers in SMEs who are involved in the first export undertake activities which could be characterised as innovation roles?

"We were the two business development guys that went to the market … He's been in business for 25 to 30 years … so his experience in China was invaluable. My knowledge of what we wanted to do was on the interior side of the business. So it was basically the two of us coming together." The Business Development Manager, Case N, explaining how the General Manager obtained his support before approval by senior management.

There were several *decision-makers* with innovation role activities. For example, the General Manager performed *championing, boundary spanning* and *gatekeeping* activities. The Business Development Manager also performed *boundary spanning* activities. Whilst, the Top Management Team (TMT) performed *sponsoring*, *boundary spanning* and *gatekeeping* activities. In large firms, groups of several *decision-makers* have been involved in innovation previously (Fleming & Marx, 2006). Similarly, *champions* and *sponsors*, as different *decision-makers*, are expected in large firms (Chakrabarti & Hauschildt, 1989). In the present study, one of the four *decision-makers* in the TMT (General Manager) was a *champion* as well as *sponsor*. The overlap of innovation roles in the present study is in contrast with past large firm studies (Dougherty & Bowman, 1995).

The General Manager met all members of the Top Management Team (TMT). The TMT met regularly to discuss corporate strategy. One meeting was in relation to the development of a China based operation which led to the first export. The General

Manager included all participants of the TMT in decisions in relation to the first export. Innovation *champions* have been found previously to meet all participants and include them in decisions (Shane, 1994). The General Manager sought and *obtained other department support* from the technical and finance division for the first export, a *championing* activity (Shane, 1994). Similarly, he *worked with senior management* such as the Managing Director, for the finalisation of the negotiations for the order. Another *championing* activity (Dougherty & Bowman, 1995). Finally, the General Manager worked closely with the Business Development Manager, gaining his support before TMT approval for the first export. *Champions* have been found previously to obtain *employee support before approval* by senior management (Dougherty & Bowman, 1995).

The TMT *sanctioned* the first export once the General Manager and the Business Development Manager had identified the opportunity. The TMT approved *financial assistance* and *resources* were provided by sending teams of specialists to demonstrate firm N's capacity to the Chinese customer. The General Manager described how firm N used some of these resources: "we did a bit of a technology road show with them. We took samples up. We flew a whole lot of people up there and they loved what they saw." Sanctioning, obtaining *financial assistance* and *resources* plus assigning them, have been found previously with innovation *sponsoring* and *gatekeeping* activities (Markham et al., 2010; Smith, 2007). The Managing Director also advocated the continued development of the Chinese venture: "we fully intend to continue our growth and success in this market, and in fact we are already pursuing a range of new business opportunities." Advocacy has been recognised as an innovation *sponsoring* activity (Roberts & Fusfeld, 1981).

The General Manager and the Business Development Manager obtained information for firm N from potential customers and government agencies. *Boundary spanners* have been found previously to have *acquired information formally for the organisation from external sources* (Jemison, 1984). Similarly, *gatekeepers* have been found previously to have *collected information on the external environment* (Allen & Cohen, 1969). From this process, they narrowed the export opportunities, deciding on their final customer. They also *provided information formally to outside groups* during this information gathering process. *Boundary spanners* in past innovation studies have

been found to have *decided which customers* and *provided information formally to outside groups* (Jemison, 1984). The balance of the TMT also *met with customers* and after sending specialists *decided on how products would be provided*, also *boundary spanning* activities (Jemison, 1984). See Table A.40.

Table A.40 Case N - Decision-maker's innovation role activities in the first export

Decision-maker	Innovation role activity	Activity evidence
General Manager	Champion - met all participants	All members of the TMT were involved with meetings in relation to the first export.
General Manager	Champion – involved all participants in decisions	All members of the TMT were involved with decisions in relation to the first export.
General Manager	Champion – obtained other department support	The General Manager worked with technical and finance divisions to complete the first export negotiations.
General Manager	Champion - worked with senior management	The General Manager worked with the Managing Director to finalise the first export contract negotiations.
General Manager	Champion – obtained employee support before approval	The General Manager worked closely with the Business Development Manager on the first export opportunity before presenting it to TMT.
Top Management Team	Sponsor-sanctioned	The TMT provided support to obtaining the first export.
Top Management Team	Sponsor-obtained financial assistance	The TMT provided support to obtaining the first export.
Top Management Team	Sponsor-obtained resources	The TMT provided support to obtaining the first export.
Managing Director	Sponsor-advocated the innovation	The Managing Director advocated growth and success in China through a range of new business opportunities.
General Manager & Business Development Manager	Boundary spanner - acquired information formally for the organisation from external sources	The General Manager and the Business Development Manager visited potential customers and government agencies.

General Manager & Business Development Manager	Boundary spanner - decided which customers	The General Manager and the Business Development Manager presented their choice of customer to the TMT.
Top Management Team	Boundary spanner - met with customers	The TMT also met the customer as part of the negotiation process.
Top Management Team	Boundary spanner - decided on how product/s would be provided	Decision was made by the TMT after return of specialists who spent three months with customer.
General Manager & Business Development Manager	Boundary spanner – provided information formally to outside groups	Visits were made by the General Manager and the Business Development Manager to potential customers and government agencies.
General Manager & Business Development Manager	Gatekeeper - collected information on the external environment	Visits were made by the General Manager and the Business Development Manager to potential customers and government agencies.
Top Management Team	Gatekeeper - assigned resources	The TMT provided support to obtaining the first export.

Source: Compiled by author

RQ2 Do the innovation role activities of decision-makers involved in the initial export process alter depending on the type of stimulus?

"When you actually looked at where the global growth was going to take place, the large majority of it is taking place in China." The Business Development Manager, Case N commenting on a primary *market expansion stimulus*.

There were several *stimuli* associated with the first export according to the General Manager, with firm N having *market expansion*, *economies of scale* and *technological advantages*, all *internal-proactive stimuli* (Leonidou, 1998). *Market expansion* was stated by the *stimulus* has been identified previously in the first export (Aspelund & Moen, 2005).

According to the General Manager, firm N also has a *technological advantage* when compared to China: "in Australia, we have a lot of technology but we've got no

volume. In China they've got all the volume potential but they're lacking in technology at the moment, although they are growing very quick." He also stated that: "we're getting accolades that our seats were the best in the world and so on, and I suppose that told us that we had some products that could stand up on the global stage." A *technological advantage stimulus* has been found previously in export studies (Rundh, 2001).

Another *stimulus* stated by the General Manager was *economies of scale*: "we felt that in order to protect our business here in Australia, we had to have some international scale." *Economies of scale* have been observed as a *stimulus* in export studies (Leonidou, 1998). See Table A.41.

Table A.41 Case N - Decision-maker's innovation role activities & stimulus in the first export

Decision-maker	Innovation role activity	Activity in relation to stimulus
General Manager	Champion - met all participants	All members of the TMT were involved with meetings in relation to the *market expansion.*
General Manager	Champion – involved all participants in decisions	All members of the TMT were involved with decisions in relation to the *market expansion.*
General Manager	Champion – obtained other department support	The General Manager worked with technical and finance divisions to complete the first export negotiations to pursue *technological advantage* and *economies of scale.*
General Manager	Champion - worked with senior management	The General Manager worked with the Managing Director to finalise the first export contract negotiations to enable the *market expansion.*
General Manager	Champion – obtained employee support before approval	The General Manager worked closely with the Business Development Manager on *market expansion* before presenting it to TMT.
Top Management Team	Sponsor-sanctioned	The TMT provided support for *market expansion.*
Top Management Team	Sponsor-obtained financial assistance	The TMT provided support for *market expansion.*
Top Management Team	Sponsor-obtained resources	The TMT provided support for *market expansion.*

General Manager	Sponsor-advocated the innovation	The General Manager highlighted growth and success in China through a *market expansion*.
General Manager & Business Development Manager	Boundary spanner - acquired information formally for the organisation from external sources	The General Manager and the Business Development Manager visited potential customers and government agencies to identify *technological advantage* and volumes to achieve *economies of scale.*
General Manager & Business Development Manager	Boundary spanner - decided which customers	The General Manager and the Business Development Manager presented their choice of customer to the TMT to achieve *technological advantage* and volumes for *economies of scale.*
Top Management Team	Boundary spanner - met with customers	As part of the negotiation process the TMT demonstrated *technological advantage* when meeting customers.
Top Management Team	Boundary spanner - decided on how product/s would be provided	Decision was made by the TMT after return of specialists who spent three months with customer to apply *technological advantage* and achieve *economies of scale.*
General Manager & Business Development Manager	Boundary spanner – provided information formally to outside groups	Visits were made by the General Manager and the Business Development Manager to potential customers and government agencies demonstrating *technological advantage* through *economies of scale.*
General Manager & Business Development Manager	Gatekeeper - collected information on the external environment	Visits were made by the General Manager and the Business Development Manager to potential customers and government agencies demonstrating *technological advantage* through *economies of scale.*
Top Management Team	Gatekeeper - assigned resources	The TMT provided support for the *market expansion strategy.*

Source: Compiled by author

RQ3 Do the innovation role activities of decision-makers involved in the initial export process alter with the subsequent export?

The subsequent export was to Thailand. Firm N exported OEM parts to support the Thai assembly process of their customer. *Decision-makers* were the same as the first export. The *decision-makers* in firm N at the time of these interviews were beginning arrangements to set up a plant in Thailand. This new plant formed part of the preparatory work involved in setting up the Chinese plant. Hence, all the innovation

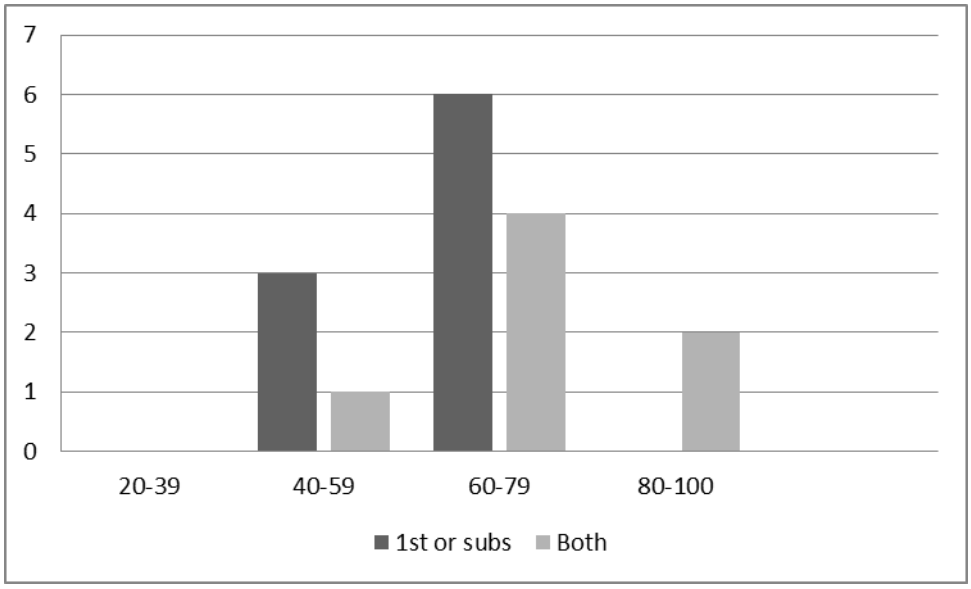
roles and *stimuli* would be expected to exist with the Thai project. At a later date firm N also set up plants in South Africa and the USA.

Decision-makers in Case N were observed in the first and subsequent export as displaying all four innovation role activities with *internal-proactive stimuli* similar to SME cases.

Appendix 4.2 Quantitative Data Distributions

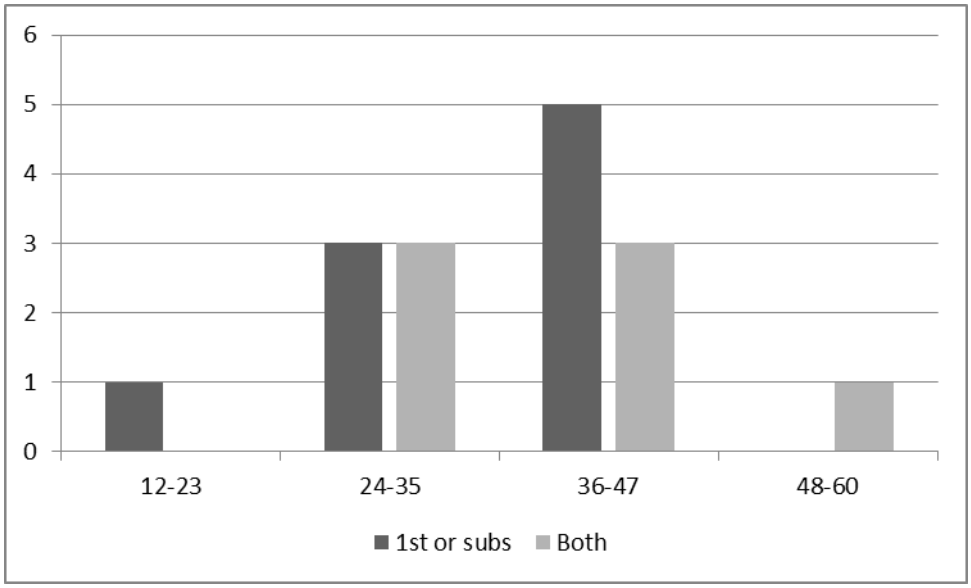
A graphical comparison of the data between the two cohorts for each innovation role is required to demonstrate that they are similar for an M-W U test (Allen & Bennett, 2010). In all four distributions between *decision-makers* involved in the first and/or subsequent export were similar (see figures A.1-4).

Figure A.1 Championing role of those involved in the first &/or subsequent export



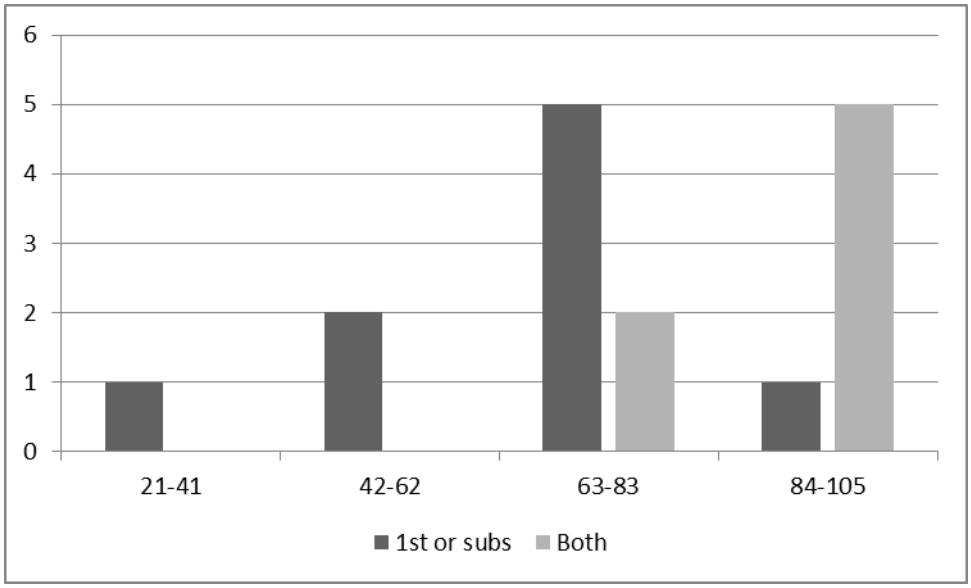
Source: Compiled by author.

Figure A.2 Sponsoring role of those involved in the first &/or subsequent export



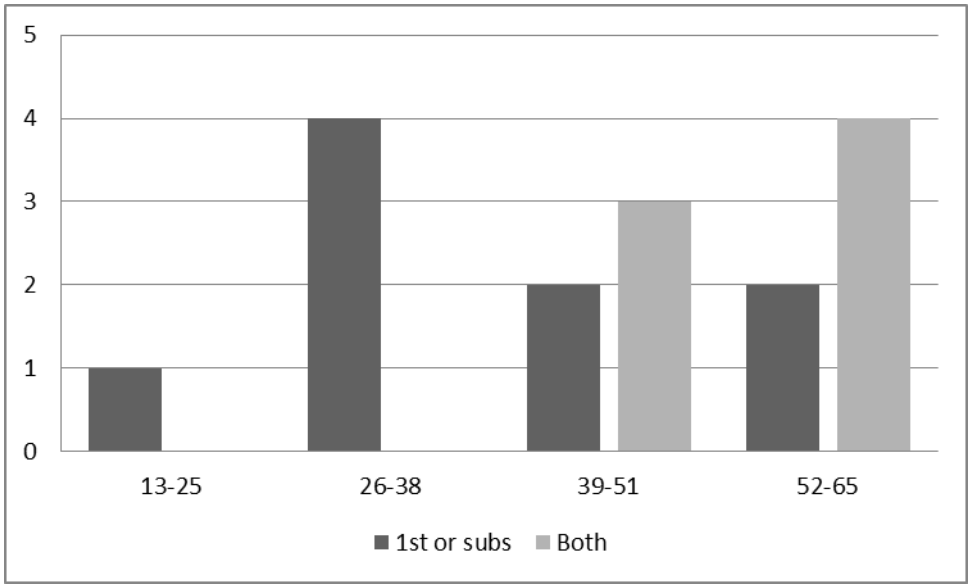
Source: Compiled by author.

Figure A.3 Boundary spanning roles of those involved in the first &/or subsequent export



Source: Compiled by author.

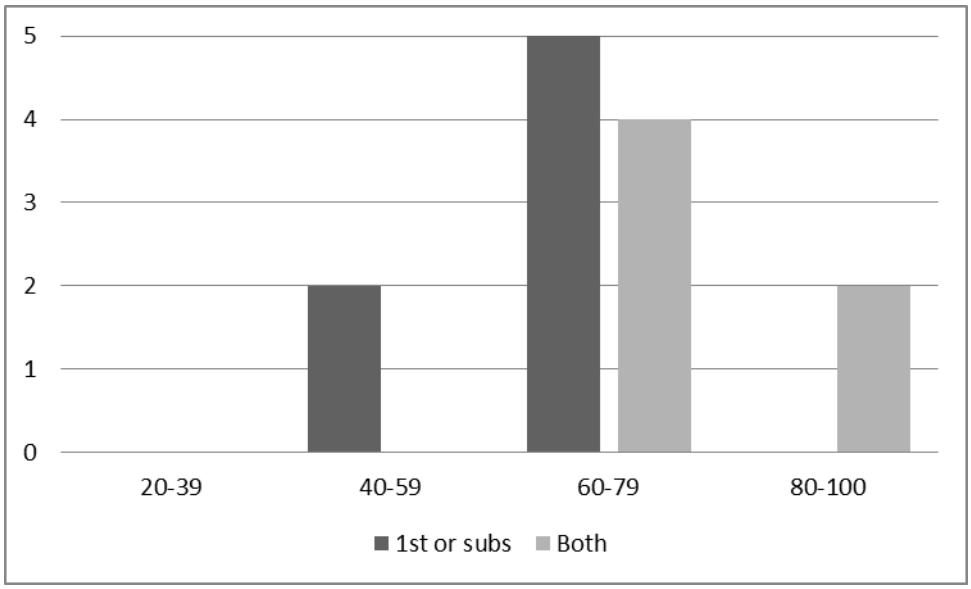
Figure A.4 Gatekeeping role in those involved in the first &/or subsequent export



Source: Compiled by author.

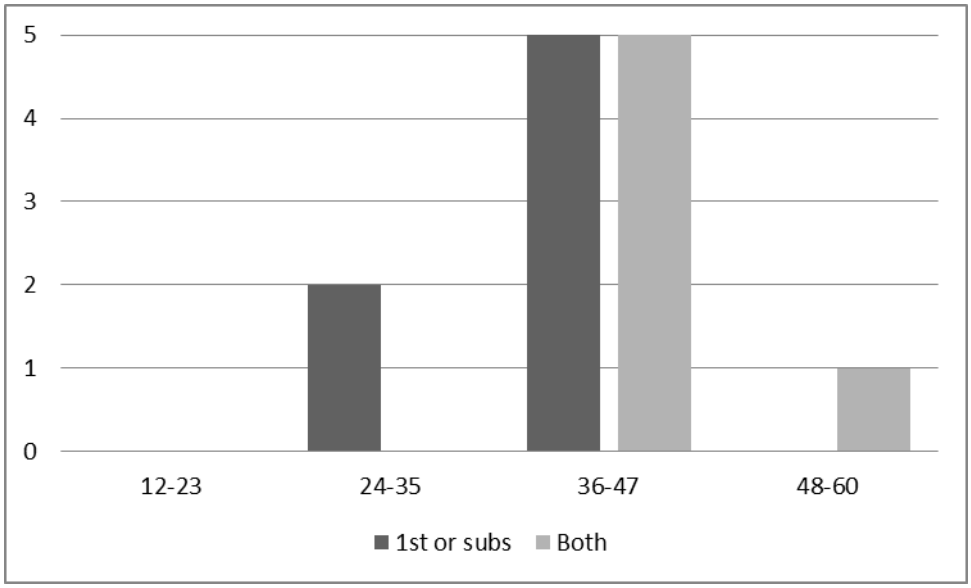
In all four distributions between *decision-makers* involved in the first and/or subsequent export when a proactive stimulus initiated the subsequent export were similar. See figures A.5-8.

Figure A.5 Championing role of those involved in the first &/or subsequent export with a proactive stimulus



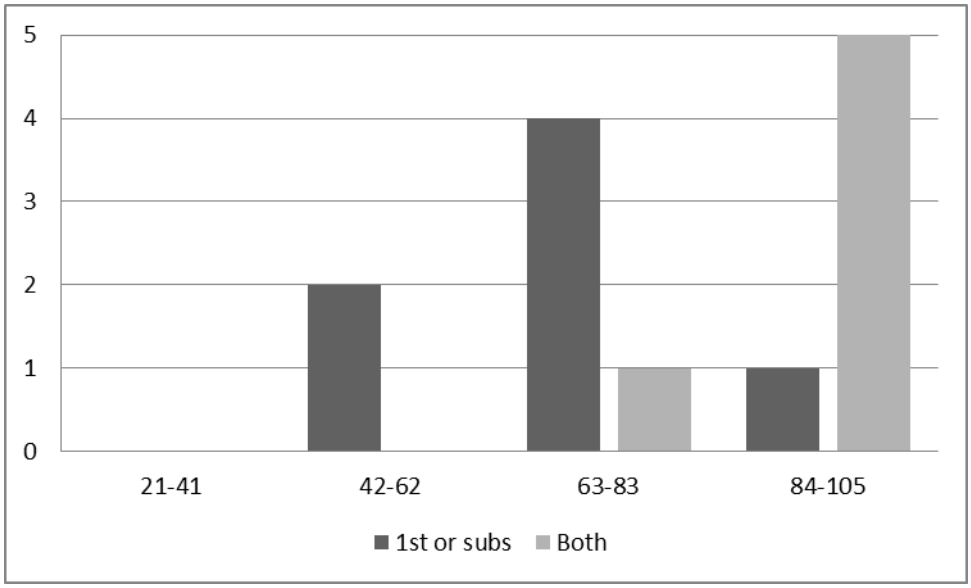
Source: Compiled by author.

Figure A.6 Sponsoring role of those involved in the first &/or subsequent export with a proactive stimulus



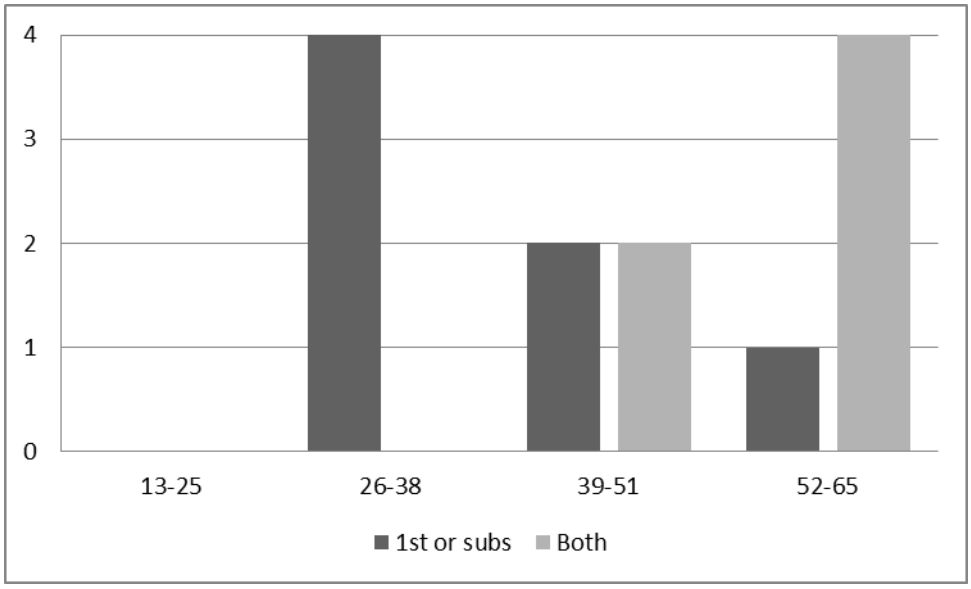
Source: Compiled by author.

Figure A.7 Boundary spanner role of those involved in the first &/or subsequent export with a proactive stimulus



Source: Compiled by author.

Figure A.8 Gatekeeping role of those involved in the first &/or subsequent export with a proactive stimulus



Source: Compiled by author.