

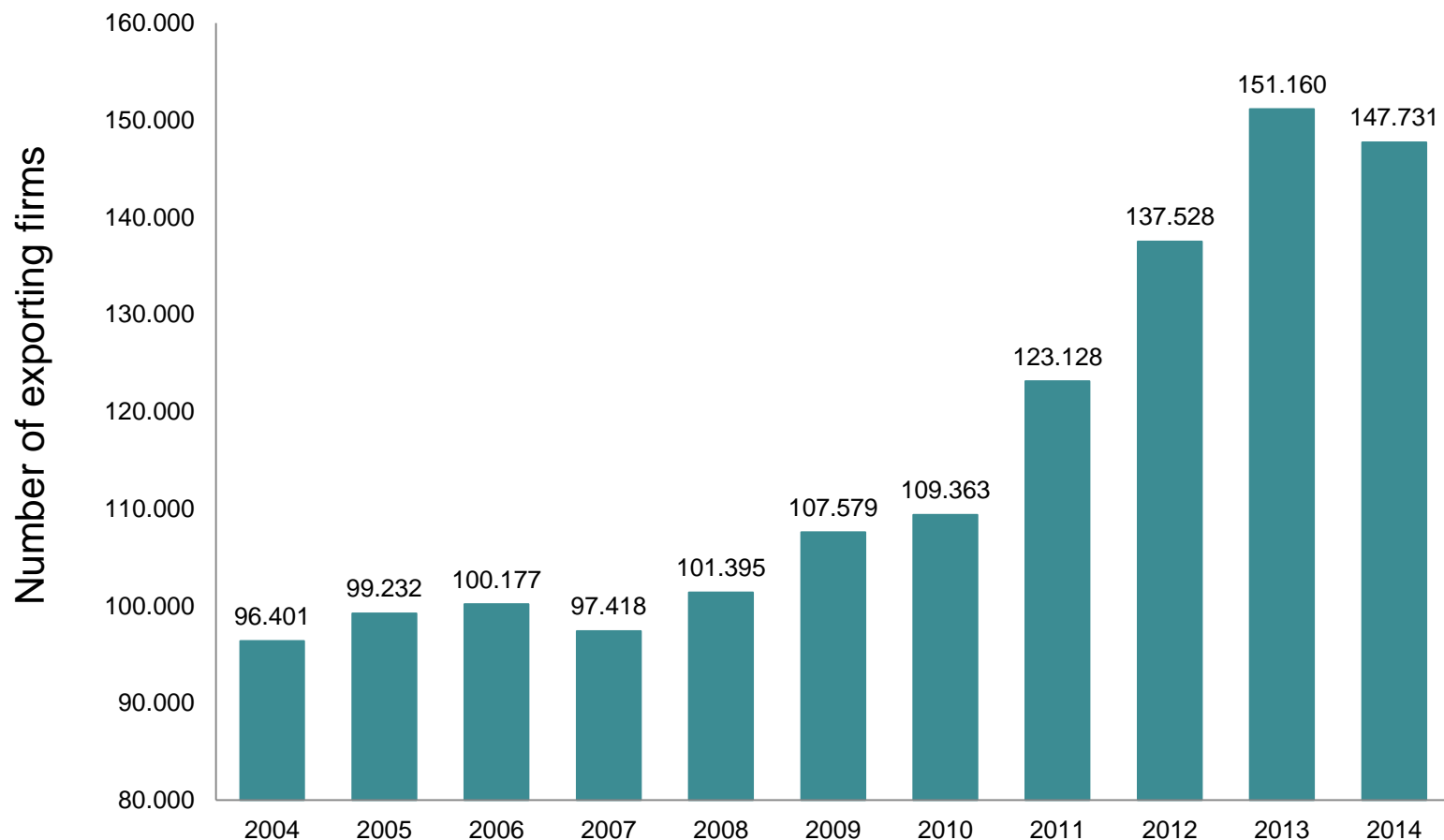


Conference on Business Growth Athens, 11th of September 2015

Session 2: How to do it

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As a consequence of the economic crisis in Spain, a growing number of companies have started looking at foreign markets...



Source: ICEX "Perfil de la empresa exportadora española" (2010-2014)

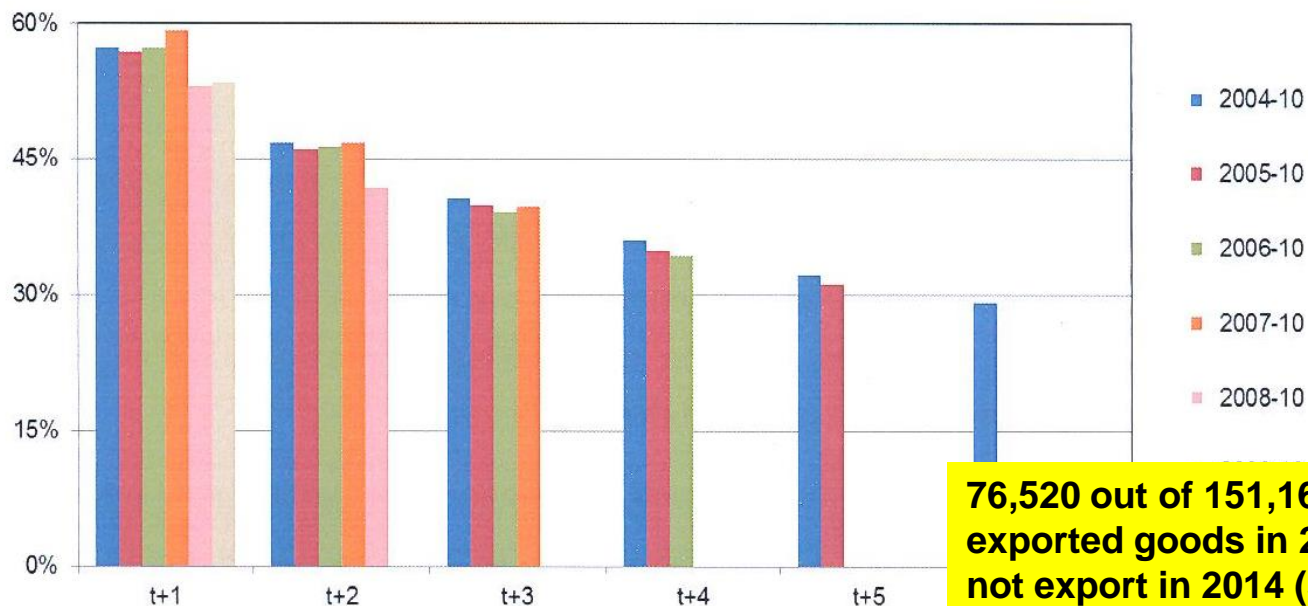
... however the number of regular exporters declined in the period 2009-2012 and their percentage remained below pre-crisis levels

	2007	2008	2009	2010	2011	2012	2013	2014
# Regular exporters	39.125	39.641	39.320	38.763	37.253	38.373	41.168	45.842
% total exporting firms	40,2%	39,1%	36,5%	35,4%	30,3%	27,9%	27,2%	31,0%
Export value (million €)	166.748	171.142	146.569	170.606	195.407	205.750	216.966	223.102
% total export value	90,1%	90,4%	91,7%	91,3%	90,8%	91,0%	92,0%	92,9%

Source: Based on ICEX "Perfil de la empresa exportadora española" (2014 and previous reports)

... furthermore the percentage of companies ceasing exports is quite high

Survival rate (% of companies that continue exporting the next year)



Explanations for the high percentage of Spanish firms ceasing exports

Several empirical studies have highlighted that Spanish firms tend to face several **common difficulties** in the early stages of their internationalization process:

- **Limited information** about potential foreign markets and **limited knowledge and experience** about doing business abroad
- **Lack of financial and human resources** to internationalize
- **Cultural and language differences** are perceived as significant barriers to internationalize

All this translates into **greater uncertainty about the process** of internationalization and **its results**.

Some distinctive features of rapidly internationalizing Spanish SMEs

- ***The profile of the founders/owners and management team***
 - International education and/or prior international work experience
 - Technically advanced, market oriented and entrepreneurial
- ***How they discover new international opportunities***
 - Personal and business network relationships play a major role in identifying international market opportunities (reliable, trusted sources)
 - In B2B businesses, integration in global production networks

Source: Own elaboration based on several empirical studies

Some distinctive features of rapidly internationalizing Spanish SMEs

- ***How they deploy the company resources to exploit these opportunities***
 - Focused strategy in relatively narrow niche segments that are significant at European or global scale
 - Relatively homogenous product or services (importance of scalability and risk minimization)
- ***How they engage with customers and competitors***
 - Strong preference for direct exports. Being close to the customer is considered essential as a source of learning as a form to build your brand name.
 - Commitment of the whole organization to being a reliable partner

Source: Own elaboration based on several empirical studies