



NOBANET HANDBOOK

ON INTERNATIONALISATION OF SMALL- AND MEDIUM-SIZED ENTERPRICES (SMEs)

PART III

**University – Business cooperation:
model development and experience from practice**

2016



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1. INTRODUCTION

Historically, education and business have existed in parallel dimensions. Recent developments in politics and economy identify the need to use every opportunity to establish and develop international cooperation/partnerships: either at a theoretical or a practical level to keep up with modern world advances, and between higher education institutions (HEIs) and small- and medium-sized enterprises (SMEs) (Källström and Lescevic, 2014).

The NOBANET project was established to create models for sustainable cooperation between HEIs and SMEs related to internationalisation of SMEs. This involved comprehensive research of previously developed and newly developed models for HEIs and SMEs cooperation. In addition, the evaluation of cross-border assignments (section 3) and real-life cases (section 4 and 5) are included to observe the model in action.

2. MODELS FOR SUSTAINABLE COOPERATION BETWEEN HEIs AND SMEs

The key to successful cooperation is a mutual understanding and appreciation of one another's basic goals and objectives. In a knowledge-based economy, the organisations and business companies, HEIs and research institutes complement one another in a quite orderly manner:

- SMEs put the know-how developed by researchers to good use by developing innovations;
- HEIs use this know-how for educational and continued research purposes.

There are a number of elements that make up the ecosystem of the University-Business Cooperation (UBC), including:

1. University-Business (UB) stakeholders – These include the so-called 'Triple Helix': Governments, HEIs and businesses working in a cooperative and mutually beneficial relationship.

2. The 4 Pillars of UBC – These embrace the strategies, structures and approaches, activities and framework conditions, which can be implemented (action items) in order to directly stimulate UBC or indirectly address influencing factors affecting UBC.

3. The 8 Types of UBC – These encapsulate the different ways in which HEIs and businesses can cooperate, including: collaboration in research and development (R&D), mobility of academics, mobility of students, commercialisation of R&D results, curriculum development and delivery, lifelong learning, entrepreneurship and governance (European Commission, 2011).

In NOBANET we especially discussed and found the below presented models useful in the HEI-SME cooperation.

The knowledge triangle concept highlights the positive benefits, which can be derived from stronger links between HEIs and SMEs (Figure III.1.). This has led to an acknowledgement that policies in support of innovation should foster systemic interaction between the three forms of activity — education, research and business.

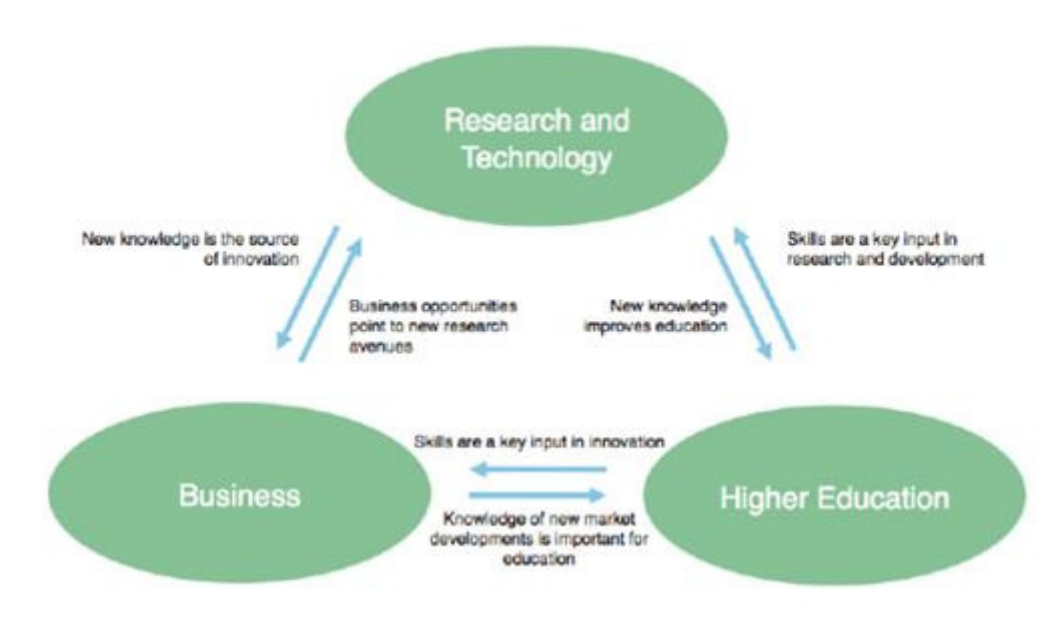


Figure III. 1. The Knowledge Triangle (Sustainable and Dynamic Partnership)

Source: European Institute of Innovation and Technology 2012

The knowledge triangle has been strongly embedded in the 2020 Vision for the European Research Area and this has increased the importance of its role in European policy-making in general (European Institute of Innovation and Technology 2012).

In order to develop the cooperation on a deeper level, a matrix-type cooperation model, which made it easy to present the benefits and results from cooperation between education and business sectors, had been discussed in the literature. Matrix type model is still not perfect, because sometimes it is difficult to separate results and benefits related to the particular group identified. This is important from a learning and development point of view, and that is what encouraged us to look into further possibilities to develop and analyse cooperation models.

An idea of the Triple Helix Innovation model was introduced by Prof. Paul Coyle in his lecture at the conference “Innovation and Entrepreneurship: Change of Paradigm” in the Estonian Entrepreneurship University of Applied Sciences in autumn 2014. In this model a more complete view of a possibly new paradigm for the model was proposed. The main stakeholders and cooperation processes were identified and added to the updated model (Figure III.2.).

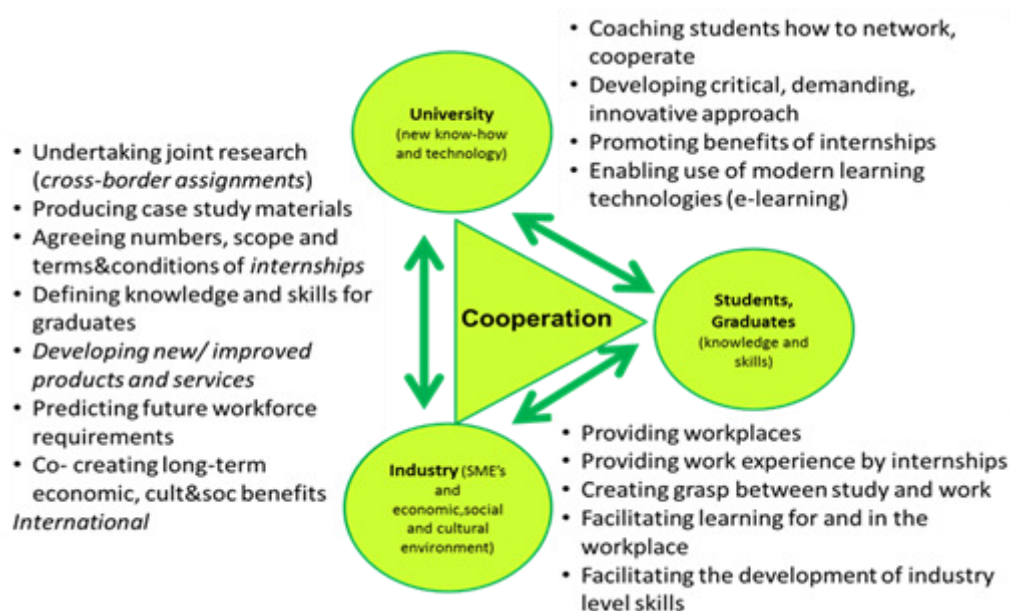


Figure III. 2. Cooperation model for internationalisation

Source: Presentation materials of NOBANET, 2014

The model offered a closer involvement of the HEI's target audience – the students. Students are also a target audience of SMEs for identifying new employees: co-workers, managers, project managers, etc.

Building upon existing research and findings, NOBANET project team developed, accepted and agreed upon an updated model of cooperation for internationalisation (Figure III.3.) The model includes the benefits, reasons and results from cooperation.

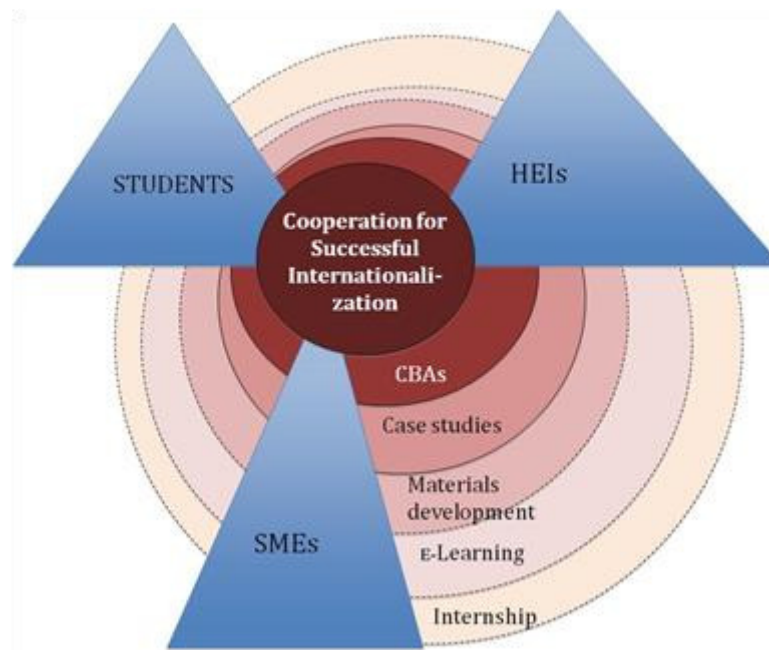


Figure III. 3. Cooperation model for successful internationalisation

Source: Presentation materials of NOBANET, 2014. Designed by Eneken Titov

During the last year of NOBANET project, results from CBAs and case studies were evaluated with the forementioned model in mind. With this in mind, E-learning and internships became important subjects for further development in the NOBANET project for the period 2016-2017.

3. AN EVALUATIVE APPROACH TO COOPERATION BETWEEN HEIs AND SMEs DURING THE DEVELOPMENT OF CBAs

The cross-border assignment (CBA) has been at the heart of the NOBANET pedagogical model. The CBA links education and business over national borders in a learning environment supported by information and communication technologies (ICTs). In this environment, effective communications take place between students, faculty and company representatives, in order to carry out specific and meaningful real-life assignments.

In the CBAs, students can undertake several different types of assignments, such as developing international market entry plans, testing products and services, identifying recourse efficient logistics solutions, comparing business support functions in different countries etc. The assignment supports the internationalisation of the company and also forms an integrated part of the student's educational curriculum.

The CBA model has its roots especially in e-learning pedagogy and knowledge management theory, and it builds on extensive use of ICTs. The model is a further development of a model called INTERN, which focuses on cross-border cooperation between educational institutions and enterprises in virtual learning environments. The INTERN model has been developed and further validated in a series of international projects (e.g. Källström, 2014, Kristensen et.al, 2007, Intern management group, 2002).

3.1. Methodology of CBA Evaluation

During the pilot phase of NOBANET, 8 CBAs were developed and delivered. After the completion of CBAs, SME representatives, teachers and students were asked to evaluate the cooperation and come up with suggestions for improvement. Respondents were asked to fill out either electronic or printed versions of questionnaires (See Appendix 1). Evaluation questionnaires were filled out by teachers, students and SME representatives who participated in the CBAs.

3.2. Analysis and results

The pilot group of students who worked with teachers and company representatives were invited to fill out evaluation questionnaires. One of the main results from the first evaluation was that the majority of the students mentioned that they had learned much. They had enjoyed working with real-life assignments and they liked to connect with SMEs online (Skype). Students also saw it as demanding, but at the same time rewarding work (Hjálmarsdóttir and Kristjánsdóttir, 2014).

The results presented below should be regarded as preliminary. They give indications to the project team of the drivers and barriers which triggered successful cooperation between HEIs and SMEs. These will be carefully considered in the ongoing development of the model.

In most cases (75%), teachers were satisfied with working on real-life cross-border assignments. Almost 92% of the students expressed their satisfaction with working on real-life cross-border assignments. Participants saw the CBAs as relevant. (See Figure III.4.)

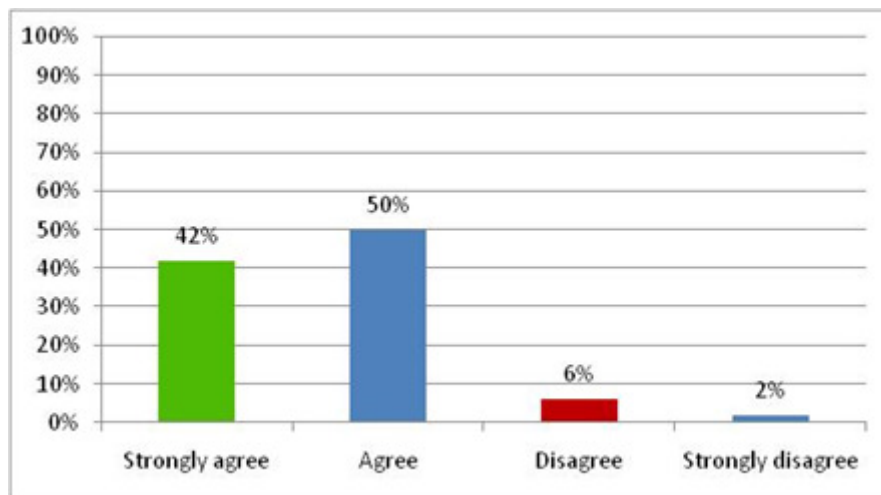


Figure III. 4. Relevance of CBAs to a study subject – answers from students

Teachers also acknowledged that during a particular project students learnt much about a particular topic. This was one of the focuses and intentions for introducing the CBAs in the first place. 63% of the teachers strongly agreed with this argument. Most students agreed with this as well, and said that they learnt much about a particular topic or subject while working on a particular project. In general, students seemed to have thought that the overall level of learning was good (see Figure III.5.).

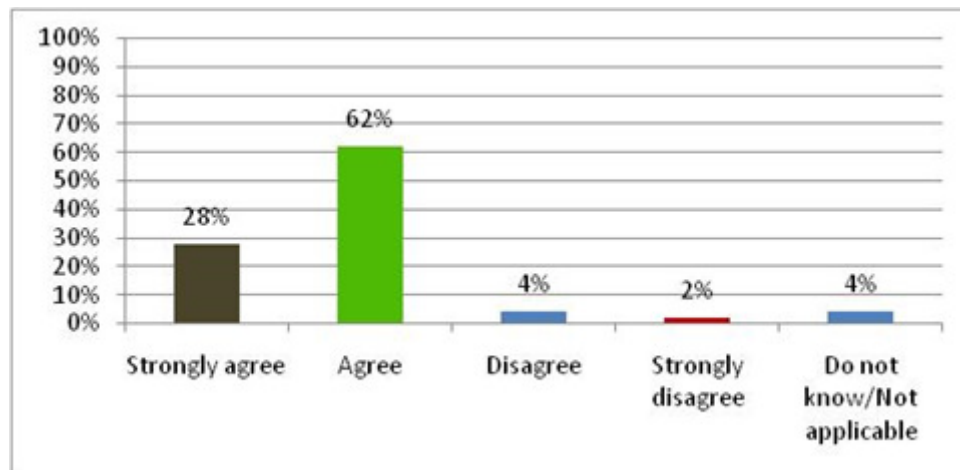


Figure III. 5. The level of learning during the CBA - answers from students

Students expressed happiness in working with real assignments instead of fictive assignments and cases. They also liked learning how to find information about the business environment in different countries. The benefit from collaboration with a company in most cases was described as a way to have real partnership. It was a possibility to apply theory to practice.

Challenges during the CBAs were also discussed (see evaluation questionnaire). Most of the teachers and students experienced challenges during the CBAs. In many cases teachers said that these were related to communication speed, clarity and a lack of information and support from a company. The challenge most frequently mentioned by students was the mid-term reporting to companies or the lack of it and, because of the latter, the lack of feedback. Reporting and feedback would have helped the students to

understand whether the right actions were taken or not. This has to be taken into account in the future work with CBAs.

On the other hand, evaluation results of working with CBAs from students points to positive outcomes, such as having fun, larger and shared responsibility, improving language skills, feeling a genuine sense of accomplishment, working with professionals, working with real products, receiving direct and real feedback, discovering future work opportunities and being creative.

Identified weaknesses in the CBA process were timing/scheduling, changes during the case, difficulty to obtain additional information, a sense of low interest from companies. Timing related challenges could sometimes be seen in the initial phase: companies provide a case and want it solved fairly quickly, but this may sometimes be difficult to match with students' ongoing workload or courses at the university. Therefore, it could lead to delays in implementation of a CBA. A lack of information or direct contact seem to disengage the students and affect their motivation. Students sensed a low interest in the assignment by the companies. To overcome this, the role of a coaching teacher could be seen as very important in providing help.

At the same time, teachers mentioned that some of them had never directly contacted companies; it was only through the NOBANET country representative that the contact was maintained. On the other hand, those who contacted the companies personally pointed out that it was valuable to be in direct contact with the company. It improved the overall process of implementing CBAs. Teachers reported that during the process of CBA implementation they became even more aware of how important cross-cultural competences are for individuals and companies when doing business abroad – 57% strongly agreed and agreed. Students were of the same opinion. (See Figure III.6.). During the assignment, students learned a lot about working life in other countries, especially in the Baltic countries.

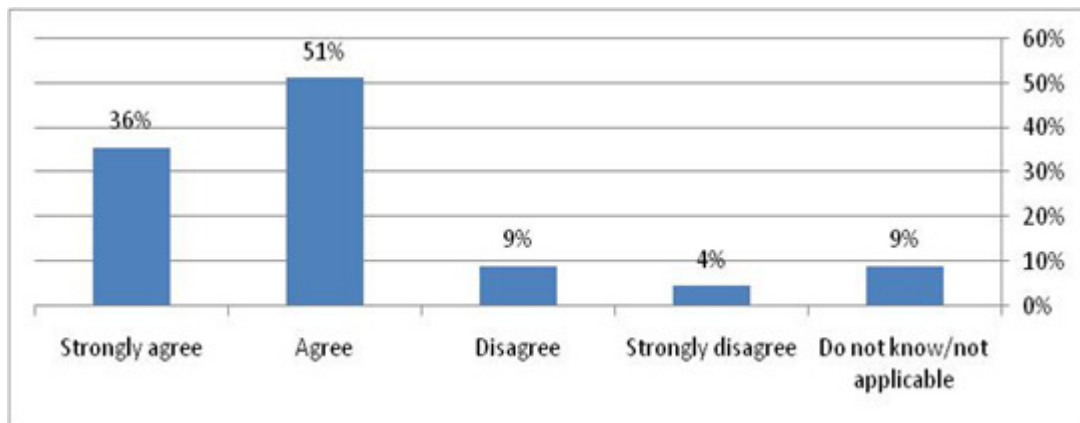


Figure III. 6. Necessity and importance of improving cross-cultural competences as identified by students

In addition, teachers were asked what they would do differently if they had a chance to redo the same assignment. Most of them did not want to change things. Only a few teachers wanted to form smaller groups the next time they work with CBAs. They would also look into provided CBAs and cases in more detail before choosing to work on it with students. Some students reported that they would divide roles more specifically within the group, making sure that all participate and invest their efforts. One of the teachers commented: “It was an excellent assignment and students learned a lot”. Equally, a student commented: “Great experience with a few bumps in the road. Just the way I like it 😊”.

During the evaluation, company representatives acknowledged the assignment as an excellent way to obtain initial information about a prospective country and market. Student reports were found to be very professional and informative. Very good value was provided free of charge. The companies also emphasised that the participating company must be ready to invest time and be enthusiastic. Some representatives pointed out that they had missed direct contact with students and teachers. Again, this points to the importance of direct communication and needs to be addressed in future work with CBAs.

4. A CASE INSIGHT INTO SMEs' INTERNATIONALISATION IN THE NORDIC AND BALTIC COUNTRIES

This part of the NOBANET handbook discusses findings from a student-driven case study investigation on SMEs internationalisation in the Nordic and Baltic countries. Case studies were used as another model of cooperation between SMEs and HEIs in the NOBANET project and as a way for connecting theory to practice (see Figure III.3.).

The special focus of the cases has been on internationalisation of SMEs - possibilities, challenges and best practices. SMEs from various sectors were involved. The aim was to increase the insight into internationalisation of SMEs as well as micro-sized enterprises in the region with the help of student-driven cases studies. The topic can be seen as interesting in times when there is a big need for boosting growth among SMEs and start-ups. It is also said that the lifespan of a company is shorter today and to survive a company needs a certain kind of robustness. Perhaps these insights will help to find some attributes needed to gain this robustness.

4.1. Case study methodology

Students collected case materials during 2014-2015 as a part of their regular courses or projects. The assignment or the task was provided by the NOBANET network and is an excellent example of how research and investigating activities as well as concrete insights from the field can be used in education to benefit multiple stakeholders. Including such tasks in the curricula is very important. Students from different countries, year of study and study topics within business were involved. Some of the case investigations were part of students' bachelor thesis research. Overall, 9 HEIs were part of this student-driven study. The empirical materials used consist of interview data as well as documents and website information. The case study includes data and insights from companies operating in Sweden, Finland, Norway, Iceland, Estonia, Lithuania and Latvia. In total 38 companies operating across the region were interviewed for this case study project.

An example interview guide can be found in Appendix 2. The interviews conducted in 2014 had a broader approach, since the discussions that took place (semi-structured

interviews) were more focused on internationalisation per se. The latter interviews from 2015 were done in order to get a more thorough insight into SMEs internationalisation. Due to this, one can see some differences in sampling and enterprise representation. The data collection was done by and together with students from HEIs belonging to the NOBANET consortium. Students of both MA and BA levels were involved. Apart from conducting interviews, students also studied material from company websites in order to gain better understanding of particular company's context. Students from Arcada UAS (Finland) collected the main part of the data. However, this does not mean that they collected material only from SMEs in Finland. In fact, students were instructed to find companies with operations across the region, as well as with experience in internationalisation. Students found that it was not always easy finding such companies.

Most interviews were conducted in English and were carried out as semi-structured interviews. This gave the interviewers some flexibility to adjust the questions to the context of the case companies.

In addition, it has to be mentioned that students are inexperienced interviewers, and despite coaching received, it was at some point a challenging but still a great learning experience for them.

All interviews were transcribed according to good transcription principles and, when needed, extracts and citations were translated into English language.

Below Figure III.7. and Figure III.8. illustrate the kind of companies that were interviewed. There was a big spread across sectors.

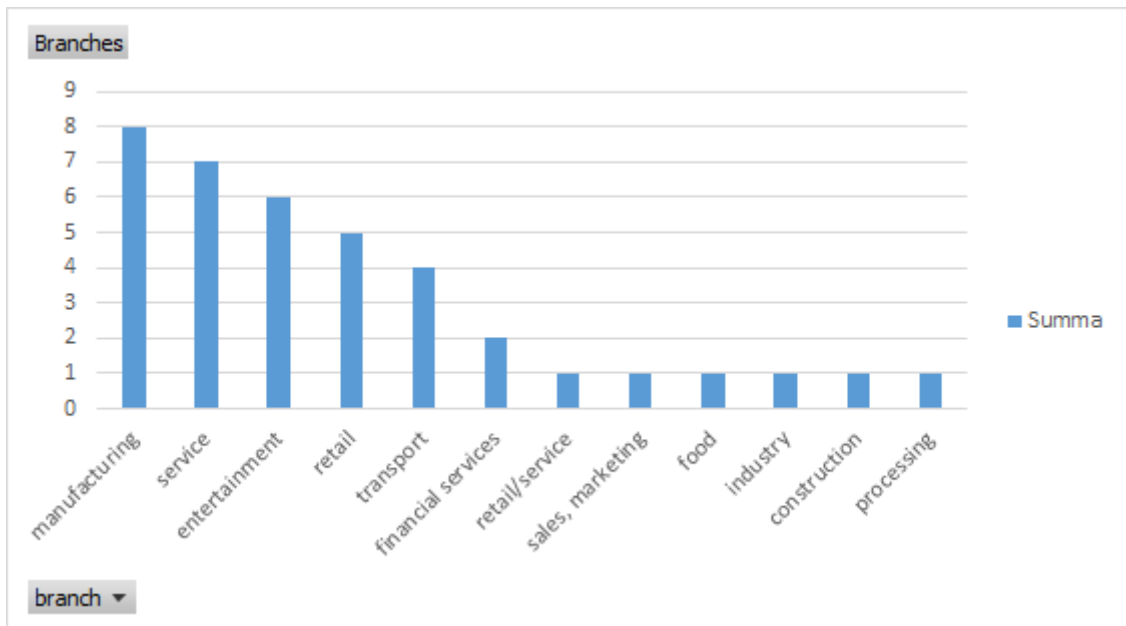


Figure III. 7. Case company spreading over different branches. (N=38)

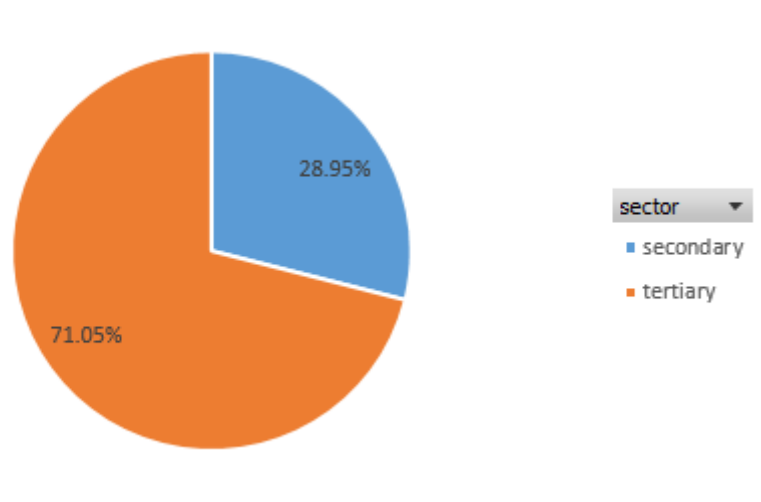


Figure III. 8. Case company sectors. (N=38)

4.2. Pedagogical implications from the case study work

From the students' point of view, the work with cases has been very rewarding and they generally felt that they have learnt a lot. We want this way of working to show how the cooperation between HEIs and SMEs can be implemented. From a thematic point of view, we hope that student-driven case reporting will contribute to useful insights into the field of internationalisation in SMEs in the region. It is also an attempt to share knowledge among current and future project partners and with other interested parties. Internationalisation will remain a crucial learning curve for the businesses and especially for SMEs in smaller economies such the ones in the Baltic Nordic region.

For the students, practical work and gaining insight into SMEs' internationalisation have been a great learning experience. Students reported that they learnt both practical skills (case investigations of this kind) and useful insights related to internationalisation, which were often very specific to the sector in which a company operated. For students it was also beneficial to see how cultural differences seem to work in practice, and for many this meant gaining the first hands-on insight into a company's world. (Many of the students that took part in this project assignment were first year students.)

5. DRIVERS AND OPPORTUNITIES TO SMEs' INTERNATIONALISATION AND SUCCESSFUL COOPERATION BETWEEN HEIs AND SMEs

In this section, we sum up the findings related to the cooperation model developed by the NOBANET network and share our concrete insights from the student-driven cases. Therefore, this part provides the reader with practical information on two levels – models for cooperation and best practices in internationalisation among case study SMEs.

5.1. Findings from CBAs

During the project, the NOBANET team has successfully applied the cooperation model and has identified a few drivers and barriers to cooperation.

The main drivers are:

- Undertaking of joint field study/research
- Producing and collecting study materials (also cases)
- Developing new study/training materials
- Co-creating long-term economic, cultural and social benefits
- Collaborating for the purpose of bridging study and work-life, as well as theory and practice
- Coaching students on how to network, cooperate
- Developing a critical, demanding and an innovative approach to the study process and real-life cases
- Enabling the use of modern learning technologies (E-learning)

The main barriers to cooperation are:

- Organisation of joint work/division of responsibilities
- Sometimes belated interest from SME representative during CBA
- Sometimes the level of communication and language skills from all involved parties.

During the next phases of the NONABET project, more CBAs and cases will be implemented where experiences gained using the model so far will be considered. The strengths of the model will be put into practical use, whereas the weaknesses will be improved. Evaluations of the new CBAs and cases will again pave the way for further development of the model. In addition, internships and E-learning will be tested and evaluated.

5.2. Findings from student-driven cases

Below we present a few thematic insights concerning the internationalisation of SMEs, which were reported and discussed. What many interviews revealed was the necessity to go abroad if you want to grow. The home market is too small and there is no much growth capacity within a small economy. However, according to Deloitte's research on retail and globalization, there seems to be no perfect strategy for going international. Instead, there are a number of intertwined issues, which need to be considered and carefully investigated. The following routes are, however, among the common ones: wholesale distribution, licensing, franchising, joint venture, and owned expansion (greenfield and/or acquisition) (Deloitte, 2012). In the review of the case study material, we have divided the insights into drivers and opportunities and challenges and barriers.

5.2.1. Drivers and opportunities to SMEs' internationalisation

One of the main things our students went out to discuss with the enterprises were the drivers for internationalisation. Why does SMEs expand to the international market? The simple answer was provided by one company: "To sell more, to increase the turnover" (Tech Retail Company)

The main reason for going international or expanding to foreign markets was obvious – growth. Bigger markets and greater revenue are the main drivers for internationalisation. For most companies interviewed a strategic action like going abroad was carefully planned. Most enterprises interviewed said that they had put a lot of emphasis into designing and having a strategy for internationalisation. For small companies, internationalisation is an opportunity and a risk that can have big effects. It

always includes costs which have to be considered, and as such will affect a smaller company.

However, it was also mentioned that the timing should be right and that sometimes opportunities just arise. Due to interest in the product and a good network internationalisation can also just happen.

Strategic choices briefly

Many different possible directions exist when one decides to enter international markets. Companies mentioned that they have to balance between local and global strategies, as well as accommodate the product or the service to the target market. Sometimes it entails small and sometimes quite considerable adaptation.

However, well thought-through strategies are needed. A few companies mentioned that the traditional SWOT (strengths, weaknesses, opportunities and threats) analysis could be a good start. Most of the enterprises interviewed reported that they invest a lot of time in this. It is of course important not to rush and carry out an in-depth market research, as well as to discuss with one's network before entering a new market. For this reason, one needs to have a lot of patience and never act under pressure. Entering a new market requires time.

Working within the Nordic region is easy but crossing over to the Baltics is more challenging according to some case companies from the Nordic countries. In their opinion, it is different there. However, Nordic companies do see specific benefits related to Nordic-Baltic cooperation, namely cheaper labour costs, good location and fiscal benefits. These issues were not specifically discussed among the Baltic respondents in the case study.

Among the interviewed companies, internationalisation was in general seen as an opportunity, a possibility.

The companies identified many different opportunities brought by internationalisation. Some examples follow below:

- Innovation and learning
- Culture and language
- Local understanding
- Bigger networks
- New opportunities
- New products
- Increased knowledge
- Motivation
- Differentiation

Many companies noted that internationalisation enhanced their learning and innovation processes. Gaining a better insight into a foreign market, a better understanding of working culture in other countries and receiving customer feedback helped companies learn how to better develop their product portfolio, differentiate and create new products. Learning meant acquiring the knowledge needed to be able to sell a product in a specific foreign market, which can often be very product-specific. Some companies also mentioned that, when one stays within the Nordic region, adaptation might require less effort. Moreover, legislation and regulations do not vary much in the Nordic region.

Culture and diversity as an opportunity

Having a multicultural team in a company was also mentioned as a driver:

I think there is a value in hiring people from other countries. For example, considering our employee from X (country omitted) and our partner Mr A (name omitted) from Y (country omitted) bring up processes how they are working together and doing business in their home countries. If we do not understand details based on local markets, we cannot develop any successful products either. In addition, we do not have any borders or limits so it is very good to get different kinds of people from other countries. (Tech and Service Company)

Knowledge of different cultures tends to make a company stronger. It helps to access a new target market. In addition, it brings new insights and ideas to the business.

Certainly, it can also be challenging to work in a multicultural team, but in a good way. This can equally help the SME to become more flexible and open, which, according to interviewed SMEs, is an important factor for successful internationalisation: “I think it’s a huge benefit that we work in so many different countries. So, if we would be a one eyed culture, a single culture, it would be of least benefit for us!” (Shipping Company)

The interview from 2014 had a special focus on culture and the importance of understanding it in the internationalisation process. Moreover, cultural understanding creates better relations and gives insights into new markets and how these can be approached. Language is a part of the culture and was often mentioned as an important factor for considering it in the context of internationalisation strategies. The lack of a common language complicates things and thus having companions or partners in different countries is important. It is considered to be of great value to have colleagues abroad (or in the home office for that matter) who can talk to clients, partners and customers in their local language. This is despite the fact that companies also highlighted the level of local English skills as being good.

According to the companies we interviewed, diversity brings new ideas and generates innovation: “The more different brains the better and more novel ideas can one come up with.” (Retail Company).

Furthermore, one can see that cultural diversity was mentioned often in the interviews, especially from year 2014. Diversity was seen as positive and sometimes even necessary. Without diversity, less ideas and innovations would occur. Knowledge sharing and learning from the co-workers of different cultural background and holding different perspectives was also often mentioned. Using these experiences companies could come up with new products, services and solutions, which did not exist in the target market. In other words, a yet another success factor.

Learning from another culture also seems to be much more effective than trying to force others to adapt to one’s own culture. It is better to see what we can learn from each other instead of trying making everyone think and act in the same way. In product marketing, this is of course an important factor. One needs to understand the culture of a

target market country in order to diversify a product or a service accordingly. However, learning from each other also seems to be very much related to the business relations and cooperation. There was a genuine interest among many of the case companies in truly understanding, learning and creating better businesses together. Finnish companies mentioned that they could learn more about marketing and branding from the colleagues abroad.

Values

When entering a new market, the following values or attributes are considered as important by some of the companies in student-driven cases:

- Open-mindedness
- Flexibility
- Adaptability
- Trust

Other values or skills mentioned were, for example, self-management, democracy and social competence. Knowledge of the political structure of a target country is also valuable.

Some companies were of the opinion that, when considering the attributes mentioned earlier, being a small country can have its benefits. It may be easier in terms of adaptation and flexibility. One benefit of entering a smaller country is the possibility to use the skills and networks of that country:

I think it is easier to experiment here in well, you know, the country and the market and when you have all the connections than somewhere else. And that's really the main difference and, and that's the reason why you shouldn't underestimate, ehh, the Finnish market and Scandinavian market because here you have such a network of connections and everyone knows W (name of company) for example. That's not the case when you go to the US and you really need to work a lot on that. (Tech Startup Company)

Still, all of these require trust, good relationship and communication, which were often mentioned in the interviews: “The only thing I see is that you need to be open and honest with your cooperation partners in order for trust to develop and the biggest risk I would say is in losing a good cooperation partner or key person.” (Tech Retail Company)

Some companies said that, related to the relationship building and trust development, face-to-face meetings and a personal contact was necessary.

5.2.2. Challenges and barriers in SMEs internationalisation

As mentioned in the previous section, the main drivers in internationalisation seem to be the possibility to reach a bigger market, to get new customers and to increase sales and revenue. In order to successfully achieve these goals, many things have to be considered and planned. Challenges and barriers in going international were thus discussed by students with the companies.

Barriers to internationalisation, which student-driven case study companies mentioned, were mainly related to risk and finance. It is costly to go abroad. As mentioned earlier, there are of course a number of different strategies and ways to go about the process of internationalisation, but these often entail financial risks. SMEs interviewed in our study did highlight the importance of good partners and networks. Companies tend to operate through sales agents or through establishing small offices or activities (for example production) abroad. It is common to start with a local distributor and then, if all goes well, to expand and open an office in the target country.

Some challenges identified by companies were also related to legal, fiscal and other local regulatory requirements. Enterprises noted that in such cases they tend to seek external expertise (consulting) assistance. At the same time, some SMEs also mentioned the fact that assistance with market entry was sometimes hard to acquire because of a very specialized or one particular niche product. This was a concern for many interviewed SMEs and it is an area where external help of professional business support organisations tend to be used most often. Nevertheless, the need for local employees is

still mentioned as being important: “local citizens are needed for understanding local regulations.” (Tech Company)

Some companies mentioned that they encountered difficulties when operating between Eastern and Western parts of Europe. Companies from smaller countries or economies can also have concrete problems and sometimes they can feel discriminated. For example, a logistics company said that it seems as if they are often put in the longest waiting line and loading would take forever because they come from a small country.

Market adaptation

The greater the difference, the greater is the need for adaptation and the greater is the risk. (Deloitte, 2012)

The companies in student-driven cases emphasised the need for adaptation and understanding of their product sale factors in a foreign market. It has been acknowledged that local co-workers and first-hand market insights are crucial. The lack of local knowledge creates challenges.

Companies need people from different parts of the world to be able to make suitable products for different target markets. One of the respondents was of the opinion that SMEs could sometimes be faster in their adaptation process. The size of a company can be an advantage when it comes to working out different solutions for different clients (mentioned by a case company producing niche products).

Relationships and networks

As mentioned above, networks can be both drivers and challenges. If a company does not foster business relationships nor grows networks, internationalisation will be a big challenge. Networking and good business relationships makes internationalisation

possible according to the interviewed companies. Business connections are often born and based on partners' recommendations.

There are different ways to enter the international market: direct sales, sales agents, subsidiaries, franchising, mergers, acquisitions etc. Knowing one's partners and building relationships were mentioned in the interviews as being of great significance. Reasons for this are manifold, but, most importantly, networking and relationship building are highly valued and seen as a direct success factor. One company noted that getting better deals is more likely when a company is considered credible on a person-to-person level.

Even in cases where good ideas are present, it is difficult to be successful without the right networks. Many respondents agreed with the fact that one really needs good business connections in order to achieve anything. In other words, a lack of those can be considered as a barrier to internationalisation.

Networks are important for finding one's place in the market, for finding reliable companions in local offices, for acquiring knowledge about the market, for being able to adapt to the market and for getting further access to new customers. Good dealers or agents are also important. Some enterprises mentioned that they attended conferences and seminars. They also mentioned the importance of networking not only with new customers or other experts but also with competitors in the foreign market. Networking and cooperation between companies in the home country was also mentioned as important. "Trust is how you build and maintain connections, and connections are what makes your business grow", said one interviewee (Logistics Company). Seminars, events and fairs do matter.

Practical skills needed

Practical skills related to the internationalisation were also mentioned in the interview answers. Companies felt they needed hands-on knowledge and information about the targeted market. As mentioned earlier, such information often meant a better understanding of legislative matters and local business regulations, so that difficulties in

adapting to these can be overcome. Legislative and regulatory matters especially tend to vary from sector to sector and, for example, financial sector is known to be particularly complex in this respect.

The product

Last but not least, it is of course important to have a good product, a good content and a brand, which can be communicated and is visible. In addition, the product, brand or content might not be enough: one also needs to maintain a gained market position if one wants to make a profit. As one enterprise representative put it: “Superior products take you in, but superior service keeps you in” (Financial Institution). The same company noted that, in their experience, it is seldom that a customer no longer wants a product. On opposite, customers often say “we don’t get enough service, we don’t get what is happening, we don’t get the information, we do not get to meet the specialist...” and this is when a company loses the customer.

Business support organisations

In the 2015 interview rounds there were some questions about supporting organizations (finance, legal issues, marketing, consulting) or other kind of assistance used when going international. Many SMEs seem to have handled most things by themselves, through the creation of the above-mentioned networks and relations. A few reported that they had gotten help from either governmental support or other kinds of organizations like FINNPRO, FINNVERA, FIHTA, Business Sweden, Innovation Norway, Start-up sauna and/or similar. One respondent was of the opinion that when one wants to acquire information and make a fast move entering a foreign market, it is worth seeking and paying for external expertise.

However, not all companies saw the need for seeking help from these organizations. Higher emphasis was put on the company’s own networks and already existing connections. Where support organizations were used, legal matters and contacts were mentioned as reasons for seeking help in the first place. One company also mentioned that if one has a special niche product it is better to build one’s own network and rely on

own insights instead of using external consulting partners. Overall, most of the interviewed companies expressed preferences in relying on their own network building rather than using business support organisations.

6. SUMMING IT ALL UP

In NOBANET Handbook part III, we have presented, discussed and tested a few different models for cooperation between HEIs and SMEs. We have also tested the models in action and, as a result, a lot of learning has happened. However, there is always space for improvement. For example, the preceding illustrations from CBAs are only the indications of an existing framework, within which a sound model for internationalisation and cooperation between HEIs and SMEs is being designed. Case investigations will continue to be a fruitful part of learning about SMEs' internationalisation for our students. The insights gathered here can also be of great use for a broader public through active dissemination.

In other words, we can see that the information gathered during student-company interviews correlate with current research findings (Löfgren, 2014; Reeves et al. 2016, Fagerholm, 2016). For example, networking and trust are discussed extensively in Löfgren's (2014) thesis. Another important aspect mentioned in the interviews by companies was the learning and knowledge sharing. Companies felt that knowledge sharing in different contexts, exchanging it with partners as well as competitors, is crucial. In Löfgren's research knowledge sharing is highlighted as a key to learning in networks, with the latter acting as a trigger for creating such opportunities. In the same spirit, by sharing the insights of our project work, we hope to have created a useful link in this whole sharing and learning process between SMEs and HEIs and other potential stakeholders.

We believe that research on SME's internationalisation is very important and, as said earlier, SMEs in small countries need to look abroad for bigger market shares. For some companies this is particularly important and may even be required because of the product they have to offer. Today when governments place considerable emphasis on entrepreneurial thinking, innovation, development and lively start up culture, it is equally important that small startups need to grow and become well-functioning SMEs, which would be able to operate in the international market and contribute to the overall economic growth. We hope that, by sharing evaluation results from implemented cases and CBAs in our project, we have also provided some interesting and valuable thoughts, which could help understand internationalisation of SMEs in the region. We also hope

that the models provided here can be tested and elaborated upon by other people interested in the cooperation between HEIs and SMEs.

Considerable input from NOBANET network partners made realisation of model development and testing in action possible, and the work continues. It is thus with these intentions that the current version of the NOBANET handbook part III is open to comments and further improvements.

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Appendix 1

Co-financed by the Nordic Council of Ministers



Nordic-Baltic Network for Internationalisation of SMEs

Evaluation form: Instructors/Teachers

Assignment: _____

Collaborations with Companies

1. Working with the real-life cross-border assignment was relevant for my course.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

2. During the project the students learned a lot about the particular topic, which was the focus of the assignment.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

3. What is your opinion on working with assignments?

4. What are your strongest impressions from the collaborations with companies in the assignment?

5. Did you experience any challenges?

No Yes:

6. Could you as an instructor list some pros and cons with collaborations with companies?

Pros: _____ Cons: _____

7. How often were you in contact with the company during the assignment?

Every week or more often Every second week Only a few times Never

8. Was it valuable to be in contact with the company

No: _____ Yes:

9. Would you have liked that the students had more support from the company during the project?

No Yes

10. Any other comments/reflections you would like to make about the collaborations with companies?

Intercultural aspects

1. During the assignment, my impression is that the students improved their understanding of how important cross-cultural competence is for individuals and companies when doing business abroad.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

2. During the assignment, my impression is that the students learned a lot about students and working life in other countries.

No Yes

3. Which of the following aspects of the assignment do you think were the most valuable for the students. (Choose maximum three)

1. Working with companies from other countries
2. Working with students and teachers from other countries
3. Improving their intercultural communication skills
4. Improving their cultural understanding
5. The topic of the assignment/case
6. Other: _____
7. None of the above
- 8.

4. If you would do a similar assignment again – what would you do different?

5. Finally, anything else you would like to say about the assignment?

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Nordic-Baltic Network for Internationalisation of SMEs

Evaluation form: Students

Assignment: _____

Collaborations with Companies

1. Working with the real-life cross-border assignment was relevant for my studies.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

2. During the project I learned a lot about the particular topic, which was the focus of the assignment.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

3. What is your opinion on working with assignments?

• _____

4. What are your strongest impressions from the collaborations with companies in the assignment?

5. Did you experience any challenges?

No Yes:

6. Could you list some pros and cons with collaborations with companies?

Pros: _____ Cons: _____

7. How often were you in contact with the company during the assignment?

Every week or more often Every second week Only a few times Never

8. Was it valuable to be in contact with the company

No: _____ Yes: _____

9. Would you have liked more support from the company during the project?

No

Yes

10. Any other comments/reflections you would like to make about the collaborations with companies?

Intercultural aspects

11. During the assignment/case, I improved my understanding of how important cross-cultural competence is for individuals and companies when doing business abroad.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

12. During the assignment/case, I learned a lot about students and working life in other countries.

No Yes

13. Which of the following aspects of the assignment were the most valuable for you. (Choose maximum three)

- 9. Working with companies from other countries
- 10. Working with students and teachers from other countries
- 11. Improving my intercultural communication skills
- 12. Improving my cultural understanding
- 13. The topic of the assignment/case
- 14. Other: _____
- 15. None of the above

14. If you would do a similar assignment again – what would you do different?

15. Finally, anything else you would like to say about the assignment?

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Nordic-Baltic Network for Internationalisation of SMEs

Evaluation form: Companies

Assignment: _____

Collaborations with HEI and students

1. Working with students in the real-life cross-border assignment was relevant for the company.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

2. During the project we learned a lot about the particular topic from the students.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

3. What is your opinion on working with HEI and students?

4. What are your strongest impressions from the collaborations with HEI and students in the assignment?

5. Did you experience any challenges?

No Yes:

6. Could you list some pros and cons with collaborations with HEI and students?

Pros: _____ Cons: _____

7. How often were you in contact with the HEI or students during the assignment?

Every week or more often Every second week Only a few times Never

8. Was it valuable to be in contact with the HEI or students?

No: _____ Yes: _____

9. Would you have liked to have give more support to the students during the project?

No

Yes

10. Any other comments/reflections you would like to make about the collaborations with HEI and students?

Intercultural aspects

11. During the assignment, I improved my understanding of how important cross-cultural competence is for individuals and companies when doing business abroad.

Strongly disagree Disagree Agree Strongly agree Do not know/Not applicable

12. During the assignment, I learned a lot about students and working life in other countries.

No Yes

13. Which of the following aspects of the assignment were the most valuable for you. (Choose maximum three)

16. Working with HEI and students from other countries

17. Improving my intercultural communication skills

18. Improving my cultural understanding

19. The topic of the assignment/case

20. Other: _____

21. None of the above

14. If you would do a similar assignment again – what would you do different?

15. Finally, anything else you would like to say about the assignment?

Appendix 2

Interview guide 2015

Interview Guide on Internationalisation of SMEs (example Finnish context)

Person interviewed:

Date of interview:

Students doing the interview:

A. Background - International experience

- Please shortly describe your experience of SMEs internationalisation – in what business sectors and countries have you worked?
- What were the main responsibilities or positions that you had?
-

B. Drivers and barriers to SMEs internationalisation

- How would you describe the willingness of Finnish SMEs to go international in the business sector where you have worked?
- In your view, what are the main reasons why SMEs want to go international?
- And what are the main reasons why SMEs do not want to go international?

C. Successfactors and challenges

- Can you mention some successful tools or strategies for SMEs internationalisation within your business sector?
- Can you also identify possible threats to doing successful international business?
- How essential do you consider market research before going international?
- In your opinion, what role does networking between companies play for successful internationalisation?

D. Business support functions

- Have you experience of external support to SMEs internationalisation (e.g. business consulting, finance, marketing etc)
- -If, yes what kind of help or advice have you experienced
- What is your general view on external support functions - are they useful?
- -If yes, what kind of help do you regard most useful?
- What is your view on support from governmental/public resources?

E. Personal experience

- When working with SMEs internationalisation, what were the main learning experiences seen from your personal point of view?
- What surprised you the most?
- Would you do something differently if you were entering these markets today?