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The Importance of Internationalisation for a Company



Introduction

Internationalisation has become increasingly important to the competitiveness of enterprises of all sizes. In today's environment, SMEs that start with a global strategy can move quickly to take advantage of cross-border activities, which provides opportunities not only for revenue growth but also the exchange of knowledge and the enhancement of capabilities, thereby strengthening the long-term competitiveness of the firm. As globalisation increases so does the attention paid to the internationalisation of Dutch SMEs. The appearance of new players on the European market and on the world market means on the one hand that Dutch SMEs are being confronted with greater foreign competition on their domestic market. On the other hand, the same circumstances also create more opportunities for SMEs on foreign markets. This is reflected in the increasingly active role played by SMEs on foreign markets. Below analyses and details of the different Dutch approaches, and the ways in which they are implemented, with regard to the variety of forms of SME internationalization. Despite the common understanding of the importance of internationalisation, there are still many internal and external barriers that impede the internationalisation of SMEs.

Some Dutch statistics

Important note: In short, SMEs play a significant role in Dutch exports. SME exports have grown faster than those of large businesses since 2004. In the Netherlands SMEs account for almost 67% of the total Dutch exports! (Source ING Bank More than 72,800 SMEs are engaged in export activities, that is approximately 9.4% of all the SMEs in the Netherlands. The number of exporting SMEs increased by 13% in the last decade. A number of significant shifts within SMEs have been observed. The importance of export for Dutch SMEs is increasing. In the last 10 years, export intensity i.e. the share of exports in the total turnover of SMEs, rose from 19% to 26%.

Dutch international trends

Trends in Dutch international trade In the past few years, international trade was the main driver of Dutch economic growth. Noteworthy developments in Dutch international trade in goods and services are illustrated below:

- The Netherlands is a small country but a large trader. During the past 5 years the Netherlands ranked 7th in the world as regards to export champions
- The Netherlands are the 8th global competitive economy in the world (for a few years we were 5th) and the 2nd in the Eurozone

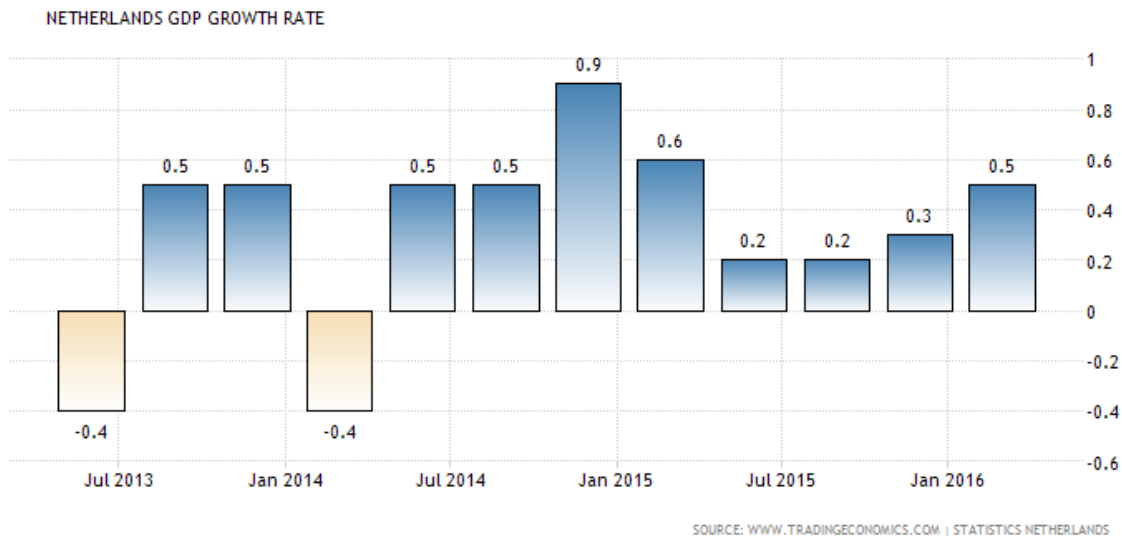


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— The Dutch (56%) are more than twice reliant on exports than Greece (21%), Turkey (20%), Portugal (26%) and Italy (24%)

— Trade growth in the Netherlands: See infographic, below. Despite positive trade growth, the Dutch economy went into another recession in 2011. Further in July 2013 and January 2014 there were still some hiccups. Exports have led the Dutch economy's recovery, with the SMEs leading the way



— In terms of goods trade, Germany, Belgium, the United Kingdom, the United States and China are the most important trading partners of the Netherlands. Declining shares of trade with the EU is due to the growing importance of emerging markets such as the BRIC countries.

— Dutch imports from China, the US and Japan comprise to a large extent re-export goods. Low shares of re-exports are found in imports from Russia and Norway. Dutch exports to the US and China comprise a relatively small amount of re-exports, while our EU partners receive larger shares of re-exports, with Slovakia, the Czech Republic and Finland heading the list

— Since 2008 the US is the most important market for the imports of services. Imports from Bermuda came second, closely followed by the United Kingdom. The top five is completed by Germany and France. Ireland was the most important destination for Dutch services followed by Germany, the UK, the US and Belgium.

— Re-exporting is an important activity for the Netherlands. Furthermore, it seems to be the only source of growth in the commodities trade at the moment. re-exports of commodities, is a vital part of Dutch international trade. Even excluding re-exports Netherlands comes in 9th (instead of 7th) in countries of the world regarding exports



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Dutch Potential of Internationalisation

A certain amount of the goods produced in the Netherlands is not exported by the producer but via the wholesale sector and other intermediaries: this is called indirect export. Indirect export plays an important part in agriculture and fishery. Agrarians offer the greatest part of their products for auction. Dutch intermediaries buy these products and sell the greater part of them abroad. SMEs, therefore, are involved not only in indirect export but also act as important suppliers of goods and services for exporting businesses. Exporting SMEs sometimes deliberately involve an intermediary e.g. an agent, a wholesaler or a branch of a multinational (Hessels and Terjesen, 2007). The extent of internationalisation increases as the size of the business increases. The larger the business the greater is the likelihood that it exports. The Dutch SMEs have considerable export potential. It is common knowledge that a large number of SMEs are not (yet) internationally active. The export potential is available for the following sectors: industry, business services and wholesale. The extent to which the SME export potential in these three sectors was exploited was equal to 58% in 2006. The extent to which large businesses exploited the export potential was much higher: 86%. Therefore, larger businesses leave less export potential unused. The smaller the business the less strong is its international orientation. In the business services sector SMEs fail to take advantage of a great deal of their export potential.

2% of Dutch SMEs invest abroad: SMEs are also involved in direct investments abroad, both independently or jointly with other businesses. Sometimes they follow the lead of larger (international) businesses. There is almost no quantitative information available about (the development of) foreign direct investments by SMEs (Hessels and Overweel, 2004). The businesses have, proportionally, also frequently invested in innovation and development. SMEs foreign investments are highest in the trade and transport sectors.

Dutch SMEs frequently co-operate with foreign enterprises. Results show that over 9% of the Dutch SMEs were involved in formal co-operation with a foreign enterprise (Hessels, Overweel and Prince, 2005). International partnerships are less complex and carry a lower risk than foreign direct investment. The most significant motives for SMEs to undertake international partnerships are to gain access to knowledge and technology, to be able to offer a wider range of goods and services and to achieve access to new or larger markets to sell their goods. The majority of the businesses involved in international co-operation have already been working with foreign businesses for more than five years. The highest proportion of SMEs working with foreign partners can be found in the industry and transport sectors.

Positive connection between internationalisation and business size: The extent of internationalisation increases as the size of the business increases. The larger the Dutch business the greater is the likelihood that it exports. Data show that, of the group of businesses with less than ten employees (small businesses), approximately 18% export, while on average one third of the turnover of medium sized businesses (10-100 employees) is obtained through export (Hessels, Overweel and Prince, 2005).



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Dutch SME international activities are mainly focused on neighbouring countries: Germany and Belgium are by far the most important countries in which Dutch SMEs are active, followed at some distance by the United Kingdom and France. Dutch SME exports, in particular, are strongly focused on the neighbouring countries. Almost 80% of Dutch SME exports go to countries in the European Union and Germany, to which nearly a quarter is exported, is by far the most important export destination. Outside Europe the United States is the most important trade partner with a share of about 6% (see Export Thermometer 2008). The neighbouring countries are not only SMEs' favourite export destination; these same countries also play an important role in Dutch imports. Dutch SMEs import mostly from neighbouring countries - Germany and Belgium. The United States, China, Russia and Taiwan are important non-European suppliers. Europe is the most important destination for foreign investments of Dutch SMEs.

Internationalisation of SME: Internationalism pays

Internationalisation is vital for SMEs to prosper in an increasingly competitive world and could contribute to sustaining employment, according to a recent study. The survey maps the level of internationalisation of European SMEs, identifies the main barriers and advantages of internationalisation and proposes policy recommendations. The European Commission-funded study, Internationalisation of European SMEs, was carried out in 2009 and analyses all modes of internationalisation, namely direct exports, direct imports, foreign direct investment, subcontracting and international technical co-operation. The study finds that there is a direct link between internationalisation and increased SME performance: international activities reinforce growth, enhance competitiveness and support the long-term sustainability of companies. Consequently, two main points highlighted by the study are: there are economic welfare gains from increasing the number of internationally active SMEs, and public support should play an important role in promoting greater internationalisation.

There is a strong correlation between SMEs being internationally active and having better than average business performance scores. Although part of this may be due to 'self-selection', in the sense that SMEs with better performance are more likely to be active internationally, it is also probable that there is a direct, positive effect on the performance of enterprises that become internationally active. Public support mechanisms can play a pivotal role in the promotion of greater internationalisation and help address perceived barriers to internationalisation, such as providing better access to information and access to financial support. Despite these benefits, public support goes largely unnoticed: only 16% of SMEs are aware of public support programmes for internationalisation and only a small number of SMEs actually utilise it.

On average, 77% of respondents in global achieving firms agreed that their company excelled across seven principles (see below). Delving into the behaviors of these winning firms, we found that their leaders actively supported the seven 'tudes in specific ways.

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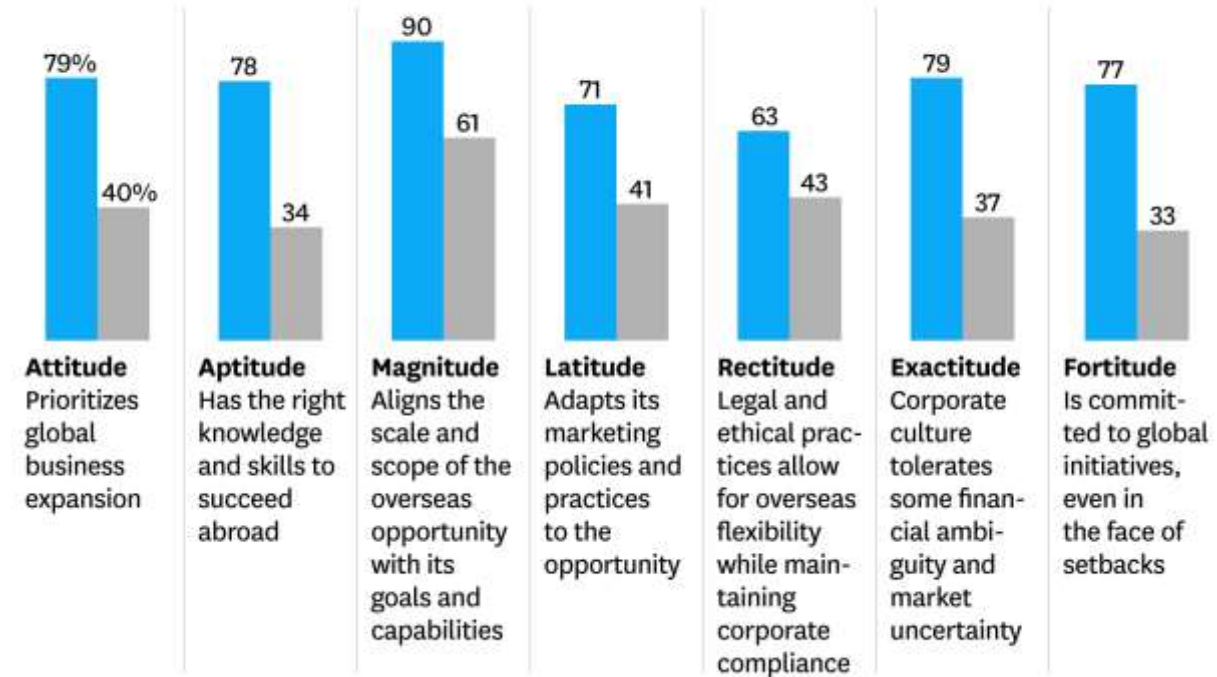


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7 Characteristics of Firms That Win Globally

PERCENTAGE OF RESPONDENTS FROM WINNING AND LOSING FIRMS WHO AGREE THAT THE FIRM EXHIBITS EACH CHARACTERISTIC



SOURCE DOUGLAS QUACKENBOS ET AL.

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International successful businesses:

- **Prioritize global business expansion by:**
 - Reviewing international initiatives at all major internal meetings
 - Assuring that global managers and leaders have titles conveying the roles' significance
 - Cross-pollinating HQ and international leadership
- **Assure the firm has the right knowledge and skills by:**
 - Aggressively training staff
 - Hiring required external skill sets
 - Blending internal company experts with the international team
- **Align scale and scope of the overseas opportunity with the firm's goals and capabilities by:**
 - Making sure all stakeholders understand international opportunities often differ in size from markets in the current portfolio
 - Ensuring internal awareness of objectives and pilots
 - Adjusting the geographic footprint of the initiative to ensure internal significance or avoid overwhelming the organization



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- **Adapt the firm’s marketing policies and practices to the opportunity by:**
 - Educating HQ on prevailing target-market standards
 - Training and sensitizing stakeholders on cultural differences
 - Proving the “business case” for the initiative despite different overseas standards and practices

- **Assure that the firm’s legal and ethical practices allow for overseas flexibility while maintaining corporate compliance by:**
 - Benchmarking competitive practices in country to ensure willingness to compete
 - Encouraging open discussion of potential knowable issues
 - Clarifying objectives and “deal breakers” before entry

- **Reinforce a corporate culture that tolerates some financial ambiguity and market uncertainty by:**
 - Considering strategic objectives versus only financial ones
 - Recognizing that market success may only have a modest impact on the overall business
 - Remembering that deviations from forecasts are to be expected when navigating unfamiliar territory

- **Assure the firm is committed to global initiatives even in the face of setbacks by:**
 - Clearly and consistently communicating commitment to the international strategy
 - Publicly reinforcing stated goals
 - Avoiding “public punishment” of players in failed initiatives

Some of these practices can be carried out in the short term and deliver quick wins — for example, making sure that international initiatives are presented and reviewed at all major internal meetings. Others will require more deliberate planning and time to implement (e.g., hiring the skill sets needed or coming to a common internal understanding regarding strategic versus financial targets). Still others may require a fundamental change in organizational culture, processes, or both. If our diagnostic tool reveals deficits that will require long-term investments to address, the firm may want to pass on a current overseas opportunity in order to make the needed changes.

Investments made in improving these seven factors will pay dividends in both the short and long term by helping the company develop and sustain the culture and capabilities required for global success. By using the above mentioned points, managers will be in a stronger position to avoid the traps and close the gaps that can make the difference between failure and success in overseas markets.



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Practical solutions for SMEs

The Enterprise Europe Network is a key agent in fostering the link between internationalisation and innovation. It aims to provide entrepreneurs with access to market information, overcome legal obstacles and identify potential business partners across Europe.

The network, which comprises about 600 partners in 44 countries, also focuses on innovation support and transnational technology transfer services. It provides a forum for SMEs to share research results, participate in research programmes and apply for funding.



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Critical Reflection Croatia

Work referenced: The Importance of Internationalisation for a Company

Reading through the article, we had to acknowledge the importance of competition in today's business world. While many regard competition as the problem from their personal stance, the fact remains that the competition has been one of the main reasons for development, advancement and refinement of most of the existing entrepreneurial ideas. Observing the written statistics of the Dutch exports connected to the small and medium-sized enterprises I find it fascinating that the majority of exports is due to the activity of SMEs. As noted before, small and medium enterprises are nowhere near as successful in Croatia and the examples are rare and far in between. Croatian export in itself is struggling and the governmental institutions are often criticized because of the limited views, huge imports of cheap goods that are also being produced in Croatia in sufficient quantity, yet are not taken full advantage of and for failing to promote the Croatian product further than the local region (with the exception of the few countries). So, even the existing complete Croatian export constitutes miserably small numbers, even when it comes to the countries we have been exporting to since the formation of the country. I would also like to note that I find it a bit more natural for the Dutch to be more successful at SMEs trade and export, especially when taking into account the entrepreneurial history of the Dutch all the way back since colonial times.

When it comes to local Croatian small and medium-sized enterprises, they unfortunately focus solely on the very limited Croatian market or at best, the regional market. The narrow-minded local view more often than not dooms the enterprise from the get-go. Even when the same failures occur over and over and are well known to the public, new entrepreneurs still fail to learn from it and the cycle repeats over and over, the formation and swift failure of the enterprise becoming a local standard. The local reality leads people to a cynical and pessimistic overall view, that is hardly acceptable for someone who strives to get into entrepreneurship. However, the fact that anything rarely works on the local level, has pushed some to look at the things more widely. While not common, there are certain local entrepreneurial individuals who actually make an effort to push the awareness of their business on the world stage. It's still not a fully fledged international market entrance, but one could argue it's a start, if not a promising one. Of course, the local community is hardly too optimistic when it comes to their efforts and more often than not they are almost ridiculed. The attitude is completely wrong. Aptitude on the other hand fares a bit better as in today's time of fast media and info, it's easy to find accessible info via public media or simple contacts with people who specialize in the subject. Just about everyone spends their time on the Internet, exchanging the information and content. That in itself is a vital part of entrepreneurship and most people have picked that up through their average daily Internet activity. Social networking, finding ideas and solutions online, posting content and their own ideas, it all counts into experience that might prove helpful when it comes to entrepreneurship via Internet media.



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Ofcourse, its not all about the self taught skills and knowledge (even when taking the account that some of the most prominent and well known enterpreneurs were in fact self taught). The readiness to learn counts for quite a lot. Skills can both come naturally as the personal talent or be taught and trained. They say the best knowledge is the one that comes from experience. Magnitude represents a huge problem for the croatian SMEs, simply because the leaders have trouble with the scope of the business and are often oblivious to their local surroundings, let alone surroundings world wide. The adjustment of the goals and and capabilities is one of the stepping stones for every new enterprise and without clearly defining the goals, the path is unclear, making the right actions unclear, making the whole enterprise directionless and non-efficient.

Latitude could also prove troublesome as not only is adjustment difficult for local entepreneurs, but reckognizing the oportunities is questionable at best. As they are not used to worldwide, globalized business, the adjustment and swiftly taking advantage of the oportunities as they come up could prove most difficult and hard to achieve. Rectitude is ofcourse paramount as the business uncapable of adhering to the legal and ethical practices is not only impossible to sustain among the institutions, but also completely uncapable of gaining trust of the potential clients in the demand deparment. Ambiguity is something that is in business world viewed generally unfavorably or as a loophole. In Croatia, business ambiguity has become a norm as untransparent and honestly, dubious way of conducting business has become an everyday occurance. It is also partly responsible for the cynical outlook and suspicion when it comes to enterprenauring busines. Fortitude is something that is tightly connected to attitude and when we say that the attitutde is wrong, it connects to the fact that the fortitude is not much better. When faced with the first failure or unsuccessful first attempt, most people localy are almost instantly ready to give up. They dont tend to learn on the failures, they dont tend to act on them, they just see them as the sign to give up.



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A Critical Reflection - Turkey

Work referenced: The Importance of Internationalisation for a Company

Internationalisation of Turkish companies

Today labor and capital flows among countries and corporations with an unprecedented pace and amount. Therefore capital flows, production and service activities, commercial and technological developments attain international character. Billions of dollars can be transferred with only one “click”.

For internationalization, the dimensions and the domain of the competition that enterprises face change inevitably, enterprises become international, production and service activities, and international horizontal integrations increase. Multi-National Companies (MNC) and foreign direct investment (FDI) become more effective on individual economies. Now national frontiers disappear or at least lose its former rigidity and world head for an economic, political and cultural integrity. As the result of these developments and stages trade increases in the world and this increase bears economic, social, political and cultural effects. While economic activities affect cultures, sometimes cultures may shape economic activities. Furthermore MNCs and FDI flows arise when trade is insufficient or inefficient. This alternation first affects the global economy and then the whole human values and causes different structures to arise as a result of new formations.

Despite the increasing number and importance of Turkish MNCs, little is known about their internationalization processes and their entrepreneurial activities for international opportunity development. Most of the studies on Turkish MNCs focused on the determinants of Turkish OFDI or entry modes, whereas few studies investigated the internationalization of Turkish MNCs from a process view and go beyond the initial market entry stage to analyze the exploitation of opportunities. Turkey provides a good research base on internationalism and it is described as one of the big emerging markets of the world along with Argentina, China, Brazil, India , Mexico, Poland , South Africa , South Korea and Taiwan.

One of the strongest Sectors in Turkey are textile and ready- to- wear, the world 's sixth ready to wear and apparel manufacturer , controlling a 4.3 percent share in the global export trade. However , faced with increased competition from some developed countries , the sector is undergoing a major restructuring , changing its image from mass producer to creator and a quality labor It seems that Turkish firms, in their internationalization process use their network in addition to learning from existing export markets and market knowledge. It is apparent from the data analyses that companies make use of know-how knowledge resulting in gaining experience in international markets other than relying only on export.



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A Critical Reflection - Greece

Work referenced: The Importance of Internationalisation for a Company

Small and medium-sized enterprises (SMEs) may not be as strong as their larger ones, but they remain the fastest-growing international trade sector. In Greece SMEs represent 99.9 percent of the total number of enterprises and are those who have been affected most by the recent crisis. It is important to note that Greece, like Italy, Portugal and Spain, has a much higher percentage of employment in SMEs than the European Union average, with a percentage rate above 50 percent as opposed to the EU's 30 percent average.

As the Greek economy enters its seventh consecutive year of recession, there are many medium-sized enterprises – with less than 250 employees– but mostly much smaller (fewer than 50 employees), which are struggling against all odds and could benefit from the increased demand and capital that international markets offer, particularly as members of the EU.

The motivators which lead SMEs into exporting, particularly regionally, are many and have prompted academic research. Investigating the motivators affecting an enterprise (including government policy), we can discover why some enterprises prosper while others are lost in the global marketplace. This can help shape government policy and international policy toward SMEs. Without a particular strategy, without a plan, a company cannot fully understand and recognize the reasons behind its success or failure.

The knowledge of motivators (for example legal restrictions, foreign market knowledge, networks in host or home country, a competitor beginning to move abroad etc.) and their effect help the enterprise to determine a strategy and path, the size of the investment, the mode. The difference is behavioral, lies between want and must, and determines which category of motivators affect the enterprise (external or internal) and which don't.

The European Common Market is a special case as it is a varied yet united common marketplace without particular obstacles to trade and offering many opportunities for SMEs to internationalize, particularly when it comes to taking their first steps. The best basis for a SME to take its first steps in the international marketplace is in exports as it is low on resources and transaction costs, less risky, and, as internationalizing is based on incremental learning, a stable start is always beneficial. This is in order to obtain strategic know-how and organizational skills which will be utilized in a longer-term strategy. The more knowledge that is accumulated, depending on management, the better an enterprise picks out opportunities and foreign markets (perhaps even through collaboration, depending on the volumes it can produce, its speed, and its shortcomings and advantages).



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Policy regarding SMEs in Greece must encourage managers to become more proactive in their international strategies, reduce the burden of over taxation, and allow them to search for opportunities and create a stable launch platform for Greek small and medium-sized enterprises. Government policy is of crucial importance to Greek SMEs and can change many issues either positively or negatively. Knowledge can aid managers who are undecided on looking into international markets, helping them to fully understand their resources and advantages.



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A Critical Reflection - Portugal

Work referenced: The Importance of Internationalisation for a Company

How to develop an internationalisation process

1) The previous steps

Internationalization is not a simple step, since it requires time for planning, evaluation and implementation. Before taking that step, one must take into account some previous factors that should be considered.

1.1) Critically analyze one's business model

Critically reflect on the weaknesses and strengths of the business, preferably with an external vision – clientes, suppliers, bank, ..., as one's own can be biased. Ask those partners what does work and what doesn't in the company, as they are the ones that know what stands out in the market. Before going abroad be sure that your internal market is working efficiently! The business model that has shown to work in one country doesn't mean it will work on the same way in another...

1.2) Is the company so financially strong that can support the international effort?

Internationalization shouldn't be faced as a way to solve internal market problems, as it requires financial resources and time investment. It will not produce a proper cash flow on the short term, so one must have a good financial support to have a better chance of success. Therefore, stipulating which part of your revenue/profit is going to be invested on the process is extremely important.

1.3) Which is/are your new target market(s)?

In order to assess the viability of one's product or service in a new market, a deep analysis is required. Not following the "fashionable" destinations nor just the linguistic factor is relevant – Brasil, Angola or Mozambique are important markets for Portuguese companies but have a lot of entrance barriers, like laws and regulations, besides the currency.

Once the country(ies) have already been identified, in terms of its high growth potential, the entrepreneur has to study and assess the situation: its features, its culture, the opportunities and barriers that a new player may run into. How can the product fit this new market needs? Is some adaptation to local culture required?

Checking the existing competition is also a key factor: are already there companies that offer the same product? What can be learned from their experiences?

1.4) Look for a local partner and local help

In some countries a local partnership is required – Angola, for instance, requires it by its foreign investment law. So, finding out if the new market requires a collaborator/local partner is the first step.



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A similar approach is advised if you don't know the market, so it is recommended to rely on local partners, as they provide the knowledge of the target market and potential businesses' contacts.

Getting advice from local legal experts is important for guidance on important topics such as: the best legal structure to start the business; benefits and advantages provided by the State or International funds (World Bank, in Africa, or European funds, in Europe, for exemple) for foreign investment...

2) During the process

2.1) The entrepreneur should be careful with the Human Resources factor – sending a local key person abroad can be harmful to the original company and does not necessarily mean it is a good decision. Hiring local people with an expatriated person, coming from the original company, to coordinate may also work. Taking in consideration his / her integration and his / her family is also a best practice, besides the adaptation to the new country's cost of living.

2.2) Not being eager to repatriate immediately the profits is a good management decision. Invest locally to show the stakeholders the strategic relevance of this new company. Therefore, only after some time should profits be sent to the original company.



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An Italian Epilogue about Internalisation

Introduction

With the TBG project, school partners have been called to reflect on how the educational and entrepreneurial Dutch system could be adapted to their local and national realities.

This exercise, which started with the implementation of thematic workshops in the Netherlands on April 2016, implemented in combination with the pilot of the online modules from the “A Scuola d’Impresa” project was very useful. In particular, it encouraged the teachers involved in the implementation of the TBG project to critically report on their pedagogical practice in the field of entrepreneurial education, thus exploiting the results obtained during the two years of activities with the students.

Taking into consideration the reflections provided by the school partners, we hereby provide additional thoughts and suggestions on internationalisation.

Internationalisation of Companies

The markets globalization has resulted in a growing openness to international trade which necessarily entails a new approach in management activities at both strategic and operational levels: the global village of commercial companies are driven with increasing strength and frequency to expand and diversify both the market and supplies. The international trading facilitated by economic instruments and policies that make immediate relations with foreign countries (internet, conference calls, etc.) -is becoming an almost daily reality for businesses today. The entrepreneur and manager who push to have new forms of partnerships across borders or otherwise operate in a context of international business often have a deep knowledge of their product or business area; yet, sometimes, technical training is not enough for the negotiation to be successful: the operational aspect is not often supported by an equally good knowledge of negotiation and communication standards between different cultures. The limited resources available to SMEs does not allow the organization of a structured and complex foreign office as the one of large companies, thus making it necessary to rely on human resources, in addition to specific professional skills, necessary to manage and oversee a process of internationalization.

From the mental analysis attitude, technical and practice skills that today are essential to operate successfully in the international markets, there is a clear need to provide high school students a path to the acquisition of soft skills in management of international trade relations and intercultural communication (cross-cultural management skills) that is a transversal competence in all the figures of management to operate effectively in the field of foreign markets.



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In other words, it is important that all learning entrepreneurship activities also view the promotion of internationalization culture.

The teaching motivation is to entrench the culture that international growth cannot be improvised. It is the result of an organizational development process. Foreign markets, emerging or mature, must be studied carefully because they are different in several aspects. Language and time zone are only two aspects, to which are added cultural diversity, managerial practices and institutions (formal or otherwise), whose management requires the development of specific skills. Be clear about what are the elements of diversity between one country and another, and how likely will impact on the business is the first element that requires a successful internationalization process. The more pronounced are the differences, the more the latter are able to influence the client, the logic with which assesses the company's proposal, the channels through which it must be served and how they should manage the relationship. Not only that, the foreign market specificities can highlight the importance of resources, activities or partnerships that are not as relevant in the internal market. The similarities and differences between markets should be the reference points of the strategies and the corresponding organizational solutions designed to plan and control the internationalization process' results.

In line with the Europe 2020 Strategy and the ET2020 strategy, this may also provide a real opportunity for personal and professional growth in order to enhance full and immediate employability in the specific local labour market, encouraging, moreover, in an indirect way, an overall improvement of SME system.

As part of the recommendations and European instruments with particular reference to the "Guide for training in SMEs" (European Commission, Employment General Directorate, Social Affairs and Unit Inclusion C.2) the goal purpose consists on the cross-cultural skills and SMEs internationalization development. The Guide identifies the constant improvement of cross-cultural skills, instrument to limit barriers or reduce what has been defined as "psychological distance" that is, the set of all linguistic and cultural differences that affect the dissemination of information and decision-making in international transactions: the greater the international experience, the smaller the psychological distance.