

Book Review

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The Routledge Companion to International Entrepreneurship, Stephanie A. Fernhaber and Shameen Prashantham (Eds.), Routledge (2015), 262pp. (hardcover), ISBN: 978-0-415-82919-9

The racetracks of large corporations and small and medium sized enterprises (SMEs) merged under the influence of globalization forces. The “shrinking” of the world through the improved channels of distribution of products, people and information blurred the original segmentation and set the foundation of a more international entrepreneurial environment. The context of increased internationalization and the emergence of small and large players in the global market landscape, has defined the steady rise in the international entrepreneurship (IE) literature, which is no longer “a field in its infancy”, but one “characterized by an exponential growth” (Fernhaber and Prashantham, 2015:1). This transition of the IE literature has been well-spotted by the book *The Routledge Companion to International Entrepreneurship*. The book’s editors Fernhaber and Prashantham express strong motivation to reflect on the field’s evolution in order to outline its path for future developments. More specifically, the research motivation for this issue is to bridge existing divides between the entrepreneurship and the international business (IB) literature.

Paradigms emerging from the IE field can possess strong explanatory power, easily applicable to not only the originators (i.e. intentional business and entrepreneurship), but also intentional and strategic management (McDougall and Oviatt, 2000; Autio, 2005) – a characteristic that motivates the current review. Nevertheless, such potential cross-fertilization has not been realized to the extent possible because the field remains fragmented and full of knowledge insufficiencies and theoretical inconsistencies (Keupp and Gassmann, 2009). The fragmentation occurs because many studies alleged to be part of the IE research diverge from the original position at the intersection of IB and entrepreneurship and rarely use consistent theoretical frameworks (Keupp and Gassmann, 2009).

The employed structure of the book reflects on the idea to highlight the intercept between research on entrepreneurship and international business, overcome theoretical fragmentation in the IE field and outline its future implications. The story unfolds as follows:

The book comprises of four areas that illuminate the changing knowledge streams of the IE field. The first part (Chapters 1 & 2) explores the emergence of the field and its cross-disciplinary nature, as well as proposes research gaps that remain to be addressed.

The introductory chapter by Rialp, Rialp and Knight (2015) explores the emergence of IE as a field. The importance of international actors’ engagement in the business environments of any host country has increased substantially due to globalization. Today, the movement of people, entrepreneurial activities and aspirations has been associated with the generation of new

knowledge, perspectives and talents that often lead to opportunity recognition and exploitation. Academic research has followed these developments with interest, and this has led to the development of a new strand of research, that of international entrepreneurship (IE). This field emerged as an intersection of international business and entrepreneurship.

This chapter does not only provide a look at the origin of IE and its current positioning, but also provides direction for novel research within the field. The authors propose the improvement of the definitions of “born-globalness” and its subsequent unification. In addition, they propose that scholars adopt specific apparatuses and methods, which enable the closer examination of small entrepreneurial companies’ internationalization. The tools they suggest are based on the extension of internationalization models and the network perspective with more recent developments such as, dynamic capabilities and the knowledge-based view of the firm.

Chapter 2 by Dimitratos and Li (2015) continues with the objective to explore IE’s standing in the literature. They do so by utilizing an extensive cross-disciplinary citation analysis. The importance of examining seminal articles lies in the need for finding solid theoretical frameworks that can be the new pillars for growth within the IE domain. The authors believe that scrutinizing the role of fundamental entrepreneurship and international business articles for the growth of the IE field can shed light on the strategic direction of IE. This chapter has the potential to guide further investigations in the field. Moreover, it can possibly serve scholars in search of an equivalent theoretical framework (i.e. one that encompasses IB and entrepreneurship notions), an endeavor known for its challenging nature (Keupp and Gassmann, 2009).

The second part of the book (Chapters 3, 4, 5, & 6) focuses on the characteristics of international entrepreneurs. Thus, readers can find discussions on the role of entrepreneurs’ cognition, background, knowledge, experience and behavior on internationalization. Two focal contextual areas for consideration integrated in the second part are international social entrepreneurship and transnational entrepreneurship.

Chapter 3 proceeds with an overview of cognition and its often unnoticed relevance to the IE field. The proposed introduction of cognition in internationalization models shifts the emphasis away from the firm-level perspective and looks at entrepreneurship through the entrepreneur’s perspective. Milanov and Maissenhalter (2015) indicate that this shift allows a deeper exploration of the opportunity identification processes that actors go through, as well as their general thinking patterns. Thus, cognition focused research has the potential to contribute to both IE and IB frameworks and potentially help scholars construct an equivalent theoretical framework that balances both perspectives. Milanov and Maissenhalter (2015) provide a definition of international entrepreneurship cognition, propose the direction of future research, as well as suggest methods that may facilitate addressing interesting research questions.

Chapter 4 provides additional support in favor of the micro-level of analysis in IE research. Andersson (2015) argues that the individual entrepreneur’s influence on the international new venture’s internationalization is a largely underexplored area. Thus, he focuses our attention on the role of the entrepreneur’s background, experience, knowledge, mindset and behavior for new ventures’ inception and internationalization.

Departing from the focus on cognition and the role of entrepreneur's mindset, Chapter 5 examines how value is created on a firm level and from the perspective of social entrepreneurship. The chapter introduces the intersection of IE and social entrepreneurship, thus highlighting the relevance of the international social entrepreneurship. In this section Marshall, Lieberman and Pages (2015) discuss three cases of international social enterprises in order to illustrate the diverse models, which these enterprises utilize, as well as the various contexts where they emerge. By drawing on the impact, the business models, the social networks and partnerships of the explored cases, the authors advise on the future direction of the field.

Chapter 6 introduces the term transnational entrepreneurship within the domains of IE and IB. The authors, Dave Crick and Shiv Chaudhry (2015) claim that the exploration of transnational entrepreneurs fits within the Jones and Ram's (2007) call for identifying context-specific entrepreneurship practices. The contribution of the chapter lies in exploring transnational entrepreneurs' internationalization practices and motives. The chapter suggests that more research needs to be done on the practices of internationalizing ethnic entrepreneurs. A proposed avenue for future research is that on minority groups and their context-specific strategies, as well as the comparison between such entrepreneurs and native entrepreneurs. Outlining potential differences in their nature of operations and motives will add to the currently under researched but growing literature on transnational entrepreneurship. Moreover, pursuing the proposed direction will further highlight the role of the entrepreneur's background for new ventures' inception and internationalization, as proposed in Chapter 4.

The third part of the book (Chapters 7, 8, 9, 10, 11, & 12) discusses the internationalization process of entrepreneurial firms from a strategic perspective. Thus, each of the following chapters aims to shed light on different aspects of the new venture internationalization process by adopting a diverse range of popular theoretical lenses (e.g. network perspective in Chapter 7; capability perspective in Chapter 9; Chapter 10).

Chapter 7 looks at the internationalization process of entrepreneurial companies through a network perspective. Chetty and Pahlberg (2015) identify access to networks and the accurate network positioning as essential prerequisites for a successful internationalization. The importance of networks in the internationalization process lies in their ability to function as channels for low-cost knowledge transfer. Coming to this realization, the authors examine how IE companies recognize and generate opportunities within network settings, as well as identify the types of networks companies engage in.

The chapter highlights Johanson and Vahlne's (2009) liability of outsidership perspective which views internationalization as the process of gaining embeddedness in a foreign network of customers, suppliers, or competitors. It also points out that home-country and host-country relationships not only present firms with new opportunities, but they also can reduce firms' outsidership in a new business environment. The message to the scholarly community is to further explore the role of home-country and host-country social capital and its dynamics for the internationalization process.

In Chapter 8, Sapienza, De Clercq and Zhao (2015) conduct an in-depth review of the international new venture perspective by focusing explicitly on the role of knowledge and

learning, central for understanding the process and outcomes of new ventures' foreign market entry. On the basis of this review, the scholars suggest new research avenues for advancing the international new venture scholarship.

The article encourages future research on the individual, as well as multiple level of analysis. Here, the authors call for studies exploring the dynamics between entrepreneur-specific characteristics and the broader organizational behavior in new foreign markets.

Currently, the study of the role of knowledge and learning in the internationalization process of new ventures is challenged both methodologically and empirically. According to the scholars, these challenges are mainly due to the lack of common understanding of what means "to internationalize" and difficulties to measure the degree and pace of internationalization. To expand further theoretical knowledge in this domain, the authors call for more innovative methodologies such as field and lab experiments or event studies.

Moreover, the simultaneous study of the different outcomes of new venture internationalization is another avenue for valuable research contributions. In this regard, Sapienza, De Clercq and Zhao (2015) call for a parallel examination of tradeoffs in survival, growth and profitability goals and their effect on strategy formation and internationalizing process in the context of new ventures.

Chapter 9 by Christiane Prange (2015) provides an overview of another theoretical lens applied in the study of IE, that of organizational capabilities. The author presents the existing conceptualization and paradoxes of dynamic capabilities, comparing and contrasting them with the emergent in the literature – entrepreneurial and international entrepreneurial capabilities. Similarly to Sapienza, De Clercq and Zhao (2015) (Chapter 8), Prange (2015) suggests a number of avenues for future study. One such avenue is the study of capability emergence, focusing on the internal or external factors and the role of the individual. The other research opportunity lays in the further study of sequential ambidexterity occurrence and oscillation in international new ventures.

Chapter 10 offers an exploration of a particular type of international new venture – the internet-based international new venture (eINV). The authors, Reuber, Fischer and Morgan-Thomas (2015), offer an integrated framework of successful eINVs, based on three main types of capabilities – sensing, scaling and spreading. Each one of these capabilities is defined and discussed through the prism of the entrepreneurship literature, the international business literature, IE literature, and partially through the e-marketing perspective.

The substantial synthesis of the literature addresses a number of potential research questions. The first one calls for a study of the processes through which eINVs manage to respond to requirements of scale and international diversity. Furthermore, the authors invite the research community to examine the factors that may enable eINVs to overcome liabilities of foreignness at rapid speed in the internationalization process. However, expanding existing knowledge about eINVs can be achieved only through a systematic approach to research.

In contrast to the previous chapter (Chapter 10), which explores a specific type of international new venture, Chapter 11 places a greater emphasis on the key element supporting the development of entrepreneurial ventures. This is the role of venture capital (VC). With the

exception of Terjesen's et al. (2013) survey of literature on VC differences across countries, the author, Joseph LiPuma (2015), argues that his article offers one of the very first reviews exploring the relationship between VC and international entrepreneurship.

The literature review leads to a call for more research exploring the relationship between venture capitalists and the portfolio companies for understanding the value dynamics provided by each partner. LiPuma (2015) emphasizes on the fact that diverse regulatory and cultural environments can impact the relationships between investors and new ventures. Therefore, more studies are necessary for exploring in greater depth these dynamics across individualist, collectivist, or trust-based cultures.

Chapter 12 represents another critical attempt to contribute and further IE literature. It is motivated from popular theoretical perspectives in the international business field such as liabilities of foreignness, transaction cost economics and firm specific advantage. In this chapter, Rugman, Lee and Terjesen (2015) make a contribution to IE by stressing the regional nature of MNEs (multinational enterprises) rather than their global nature. The authors report that of the world's largest 500 companies, 72% of companies' sales originated from their home region. This evidence suggests that INVs are not "born global" but rather "born regional".

The second contribution of this chapter constitutes in the use of a scale metrics approach rather than a scope metrics approach for studying the new venture internationalization process. This method confirms the regional rather than the global nature of new ventures. Besides its valuable contributions, the article is not without limitations. These are the use of evidence from a single country (Korea), and the use of data from only a single respondent at one point of time. The chapter ends with the authors' call for research studies exploring the process of venture regionalization from one to other countries within the same regional context, as well as the impact of regionalization on multiple levels of outcomes.

The fourth and concluding part of the book (Chapters 13, 14, & 15) highlights some of the current implications of entrepreneurial internationalization and charts new research directions.

Besides the large number of research studies exploring the relationship between firm internationalization and performance, relatively few works have looked at the relationship between IE firms and performance dynamics (e.g. survival and growth). In Chapter 13, Per Servais and Erik Rasmussen (2015) zoomed into the complexity of this relationship by emphasizing the mediating effect of a context in determining market opportunities, and the double-sided impact of newness on firm performance. The chapter calls for contributions on how a firm's choice of entry mode or the type of international activities affect the performance of newly established firms.

Chapter 14 is a call for research inputs into the study of policy issues raised by born globals, a mutually beneficial area for both entrepreneurs and policy-makers. In McNaughton's and Pellegrino's view, such policy-related studies are likely to increase research knowledge not only about the nature of born globals, but also their relationship with international governments.

Chapter 15, the last chapter of the book by Niina Nummela (2015), relies on a recent and comprehensive literature review by Jones et al. (2011) to provide an insider perspective on the

research methods in international entrepreneurship research. Nummela's analysis reveals the frequent use of static, cross-sectional studies and quantitative methodologies. Based on these findings, the author calls for experimentation and innovation in formulating research strategies and designs beyond the ones previously proven to result in successful and somehow easier publications.

All in all, the Routledge Companion to International Entrepreneurship is an excellent and highly recommended reading for researchers from other fields who are interested in engaging with the IE literature for first time, as well as established scholars in the field searching for new research inspirations. To the first group, the book offers the starting point of in-depth literature reviews conducted by a number of experts in the IE field. To the latter, the book is of value as it stimulates scholarly exploration beyond existing knowledge boundaries. Thus, a response to the authors' call for greater innovation and experimentation by adapting different theoretical lenses, contexts and research designs can resolve existing research dilemmas, many of which have been outlined in the book.

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