MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

„The relationship between new ventures founder´s international background and their venture´s speed of internationalization"

verfasst von / submitted by

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angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of

Master of Sciene (MSc)

Wien, 2020 / Vienna 2020

Acknowledgement

At this point I would like to thank everyone who supported me in writing my master thesis.

I would like to thank Ass.-Prof. Steffen Keck, PhD for his valuable input and supervision. Furthermore, I would like to thank every new venture founder who invested his/her time by participating in my survey and contributed to this study.

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1 Introduction

Among rising interest from academics, politics and economics in new ventures in recent years as a whole, new ventures are strong a driver for technological development and improvement. Furthermore, these ventures are an important contributor to the job market (Bürgel et al. 2004).

Innovation can range from purely new products or services to adapting and alter old ones or even offering nearly the same existing products with only small variations or extensions in a different way (Amason et al, 2006). With an increase of new ventures disrupting whole industries or even creating new ones (for example Uber, Amazon, Facebook or Google) the rapid growth and speed of internationalization attracts even more interest among many researchers, politicians and economists.

As globalization changes macroeconomic conditions and information flow (speed & access) it is seen as an important factor for the rise in appearance of born globals, which are companies that desire and strive to operate internationally from the day of their inception (Zucchella et al 2007; Weerawardena, et al, 2007).

The increased appearance of international new ventures has attracted a lot attention from scholars recently. Many studies show, that even though new ventures still being at an early stage and limited by the resources available aim for rapid internationalization. This process seems to be influenced mostly by the globalization of markets, subsequent changing customer needs and decreasing costs of international activities due to the evolution of new communication and transportation technologies (Kuivalainen et al 2007).

The main differences among exporters and non-exporters can be spotted in the education, the travel habits and international network. The more of these characteristics a founder of an organi-

zation reflects, the more likely the organization is to operate internationally (Caughey & Chetty 1994).

According to (Hambrick et al, 1984), the upper echelon theory states that an organization is a reflection of its top management team. In other words, an organization´s strategic orientation is a reflection of it the character of its top management team. As founders usually being members of the top management team of a new venture their characteristics and further their influence on the organization is of great interest. Moreover, there is many evidences for a positive relationship between an entrepreneur's life experiences (for example work, live or study experience abroad) and a new venture´s speed and degree of internationalization (McDougall, P. 2003; Manolova et al 2002; Acedo & Jones 2007; Zhou 2007). Furthermore, a founder´s international experience is seen as a driver for international expansion of its venture as it is mostly likely to reflect foreign market knowledge (Zhou, 2007). (Bürgel et al 2004) Showed that founders of already international operating new ventures have more international experience by either worked in foreign countries or worked for an international operating organization than their not internationally operating counterparts. Surprisingly, the founder´s international education (time studied abroad) did not affect the internationalization of their venture. Although, the international vision and urge to operate international seems to be established trough international experiences (foreign languages, foreign education, foreign work experience, travel habits and origin) (Zucchella et al, 2007).

According to a study published in 2018 (Leitner et al, 2018) there have been more than 1534 new venture inceptions classified as startups since 2004 in Austria, 50% of it founded in Vienna. Approximately 75% of them operating already internationally and 42% can be classified as born globals (targeted global markets from the day of their inception).

As international vision among new venture´s founders is seen as one of the most important drivers of early internationalization this paper at hand examines this relationship further with greater detail (Zucchela et al, 2007). As stated in current literature, a founder´s international vision is reflected in his life experience (time worked, lived and studied abroad), his internationalization of his network and likeness to travel. As published in a study (Leitner et al, 2018) 85% of new venture´s in Austria were founded by individuals with an Austrian citizenship. Furthermore, 11% stated the reason to move to Austria was to start a company there. This study at hand will investigate the effect of a new venture´s founder origin on the internationalization of its venture as it is pointed out by (Zucchela et al, 2007) that origin might influence a founder's international vision and orientation and therefore might influence its venture internationalization progress.

2 Theoretical Background

This section is meant to provide an overview of the topic with explanations of relevant and often used terms and definitions. After examining and analysing the current literature the research is explained in greater detail and further analysed. In Order to come up with a reasonable conclusion, limitations will be discussed too. At the end the importance and outlook of further research will be mentioned.

2.1.   New venture

A StartUp can be described as a new venture at the earliest stage of its life looking for a scalable business model. This paper at hand will therefore use the terms StartUps and new ventures to describe the same kind of organization. During the dot-com bubble in the late 1990´s the term "StartUp" became very popular (Antonenko et al, 2014). New ventures can be classified in three stages depending on the development of their product or service, employee count, revenue and legal form. The (pre-)seed-stage usually describes the stage before the actual inception of the

new venture. During this stage the idea is formalized into a concept and business plan. Furthermore, important question regarding the legal form, location and possible financial fundings are considered. The StartUp-stage starts with the production, market entry by offering service or products and first sales. This stage is dominantly accompanied by high costs and low revenue, profits usually not even in sight. During the emerging-growth-stage the venture is able to break even, boost its sales and further improve their service and production facilities (Hahn & Naumann, 2014). The two most common ways of how StartUps are founded during their first years of operations are, either with the founder's money followed by bootstrapping (reinvesting the revenue) or with (huge) financial fundings from external sources like venture capitals. The second method might the most common method, as it is important in most markets to grow quickly and gain market share. Without that huge amounts of external money most StartUps would not be able to grow to big organizations in a short period of time (e.g. Uber, Lyft, Facebook, Amazon, Zalando). Figure 1 describes a StartUp´s cycle from its inception to its IPO. A StartUp´s life cycle can be classified into three mayor categories being the Early Stage, the Expansion Stage and the Later Stage. It usually starts with the generation of an idea, the generation of the business model and the team formation which is labeled as the pre-seed stage. This stage is characterised with an increase in expenses, no revenue streams, low capital needed and high risk for the invested capital and further uncertainty of the long-term successful survival of the organization. The capital gained usually comes from family, friends, public funds and or crowdfunding. After that stage, research and marked analysis are one of the main tasks, taking place in the so-called seed stage. More investments are needed as the financial aspects in that stage are higher expenditures but still no revenue streams. At that stage, the capital needed is quite low, but very risky invested as the future success of this operations is unsure. Usually public funds, incubators, acceleration programs and micro VCs (Venture capital) are the main investors at that stage of a StartUp. Still in the early stage, the StartUp phase described the stage in which the venture is founded legally, therefore more capital is needed and the risks for the investment in a venture

decrease. It can be said that the later an investment is made, the less risk is involved. On the other the hand, the later an investment in such an operation is made, the less the potential financial reward is. Business Angels, public funds and VC are the most common investors. The first stage, still in the early stage is characterized by market entry and first revenue streams. The capital needed increases while the risk for investments further decrease. The expansion stage further is categorized into the second and third stage which is characterized by national and international expansion. Revenues are increasing same as the capital needed for further expansion while risk for the investments is decreasing. Besides VC, Banks are among investors too. The Later Stage categorized into Bridge and IPO (Initial Public Offering) phase describe the phase before and during the IPO. Revenue is growing and more capital is needed. At that stage the risk for investments is low. Investments banks and other financial instructions are among the investors (Artner & Kreutzer, 2019). Furthermore, Investing in StartUps is seen as very risky due to the high failure rate among these new ventures. A study by CB Insights examined 1100 StartUps in the US between 2008 and 2010 which received their first financial investment from a VC-Fund. Only half of them were able to receive a second round of financial investment. Further, only 15% reached a fourth financial investment round. Interestingly, only 1% of the StartUps made it to the so-called state of being a "Unicorn" which is a description for a StartUp with a valuation of at least 1 billion USD. This study examined these 1100 StartUps until 2018 which leaves a timeframe of 10 years. 67% of these new founded ventures did not succeed in terms of the venture capitalists, which means they did not receive further financial investment at some point until a profitable exit could have been made. Nevertheless, not all of them went bankrupt as some could have managed to properly create sufficient revenue streams for the company itself (but not enough for a Venture Capitalist to invest further). 30% of these investigated StartUps made a successful exit which means the company was sold with profit for the Venture Capitalists (Artner & Kreutzer, 2019). These results show how tough a successful journey of new ventures can be and how important it is to discover the crucial factors on how to succeed.

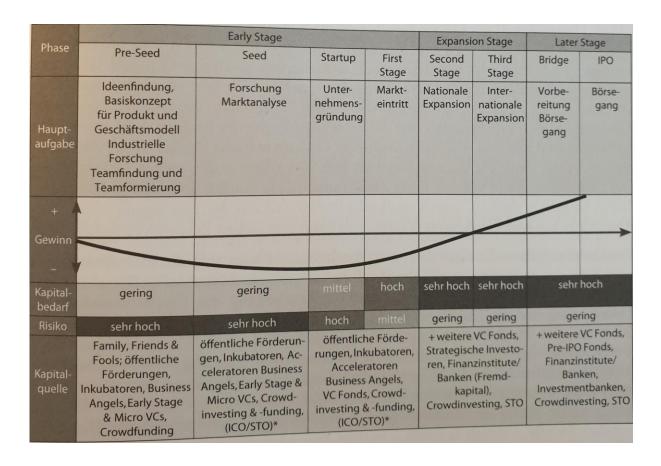| Phase	Early Stage				Expansion Stage		Later Stage	
	Pre-Seed	Seed	Startup	First Stage	Second Stage	Third Stage	Bridge	IPO
Haupt-aufgabe	Ideenfindung, Basiskonzept für Produkt und Geschäftsmodell Industrielle Forschung Teamfindung und Teamformierung	Forschung Marktanalyse	Unter-nehmens-gründung	Markt-eintritt	Nationale Expansion	Inter-nationale Expansion	Vorbe-reitung Börse-gang	Börse-gang
+ Gewinn −								
Kapital-bedarf	gering	gering	mittel	hoch	sehr hoch	sehr hoch	sehr hoch	
Risiko	sehr hoch	sehr hoch	hoch	mittel	gering	gering	gering	
Kapital-quelle	Family, Friends & Fools; öffentliche Förderungen, Inkubatoren, Business Angels, Early Stage & Micro VCs, Crowdfunding	öffentliche Förderun-gen, Inkubatoren, Ac-celeratoren Business Angels, Early Stage & Micro VCs, Crowd-investing & -funding, (ICO/STO)*	öffentliche Förde-rungen, Inkubatoren, Acceleratoren Business Angels, VC Fonds, Crowd-investing & -funding, (ICO/STO)*		+ weitere VC Fonds, Strategische Investo-ren, Finanzinstitute/ Banken (Fremd-kapital), Crowdinvesting, STO		+ weitere VC Fonds, Pre-IPO Fonds, Finanzinstitute/ Banken, Investmentbanken, Crowdinvesting, STO	

Figure 1: StartUp-Phasen-Modell retrieved from Artner & Kreutzer, 2019.

2.1.1. Born global

A Born global is defined as a new venture that uses information and resources from multiple countries from the day of its inception. Furthermore, it seeks to operate in multiple countries since its inception on (Weerawardena, et al, 2007). Born globals are firms that start operating international from their inception or at least have the desire to do so (Leitner et al, 2018; Autio et al, 2000; Knight & Cavusgil 1996; Rennie, 1993; Zhou 2007; Karra et al, 2008; McDougall et al 2003). Another definition is that born globals are firms that start operating international within the first 3 years of business with a threshold of 25% of revenue from abroad (Kuivalainen et al, 2007; Knight et a,l 2004). Born globals strive to outpace the competitions by using international resources and sales from the start of their operations (J. Weerawardena et al, 2007). (Shrader et

al 2000) states that born global are companies that start operating internationally shortly after their inception.

To sum this up, the most common definition of a born global among the literature is a new venture that starts to conduct business with either supplier or customers in more than their home country since its inception.

2.1.2. Early International Operating Firms

Early international firms are ventures that start operating internationally within their first 3 years after their inception. The market entry is not narrow defined and can range from export to any other entry mode (Zucchela et al, 2007). Other entry modes than directly selling to foreign countries can range all along the supply or value chain. To establish an international supply chain network, conduct business with foreign supplier or even building branches abroad can all be seen as market entry modes.

Although (Zhou, 2007) categorized a new venture´s foreign market entry as firm age at the international market entry; less than 2 years after inception, 2-3 years after inception, 4-5 years after inceptions and over 5 years after inception. On the other hand (Acedo et al, 2007) categorized new ventures according to their speed of internationalization as follows. Non-exporter are firms that do not operate internationally. Exporters are firms that firms that start operating internationally after 5 years of their inception. International new ventures are defined as firms that started entering foreign markets within 5 years of their inception.

To sum up, early international operating firms take more time to start operating internationally than their born global counterparts, but still have an early drive to do so. It does not matter which entry mode into a foreign market a venture approaches as long as it conducts business internationally to be classified as an international operating firm. This paper at hand will focus the further research and analysis based on the definition of (Zucchela et al, 2007) as the treshhold of 3

years is the most common method among the literature (Kuivalainen et al, 2007; Knight et al, 2004).

2.1.3. Exporters

A threshold of 25% of foreign sales is defined for a new venture to be seen as an international operating firm. Furthermore, the average firm age when international operations starts among new ventures is 6 years. The categorization is as follows; non-exporters, exporters – firms that start operating international more than 5 years after their inception and firms that firms that start operating international within 5 years (Acedo & Jones, 2007). The study (Leitner et al, 2018) shows that 93% of Austrian based start-ups are operating international, which further highlights the importance of examining the factors that drive internationalization among new ventures. As early international firms are defined as firms that operate within their first 3 years, this study will continue with this measurement and therefore define exporters as companies that start operating internationally 3 or more years after their inception.

2.1.4. Non Exporters

Non exporters are firm that do not operate international. To be more specific, these companies do not sell products or services to more than their home country (Acedo et al, 2007).

2.2. Upper echelon theory

The upper echelon theory states that an organization is a reflection of its top management team (Hambrick et al, 1984). In other words, the character of an organization´s top management team is reflected in the organization´s strategic orientation. Drawing on the literature it can be stated

that new ventures founders' international vision, network and life experience influence the company´s (international) operations (McDougall, P., 2003; Manolova et al, 2002; Acedo & Jones, 2007; Zhou, 2007). Besides, a founder´s foreign market knowledge influences the risk perception and proactivity and finally the internationalization of the venture itself (Zhou, 2007). As it is of interest if the international vision of individual is influenced by the fact that they are not being born in their current country of residence or rooted to foreign countries through their parents. Literature shows that there is a relationship between upper echelon characteristic and strategic orientation. The top management team´s character (characteristics) were reflected in their company´s orientation. Depending on the top managers background (field of education and expertise – past work experience), the company itself shifted their focus into that direction. To be more specific, this study distinguished between Prospector, Analyzer and Defender. Furthermore, the strategic orientations were classified into stable (balance functions), internal growth (general administration, personnel and R&D), external growth (general administration, finance and marketing) and retrenchment (marketing and finance). The study found that the specified characters are linked to the strategic orientation of the organization itself which supports the upper echelon theory that states an organization is a reflection of its top management team. By comparing the firm's strategic orientation, findings showed that there is a significant relationship between a top management characteristic and a company´s strategic orientation (Chaganti & Sambharya, 1986). As this study at hand is interested in finding a relationship between a new venture founder´s international orientation and it´s venture internationalization, drawings on these findings are done.

2.3. Internationalization

2.3.1. Founder´s background

(Karra et al, 2008) identified three major characteristics of international successful entrepreneurs as follows *"international opportunity identification, institutional bridging and a capacity and preference for cross-cultural collaboration."* In other words, the higher a founder´s international orientation and vision, the more international roots (network) and more languages the founder is capable of, the higher the chances of operating internationally successful.

It is the founder´s urge itself to operate internationally that drives a venture´s operations beyond borders (Zhou, 2007). To conduct business in foreign countries, language skills are sometimes necessary or at least a big bonus. Furthermore, foreign market knowledge is considered as a major criterion of a company´s successful internationalization. Therefore, time lived, worked, studied abroad or worked in an international operating company combined as international experience seems to be crucial for a rapid and successful venture´s internationalization. Among early international operating firms, founder´s international experience seems to be the most important internationalization factor of new ventures (Acedo et al, 2007).

As stated in the literature, it is quite obvious that international experience among new venture founders is probably the most important factor of a successful and rapid internationalization. As s founder´s international experience can be positively linked to a venture´s internationalization (McDougall, P., 2003; Manolova et al, 2002; Acedo & Jons, 2007; Zhou, 2007; Bürgel et al, 2004; Zucchela et al, 2007).

Furthermore, as drawn on the upper echelon theory (Hambrick et al, 1984), an organization being a reflection of its (founder) top management team and stated by (Zhou, 2007) it is often the founder´s will to operate internationally that accelerates a venture´s internationalization. As found by (Cuaghey & Chetty, 1994) the main difference among exporters and non-exporters are discovered in the level of education, travel habits and international network. The more of these characteristics (higher education, more likely to travel and higher international network) a founder represents, the more likely the company is to operate international. Regarding educa-

tional level (Leitner et al, 2018) stated that 75% of Austrian StartUp founders hold at least a bachelor´s degree and even 49% a master´s degree. Given that more than 75% of examined StartUps operate international, a superficial connection can be detected.

2.3.2. Industry

A comparison of international new ventures and domestic new ventures showed that the international counterparts are more prone to conduct business in markets with a high degree of global integration (McDougall et al 2003). Industry evolution might be the most important characteristic concerning the effects on new venture´s internationalization. New ventures are expected to internationalize during the growth stage of an industry, although the strongest moderative effect between a new venture´s internationalization and industry evolution has been observed in the maturity stage of an industry. A reason for new venture to pursue international expansion during the growth stage of an industry could be the demand for resources required for growth (Fernhaber et al 2007). In other words, as new ventures still being very young with a rather smaller network, business contacts and reputation compared to big competitors are in need for key resources and therefore try to conduct business on the international market. This accounts for buying services, integrating an international supply chain or selling beyond their national border. Especially due to the access to international supplier via various online platforms and the vast variety of suppliers makes it easier to conduct international business. Furthermore, given the broad stage and easy access to foreign markets online platforms offer, it is easier than ever to sell into foreign countries. Furthermore, as the rise of information technology and the rapid increase in information exchange trough the world wide web enhances the selling and shipping possibilities. Especially with non-physical products, the biggest hurdle might be the local language when selling beyond home country markets.

2.3.3. Market Knowledge

According to (Eriksson et al, 1997) there are three types of foreign market knowledge. It can be classified as; foreign institutional knowledge, foreign business knowledge and internationalization knowledge. Foreign institutional knowledge refers to the rules, regulation, institutions and foreign culture. Foreign business knowledge is about customers, competitors and market conditions. Internationalization knowledge describes a firm´s ability to change and adapt its resources and abilities in order to compete in international operating markets. The foreign institutional and foreign business knowledge are about the awareness of opportunities and hurdles in foreign markets while the internationalization knowledge is about the ability to adapt and take certain actions to operate internationally (Zhou, 2007). This is the reason why international experience, as discussed in greater detail before is such a crucial and important factor for entrepreneurs to drive their business internationally (McDougall P., 2003; Manolova et al, 2002; Acedo & Jones, 2007; Zhou, 2007; Bürgel et al, 2004; Zucchela et al, 2007).

Although, the best way to gain knowledge and experience about a foreign market is to hire locals or at least in the local labour market as it comes with experience and knowledge about the local market. An international network is described as a solid base for conducting a successful international new venture business as it can provide crucial contacts to the entrepreneurial targeted markets. Finally, the first step to start an international new venture might be do discover and evaluate opportunities in foreign markets (Karra et al, 2008), which in fact is enhanced by the international orientation of the founder itself.

Whereas current literature proposes that competitive strategies of innovative technology and tailored products for emerging or niche markets is a reason for the successful international expansion of born globals. Furthermore, knowledge-based capabilities and innovative organizational culture in fact have a leveraging positive impact on early internationalization (Zhou, 2007).

New venture´s products that are only sold domestically have higher configuration costs as they are more client-specific than their internationally sold counterparts (Bürgel et al, 2004). In other

words, by selling products to customers with local specification, products might be more specific in terms of their configurations and variations compared to internationally selling products that need to meet the needs of a broader customer base.

2.3.4. Performance measure

To compare team performance, there must be a consistent definition of the measurement of team performance. Idea generation and execution has often been mixed up. Teams to perform satisfactory need to be able to do both (Williams, 1998). Annual sales, number of employees, return on sales, growth in sales and growth in employees are proposed as the most common measurements among other researchers and practitioners to measure a new venture performance (Brush et al, 1992). Furthermore, ROI (return on investment) is probably the most common measurement when it comes to financial investments in general (Artner & Kreutzer, 2019). Performance measurement is a complex situation, especially for new ventures. Although gained market share has become an increasingly important measure, return on investment or relative market share are commonly accepted measurement too (McDougall et al, 1996). New venture´s performance can be measured as net cash flow and revenue growth (Ensley et al, 2005).

Traditional measurements for success as profitability or return on investments might not be the best benchmark suitable for the goals of new ventures in their earliest stage, especially StartUps which main goal is to grow big very fast. Hence it is more important for this kind of organization to establish footholds and platforms in multiple markets quickly (Weerawardena et al, 2007). It might sound logic for a company to operate profitable at a very young age, but as particularly StartUps reshape and disrupt whole industries with sometimes only minor adjustment to a service or product, these ventures need to be aware of the competition. Therefore, to rapidly gain market share and earn customer´s trust is more important in the beginning than being profitably on every penny invested. Furthermore, this massive expansion strategy is feed with enormous investments. The investors typically do not expect constant return on their investment in the be-

ginning as the would have had compared with other investment like dividends earned by holding blue chip (on the stock market traded and established companies with a sufficient market capitalization and fairly constant increasing valuation) stocks or rent received by investing in real estate as profit is usually made with new funding rounds or the final exit when the shares are sold to other companies which are usually bigger competitors, long established organizations or other investors (Artner & Kreutzer, 2019). Usually an exit in the StartUp ecosystem is described when someone else (other companies or investors) acquires the new venture by acquiring the majority of or all available shares or an IPO (initial public offering) is done. As profit from investing in StartUps arises when an exit happens, the investments are usually paid back with a comparable higher return. (Artner & Kreutzer) stated that in 2018 Austrian business Angels received more than 20 times their investments in 12% of the investment cases whereas only 4% cases returned less than 1 time more than the initial investment. Unfortunately, this study does not show any detailed information about the net profit as being derived from capital gain and losses and the exact timeframe of the investment. But still those numbers show the tremendous potential of StartUp investment strategies. What needs to be mentioned at this point is that with huge upside potential, the possibly risk (to lose all the investment capital) increases too as not many StartUps reach the desired and financial lucrative exit, which can be an IPO too (Artner & Kreutzer, 2019).

What has to be said is that there are different stages in a startup´s life cycle. The earlier the stage in the lifecycle, the higher the risk of investments (as most startups do not exist long enough or reach a sufficient exit) the cheaper the investment (more shares for less money) and the higher the possible return of investment (Artner & Kreutzer, Startup Investing, 2019). It can be said, that a new venture´s strategic orientation is to grow big as fast as possible to counter possible threats of copycats and competitors and pay less attention to profitability from a very young age. Although it cannot be said that these ventures should not stop focus on their profitability at all as at some point, they need to make profit as investments might stop at some point. The ratio of

international sales to total is the most common measurement of international sales performance. Furthermore, it is a valid indicator for the degree of internationalization (Zhou 2007). With globally interacting markets and high Research and Development cost, an international operation strategy might be the only way to pay back the investment (with interest) as domestic sales would not be enough to do so (McDougall & Oviatt, 1996).

2.3.5. Speed of internationalization

The time it takes a company to start conducting business beyond their national border is the main definition among literature for the defining the speed of internationalization (Weerawardena. et al, 2007; Autio et al, 2000; Knight & Cavusgil, 1996; Rennie 1993; Zhou 2007; Shrader et al, 2000; Karra et al, 2008; McDougall et al, 2003; Zucchela et al, 2007; Acedo & Jones, 2007). In other words, the time it takes a firm to start selling their service or product in more markets than in their home country, buy or sell goods or services from foreign countries or even build facilities in foreign countries. In today's world of very fast communication technology, a worldwide access to service and goods from all over the world via various platforms, there seems to be at least fewer physical hurdles of selling internationally than ever before.

2.3.6. Degree of internationalization

Whereas, the ratio of foreign assets to total assets gives insights of the degree of the international diversification of an organization (Kwok & Reeb, 2000). In times of globalization, global supply chains and non-psychical products sold online this measure might not show the internationalization of the brand and new venture itself rather than the strategic expansion regarding tax saving advantages of specific industrial locations. Therefore, this paper at hand focuses primary on the sales point of view rather than production facilities point of view to define and measure the degree of internationalization of a new venture.

Among current literature, the ratio of foreign sales to total sales, displaying the degree of internationalization of an organization is the most common measure for internationalization (Mcdougall & Oviatt, 1996, Zhou, 2007; Weerawardena et al, 2007; Kwok & Reeb, 2000; Kuivalainen et al, 2007).

Current literature differentiates between the first international operations and a point with a certain degree of international operations (for example 25% of total sales are foreign sales) as a measurement for the speed of internationalization (Weerawardena, 2007; Zucchella, 2007; Zhou, 2007; Acedo, 2007).

The degree of internationalization can range from exporting via intermediaries to foreign countries to establish production facilities and foreign assets (Bürgel et al, 2004). Therefore, this paper at hand will test the relationship between new ventures founder´s background and the degree of internationalization of their ventures (as ratio of foreign to total sales) rather than making any restriction to measure the speed of internationalization of a new venture in regards to it´s degree of internationalization.

2.3.7. Diversity

As the literature often discusses the effect of a venture´s top management team on the venture´s performance and this study at hand examines new ventures with founders still being the top management team this passage will use the term top management team as it is withdrawn from the literature but means the same as founder in this particular context (McDougall, 2003; Hambrick et al, 1984; Ensley et al, 2005; Manolova et al, 2002; Acedo & Jones, 2007; Bhide, 2000; Ensley et al, 2002, Sahlman, 1997; Lee & Park, 2006; Nishii et al, 2007). What is the reason that some new ventures succeed, and others do not? What are variables stimulate and affect success the most? Most practitioners argue that the crucial element for a successful new venture lies in the capability and skill set of the management team (founders in this context) rather than the product or idea (as this might change anyway over time). As new ventures often attract diverse

minds from all over the world and appear as a great place to develop unique and new solutions the effect of diversity, the underlying moderators and how to deal with it are important in that area. The effect of diversity on group performance has been an interesting topic for researchers and practitioners for a long period of time. Still some uncertainties about the effect of diversity on group performance remain unexplored as findings are very mixed. (Chandler et al, 2001) Demographic diversity is positively associated with sales level and sales growth. Furthermore, (Steffens et al, 2011) found that more homogenous teams regarding sex, age, work experience and start-up experience are less expected to perform better long-term than heterogeneous ones. Although new venture team members are more likely to be more homogenous as they find cooperation more likely within their network (Chandler, 2001; Steffens, 2011; Ensley, 2005). On the other hand (Ensley et al, 1998) showed that team heterogeneity is negatively linked to growth. To be more specific, diversity regarding functional and academic background were negatively linked to revenue. Highly heterogeneous and highly homogenous teams regarding national diversity should surpass averagely balanced and moderate hetero-homogenous teams (Earley & Mosakowski, 2000).

Traditional economic theory considers managers to be rational utility-maximizers. In that case discrepancies between managers could be neglected. Moreover, diversity would not have negative effects as only the good side effects of team diversity would affect the performance and decision-making process. Although the real world seems to be different and negative side effects of diversity do appear, and further do negatively affect performance and decision-making.

A little excurse into the social identity theory (Tajfel, 1982) and categorization-elaboration model (van Knippenberg et al, 2004) needs to be made. As the Social identity theory stated that every individual categorizes himself and other into different groups to further associate and value himself according to these categorized groups. This categorization can be based on trivial, but often on the most obvious (some time cultural or historic driven) characteristics. Diversity, and further the categorization process takes places on various different dimensions (which are based on

characteristics). Within a group consisting of individuals from two different nations, and a wild mixture of age differences, a categorization based on the nationality is more likely because it is more salient. Compared to a group consisting of individuals from various nations but only two separate age groups (defined as teenagers vs adults), the categorization would mostly likely be based on the age characteristics. These categorizations are made by an individual to further value itself in within many different induvial by stating "we are better than the other" or "the others are worse than us" only achieve a better valuation of itself among all these apparently different individuals (Tajfel, 1982; van Knippenberg et al, 2004). These processes further affect group dynamics and performance as group diversity and its categorization influences (informal) information passing and the elaboration process of problems itself. In a more heterogenous group, more information and point of views are available. First of all, not all problems need a tremendous complex elaboration process and therefore, more routine and frequent problems are solved more efficiently within more homogenous groups as it is more likely to come to a decision more quickly. Furthermore, the mere presence of heterogeneity within a group does not guarantee an enhanced performance regarding decision making quality. The crucial factor here is that the group members are able to openly discuss and import their different information and point of views. Moreover, it is important that this elaboration process is carried out as with its absence the possible potential of heterogenous groups could not be developed (Tajfel, 1982; van Knippenberg et al, 2004)

Furthermore, the upper echelon theory (Hambrick et al, 1984) states that individual preferences and managers matter as they shape the organization with their decisions and visions. An organization is a reflection of its top management team (Hambrick et al 1984). Based on these assumptions an organization strategy is mostly influenced by its manager's experience and characteristics. Drawing on these statements, this paper at hand examines the relationship between new venture´s founders and the strategic international orientation of their organizations. Furthermore, with the absent of experience of the organization, the top manager team (TMT) experience com-

pensates for that. The most important factors by starting a new venture are previous new venture, technical, international, industry and marketing experience. As this paper at hand focuses on the effect of new venture founder´s internationality (experience and origin) and the effect of (early) internationalization, international experience is highlighted the most. Furthermore, international experience is the most discussed experience among managerial experience regarding new ventures. International experience of the management team enables to increase the scope of opportunities. Lack of familiar products or services in foreign markets or chances for new products in home markets can therefore be detected easier. Moreover, knowledge about foreign markets and the detection of processes and revenue possibilities come with international experience. Additionally, the trigger to start an international new venture occurred often during a shortly after an exposure to foreign countries and markets. To bottomline this, international experience is related to foreign market knowledge, establishing contacts and connection all being important factors for successful internationalization. Although the causality of the relationship between international background and internationalization is still open to interpretations and speculations (McDougall, P. 2003).

An organization is a reflection of its top management team (Hambrick et al 1984). Therefore, it is important to investigate new venture founder´s international background and the linkage to internationalization. New venture founders seek advice from the closest contacts and are more likely to cooperate with individuals within their network which can often be a reflection of themselves or at least with some similarities (Ensley et al, 2005). This would lead to the assumption that founding teams are more likely to be homogenous.

Human Capital, especially the founder's knowledge, skills and network can be an important leverage for new ventures. Managerial skills and environmental perception seem to be quite influential for new venture´s probability of internationalization. Founders make use of their international experiences, skills and capabilities. Positive environmental perception and certain capabilities

influence the internationalization process positively creating less uncertainty and therefore increasing the probability of internationalization to happen (Manolova et al, 2002).

Risk perception can be linked to the speed of a venture´s internationalization. To be more specific, companies with a top management team with lower level of risk perception are more likely to internationalize quicker. What is more, international orientation decreases the risk perception and therefore increases the speed of internationalization. This can indicate that founder with international ambition are more likely to achieve their goal of internationalization more rapidly (Acedo & Jones, 2007).

Past research suggests that the interactive dynamics between the founders and top management team are important as well as skill and abilities (Bhide, 2000; Sahlman, 1997).

New venture´s performance is affected by its top management team and founder's fluctuation and prior working experience. New ventures with top management teams with divers experiences as various employments in different functional areas and companies are more likely to succeed. As founders are most likely the top management team, this can be adopted for this context. Although, new ventures with new entrants to the top management team and founders exits from the top management position are more likely to lead to a successful IPO. On the other hand, top management members exits from the top management position reduce the likelihood of an IPO. In other words, as top management teams are hired to replace the management duties of founders the probability of a successful IPO increases. Whereas a high fluctuation among the top management team decreases the probability of a successful IPO (Beckmann et al, 2007)

Furthermore, team experience, composition and employee turnover are a crucial factor to import new information to a new venture and are associated with success. The cost of team dynamics disruption is outweighed by new added information (Beckmann et al, 2007). This means by adding new team members to the new venture, or even replacing old one's positive are positively

associated to performance. Although replacing or adding new team members does not come without cost. Team dynamics are disrupted, information flow changes and routines or hierarchies changes. This process still has a positive effect on the performance as the positive effects outweigh the negative ones (Beckmann et al, 2007).

All new ventures might be new, but not all of them are equally novel. Although, new ventures mostly come with innovation, they vary a lot in the way how they disrupt the economy. First, the revolutionary innovations that disrupt whole segments of an industry and create remarkably changes in that industry. Second, the evolutionary innovations that modify and reshape existing methods. These two differ in the novelty of the addressed problem and the way they try solve it. Hence, different top management team compositions are more suited to some types of new ventures than others. More homogenous top management teams are more prone to more intense and interactive communication whereas more heterogeneous top management teams stand for a broader range of available skills and expertise which facilitates information gathering. Increased novelty brings up the need for extended face-to-face interaction, which comes with cost, especially regarding speed, responsibilities and overall constrained (human) resources as it is more time consuming. Therefore, high novel new ventures should perform better with a more homogenous top management team as the communication should be more flawless than at their heterogenous counterparts (Amason et al, 2006).

There is evidence for a positive relationship between top management team job-related diversity and firm internationalization (Lee & Park, 2006).

Furthermore, there is evidence that senior management team's demographic diversity is positively related to workforce´s demographic diversity. As stated in the upper-echelon theory (Hambrick et al, 1984) an organization is a reflection of its top management team. Organizations which adopt diversity practices, which is positively influenced by a top management team diversity too, are more likely to outperform organizations which do not do so (Nishii et al, 2007).

According to (Bürgel et al, 2004) international operating new ventures are older (years after inception), have higher and more continuous R&D spending with a higher percentage of employees working on developing new or existing products compared to their national operating counterparts. Furthermore, founders of international operating new ventures have more international work experience (either worked abroad or in large international operating organizations). Surprisingly, the founder's international education experience had no significant impact on the internationalization of the venture.

Many studies have found positive relationship between entrepreneurial international experience, network, orientation, attitude and positive international development. These characteristics seem to be developed by a founder´s life experiences and represented in foreign languages, foreign education, foreign work experience, travel habits and origin (foreign birth) (Zucchella et al, 2007).

2.3.8. International effect on performance

Furthermore, with an increase in possibilities regarding travel, education, speed and access to information and exchange of it and many more, humanity and in this case working teams have become more diverse on various dimensions.

Many practitioners and business experts state that a company's internationalization is the best strategy to growth and stay competitive. Especially in high technological, globally integrated markets, an aggressive strategy targeting many channels and countries is seen to be best option for continuous success (McDougall, 2003). Although local firms should have advantages such as a stronger local network and knowledge, internationalization can be a risky but rewarding move to counteract the advantages of local companies (Karra et al, 2008). Growth and internationalization could lead to economies of scale and outbalance the increasing cost of internationalization and so are the findings mixed about performance benefits resulting from internationalization (McDougall, et al 1996). As new ventures have found some ways to disrupt the market with new

and unique solution to given problems, it might be in greater interest to grow quickly and enter the global market to prevent copycats and competitors to outpace them (Gupta et al, 2002). Furthermore, internationalization among new venture, especially in high technology industries might be a requirement for success. High R&D cost and globally interacting markets make international market entries crucial as only domestic sales would not be sufficient to pay off the investments (McDougall & Oviat, 1996). To return the cost intense investment of technology new ventures, with the small given size of national markets, quick internationalization might be the only approach to reach that goal (Bürgel et al 2004).

Although (Brush, 1992) did not find a significant relationship between a new venture´s age at the internationalization and sales or employee growth. Furthermore, due to the rise of the internet and information technologies some patterns might have changed since 1992 when this study was conducted.

Rapid internationalising new ventures seem to be highly focused organizations with crucial intangible knowledge as a base for the competitive advantage. One the one hand, this knowledge is easy to transfer as it might only need few adaptations to local requirements. On the other hand, it is the crucial ingredient that needs to kept secret. This should lead to the conclusion that the more international the expanding new venture become, the more profitable it is. Past research found that early internationalization by new ventures is associated with a higher relative market share in the following years, without direct relationship between internationalization and ROI though (McDougall, et al 1996). Furthermore, new ventures that enhanced their internationalization experienced a significant positive relationship between strategic change and performance measured as ROI and relative market share contrary to new ventures that did not expand international (McDougall & Oviatt, 1996). In the long term, rapid internationalization might be crucial for a venture´s success, especially in high technological, global integrated and rapidly changing markets.

3 Research Question

For a deeper understanding of the drivers of the expansion and internationalization of new ventures, this paper at hand examines the relationship between a founder´s origin and roots and the speed and degree of its venture´s internationalization. Furthermore, the effect of a founder´s international vision, as stated in the literature, is to be examined as well. This paper at hand is trying to bring new insights and information about the drivers of internationalization regarding new ventures.

4 Method

The most suitable option to gather quantitative data for this research topic was to conduct an online survey. Before collecting the data via an online survey, each survey question was carefully compiled according the literature and variables in question which is discussed in greater detail under 4.1. variables. Before the survey was sent out, the questionnaire was tested, reviewed and revised in collaboration with specialists in this sector (new venture founders, long term leading employees in that field and investors). To be more specific, the understanding and interpretation of the questions at hand were tested and analysed in order to truly gain the right information and avoid misunderstandings.

The online survey was created online via "www.soscisurvey.de", a free survey tool for students. The survey was distributed via e-mail, LinkedIn and Facebook. The surveyed new ventures were selected randomly. The survey was sent out between the 5th December 2019 and 23rd January 2020. As the research question addresses directly to new venture founder, the survey was directly approached to a founding member. The best way to do so was by directly contacting a founding member either via Facebook, LinkedIn or E-mail. If this was not possible, the text in the E-mail clearly stated that the survey should to be filled out by a founding member and further asked again in the questionnaire. The exact wording and question can be found in 14.3. appendix. Mainly new ventures from Austria were contacted. The contact details were retrieved via

online research. There was no monetary incentive provided for the participants, although the results of this study were promised to be delivered if interested. The whole survey was written in English. Although some contact approaches via email were made in German. In the beginning of the survey, the participants were asked if they are founding member to make sure only founding member participate in the survey. No question was mandatory, although most participants answered every question of the survey when started. At the end of the survey, the participants were asked if their new venture is already operating internationally. After this, the survey path split to either further asking the degree of internationalization or the willingness to operate international. After receiving the targeted number of valid answers (minimum of 70) the data was analysed using the statistical program "STATA". Detailed information about the survey can be found in 14.3 appendix.

4.1. Variables

4.1.1. Dependent Variables

4.1.1.1. Logistic Regression

The variable **helpinternational2** is a binary variable describing whether a new venture is operating international or not. This variable is created to test the influence of predictor variables on the probability of a new venture operating international. The variable helpinternational2 is 0 if the venture is not operating international while 1 describes the state of operating international.

4.1.1.2. Ordered Logistic Regression

The variable **helpinternationalcategory** is an ordinal variable that describes the group the new venture belongs to according their time of internationalization. Non-exporter, ventures that do not operate internationally are categorized as group 0. Exporters, ventures that operate internationally are categorized as group 2. Early international firms, ventures that start operating inter-

nationally within their first three years after inception are categorized in group 3. Born globals, ventures that operate internationally since their inception are categorized in group 4.

4.1.1.3. Multiple Regression

The variable **helpinternational** measures the time it took a company to operate international. In order to gain that information, the survey participants were asked about the time their new venture was founded and the time their venture started operating international. The point in time when a venture became international can be measured by asking it straight away drawing on past research (Acedo et al, 2007). Furthermore, the time it takes a new venture to operate internationally is a common measure for new ventures to capture speed of internationalization. Current literature differentiates between the first international operations and a point at time with a certain degree of international operations as threshold (for example 25% foreign sales) as a measurement for the speed of internationalization (Weerawardena, 2007; Zucchella, 2007; Zhou, 2007; Acedo & Jones, 2007)

The degree of internationalization can range from exporting via intermediaries to foreign countries to establish production facilities and foreign assets (Bürgel et al, 2004).

As all non-exporting ventures are omitted for this regression, this variable does not occur for non-exporter.

The variable **revenueabroad** measures a venture´s degree of foreign sales. Among current literature, the ratio of foreign sales to total sales, displaying the degree of internationalization of an organization is the most common measure for internationalization (Mcdougall & Oviat, 1996, Zhou, 2007; Weerawardena et al, 2007; Kwok & Reeb, 2000; Kuivalainen et al, 2007).

(Kuivalainen et al, 2007) described companies as born-globals which obtained at least 25% of their revenue from abroad and had gone international within 3 years after their foundation. Although this study focused more on the relationship between the degree of internationalization and entrepreneurial orientation. Whereas this work at hand is mostly dedicated to describe the rela-

tionship between internationalization and new ventures founder's background and origin regardless the degree of its internationalization. (Acedo & Jones, 2007) differentiate between ventures which do not operate international, started operating after more than 5 years after inception and within 5 years. (Zucchela et al, 2007) defined early international firms as ventures that started operating international within 3 years after their inception.

4.1.2. Independent Variable

A **dummy variable** for each industry was created. For example, industry1 refers to the sector Education. If the variable captures the value 0, the new venture is not operating that industry. On the other hand, if the variables capture the value 1, the new venture is operating in that industry. For each category (**Education, Finance, HR, Health, IT, Media, Retail and Technology**) defined an industry dummy variable was created. Furthermore, the variable **timeabroad** measures the time a founder lived abroad in total. The variable **studyabroad** measures the time a founder studied abroad. The variable **workabroad** measures the time a founder worked abroad. The variable **workinternational** measured the time a founder worked in an international environment (Acedo et al, 2007; Bürgel et al, 2004). The variable **network** measures the degree of internationals among a founder´s network. Similar questions were asked among the literature (Karra et al, 2008). The variable network could be criticized as it possible could be affected by the new ventures founder´s new lifestyle regarding their international operating business. In fact, these questions were tested beforehand. By testing to specifically estimate the percentage of internationals among a founder´s network before it´s venture started operating international the feedback showed that this wording would have led to either misunderstanding or highly incorrect answers as this number could not have been withdrawn from the founder´s memory correctly. Furthermore, past research asked and analysed these questions similarly (Karra et al, 2008).

The variable languages measured the **languages** a founder is able to speak which was also asked in past research (Acedo et al, 2007). Again, asking for a threshold to test the ability of speaking a

certain language would have led to more misunderstandings pre-tests have shown. Therefore, it still has to be mentioned as a limitation.

All independent variables, except the dummy variables are ordinal variables. More dummy variables, all being binary variables, regarding the founder´s roots and origin are created. The variable **Helpbornparents** measured whether the founder´s parents were born in the same country as the founder. The variable **bornparentsinception** measures whether the parents were born in the same country as the founder and the venture was founded. The variable **borinception** measures whether a founder was born in the same country as its venture was founded. **Size**, counting all venture employees was used as a control variable.

4.1.3. Categorization

In order to run an ordered logistic regression, the ventures need to be categorized according their speed of internationalization. As discussed before, this passage will draw on the findings in 2.3.5. Speed of internationalization. Most of the literature categorizes new venture in 4 different categories. Born globals are defined as companies that start using resources from more than their home country to operate business from the day of their incepion. In other words, born globals buy and sell products and or service in more countries than they were founded. Born globals (try to) start operating international basically from day one. Early international operating firms are companies that start operating internationally within their first 3 years of operation. Exporters are defined as companies that start operating internationally 3 or more years after their inception. Non-exporters are firms, that do not conduct business beyond their national borders (Weerawardena, et al. 2007; Leitner et al, 2018; Autio et al, 2000; Knight & Cavusgil, 1996; Rennie, 1993; Zhou, 2007; Shrader et al, 2000; Karra et al, 2008; McDougall et al, 2003; Zucchela et al, 2007; Acedo & Jones, 2007).

5 Statistical Analysis

The survey response was collected by "soscisurvey.de" and a download in .xlsx format was provided. The data was further imported into and analysed with Stata/SE 15.0 on Windows. The level of significance (probability of error) for this analysis was set at α=10%. Therefore, a result is seen as significant with a p value < 0,1. With the given dataset and numbers of observations, a normal distribution can be assumed.

5.1.   Data and Participation

5.1.1. Response Rate

The survey link was sent out to 31 personnel contacts via Facebook and LinkedIn resulting in 23 filled responses (74% response rate). Further, 3rd party contacts were used to distribute the survey as multiplicators. These multiplicators distributed the survey link to 39 new venture founding members which 11 of them filled out the survey completely (28% response rate). The survey was further distributed to 254 new venture founding members directly contacting them on their e-mail address resulting in 25 fully filled answers (9,8% response rate). Another 212 surveys were sent out to office email addresses totalling in 12 useful answer sheets (5,6% response rate). In total 536 founding members were contacted to participate in that research by filling out the survey. As only 71 founding members finished the survey an overall response rate of 13% was achieved. 81 participants stared the survey while only 71 of them, were founding members and or finished the survey. The average time to finish the survey was 143 seconds, which is under 2 ½ minutes.

5.1.2. Sample Description

The total number of finished responses was 71. The average age of a new venture founder was 32,5 +/- 0, (standard deviation). As it is not from great interest in this study to examine the

founding age in detail, it still could be retrieved from the data available as the current age and the time a venture was founded is given. 59 participants were male while only 12 were female. This shows that more than 80% percent of the examined ventures were founded by at least one male. This result is according to current research, in which 71% of new ventures were founded by men (Leitner et al, 2018). The Mann-Whitney test was applied to test the validity of the age difference among male and female participants. The U-test´s result (p = 0,76) was non-significant and therefore shows that the age of both genders is comparable in this study. Past research

5.2.   Descriptive analysis

19 new ventures were founded in 2018, 13 in 2019, 11 in 2016 and 8 in 2017 and 2015. Furthermore, 3 new ventures were founded in 2014 and 2013 while 2 were founded in 2012 and 2011 and only 1 was founded in 2006. This shows that this study focused on examining new ventures which fulfilled the criteria of being a new venture according the company´s age.

The average survey was 146 seconds which is less than 2 1/2 minutes.

49 of the participants were CEO of their company, 6 served as COO, 4 either as CFO, CMO or CTO, 2 as CCO and 1 either as CIO or CPO. It seems quite logic that more than 65% percent of the participants were CEO´s as plenty of the new venture are still at an early stage so the founder still has a leading management role as for example CEO.

43 of the 71 responding new venture founders were born in Austria (60%), whereas 51 new venture were founded in Austria (71%). Furthermore, other founder´s birthplaces are (Afghanistan, Bulgaria, France, Germany, Hungary, Israel, Netherlands, Nigeria, Norway, Poland, Spain, USA, United Kingdom, Uruguay and Venezuela) which shows mostly European countries. The new ventures were also mostly founded in Europe, to be more specific all the founding places are (Denmark, Finland, France, Germany, Hungary, Israel, Liechtenstein, Netherlands, Norway, Poland, Spain, Sweden, USA, United Kingdom, and Uruguay).

As the ventures are categorized into four groups according to their time of internationalization (Leitner et al, 2018; Weerawardena et al, 2007; Autio et al, 2000; Knight & Cavusgil, 1996; Rennie, 1993; Zhou, 2007; Shrader et al, 2000; Karra et al, 2008; Kuivalainen et al, 2007; Knight et al, 2004; McDougall et al, 2003; Zucchella, et al 2007; Acedo & Jones, 2007; Zahra, et al 2000). The distribution results in 32 non exporting ventures (venture that do not operate internationally), 1 exporting venture (ventures that operate internationally, although it took more than 5 years to do so), 14 early international operating firms (ventures that started operating internationally within their first 3 years) and 24 born globals (venture that start operating international since their inception). This shows that almost 45% of the examined ventures are not operating internationally. On the other hand, 55%, more than half of the ventures examined are operating internationally and even a third (33,8%) started operating international since their inception. A detailed look is displayed in table 1.

Table 1: New venture´s categories

help international al category	Freq.	Percent	Cum.
1	32	45.07	45.07
2	1	1.41	46.48
3	14	19.72	66.20
4	24	33.80	100.00
Total	71	100.00	

5.3.   Statistical Procedures

In order to test the relationship between new ventures founder´s international background and their venture´s internationalization different kind of regression have been approached. As evaluated in the survey a venture´s internationalization was measured as the period between inception and internationalization (selling products or service in more than their country of inception) and the share of foreign revenue (ratio of international sales to total sales). A founder´s international

background was measured with languages spoken, time spent abroad, time worked abroad, time studied abroad, time worked in an international operating company and the internationalization of its network. Moreover, the founders place of birth, their parents place of birth and their venture´s foundation place were also tested. Furthermore, dummy variables were created and tested. The company´s size as employee count was used as representative of the resources of a new venture as a control variable to test if it affects the internationalization.

The effect of the industry on a new venture´s internationalization was tested too.

The method of logistic regression was applied to test the probability effect of different variables of the founder´s background on whether the venture operates international or not. In more detail, what change in a variable influences the probability of the venture to operate international.

As stated in the literature, new ventures are categorized in four different categories according the period from inception to internationalization and the share of abroad revenue. New ventures that operate internationally since their inception are defined as born globals, early international firms are defined as ventures that start operating international within their first three years of their existence. Exporters are defined as companies that operate international but took more than three years to do so. Non exporters are defined as companies that do not operate internationally.

The method of ordered logistic regression was approached to test the probability effect of each variable of the founder´s background on their venture´s internationalization. To be more specific, the effect of a change in a variable of the founder´s background on the probability of being in one of the mentioned categories was examined.

Furthermore, the method of linear regression was approached to test the effect in change of a variable of the founder´s background on the internationalization of its venture.

In order to offset multicollinearity issue, the most important predictors are tested together and in detail with the control variables to get more detailed insights.

6 Results

6.1. Logistic Regression

Testing all variables (including industry) does not lead to one significant predictor. Although the overall fit of the model is acceptable. The LR chi2 is 29.76 while Prob>chi2 is 0,0281.

Table 2: Logistic Regression with all founder´s background variables

```
Logistic regression                          Number of obs   =          71
                                             LR chi2(9)      =       23.07
                                             Prob > chi2     =      0.0060
Log likelihood = -37.332862                  Pseudo R2       =      0.2360
```

helpinternational2	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
size	.0084345	.0134662	0.63	0.531	-.0179588	.0348278
languages	-.0703373	.383926	-0.18	0.855	-.8228183	.6821438
timeabroad	.0706995	.2003814	0.35	0.724	-.3220409	.4634399
studyabroad	-.323942	.2897564	-1.12	0.264	-.891854	.24397
workabroad	.0062994	.257304	0.02	0.980	-.4980072	.5106061
network	5.187873	1.88047	2.76	0.006	1.502219	8.873527
helpbornparents	-12.52649	1648.341	-0.01	0.994	-3243.216	3218.163
bornparentsinception	12.37544	1648.341	0.01	0.994	-3218.314	3243.065
borninception	-12.4894	1648.341	-0.01	0.994	-3243.179	3218.2
_cons	11.21705	1648.342	0.01	0.995	-3219.474	3241.908

By testing all variables concerning the founders background (without industry variables). The fit of the model increases. The LR chi2 is 23,07 and the Prob>chi2 is 0,006. The variable network is significant (P value 0,006) and a coefficient 5,19 which shows a positive relationship between a founder's degree of internationality among its network and the probability to operate international.

Table 3: Logistic Regression variable network

```
Logistic regression                          Number of obs   =          71
                                             LR chi2(2)      =       20.77
                                             Prob > chi2     =      0.0000
Log likelihood = -38.483681                  Pseudo R2       =      0.2125
```

helpinternational2	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
size	.0107436	.0127145	0.84	0.398	-.0141764	.0356637
network	4.945438	1.483135	3.33	0.001	2.038547	7.852328
_cons	-1.621456	.5274122	-3.07	0.002	-2.655165	-.5877473

Table 4: Logistic Regression variable timeabroad

```
Logistic regression                          Number of obs   =         71
                                             LR chi2(2)      =       9.23
                                             Prob > chi2     =     0.0099
Log likelihood = -44.254626                  Pseudo R2       =     0.0944
```

helpinternational2	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
size	.0198806	.0121336	1.64	0.101	-.0039007	.043662
timeabroad	.1265727	.0735779	1.72	0.085	-.0176373	.2707828
_cons	-.46209	.3340011	-1.38	0.167	-1.11672	.1925401

Table 5: Logistic Regression variable workabroad

```
Logistic regression                          Number of obs   =         71
                                             LR chi2(2)      =      10.42
                                             Prob > chi2     =     0.0055
Log likelihood = -43.656549                  Pseudo R2       =     0.1066
```

helpinternational2	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
size	.0190035	.0119882	1.59	0.113	-.004493	.0425
workabroad	.2281999	.1257618	1.81	0.070	-.0182887	.4746885
_cons	-.45532	.327349	-1.39	0.164	-1.096912	.1862722

Table 6: Logistic Regression variable workinternational

```
Logistic regression                          Number of obs   =         71
                                             LR chi2(2)      =       8.94
                                             Prob > chi2     =     0.0114
Log likelihood = -44.397708                  Pseudo R2       =     0.0915
```

helpinternational2	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
size	.0228827	.0133334	1.72	0.086	-.0032503	.0490156
workinternational	.1229679	.0700297	1.76	0.079	-.0142878	.2602236
_cons	-.5305707	.3565267	-1.49	0.137	-1.22935	.1682088

If the predictors are tested isolated, the variables network (P value 0,001) with a coefficient of 4,95, timeabroad (P value 0,085) with a coefficient of 0,12, workabroad (P value 0,07) and a coefficient of 0,23 and workinternational (P value 0,79) and a coefficient of 0,13 show significant results. Although bornparentsinception (P value 0,184) and helpbornparents (P value 0,164) are only slightly not significant. These numbers are displayed in more detail in the tables 3,4,5 and 6.

In order words, the higher the degree of internationality among a founder's network, the higher the probability of its venture to operate international. Furthermore, the more time a founder spent

abroad, the higher the probability of its venture to operate international. The more time the founder worked abroad, the higher the probability of its venture to operate international. The more time a founder worked in an international operating environment, the higher the probability of its venture to operate internationally. These results are displayed in table 2 in greater detail.

6.2.   Ordered Logistic Regression

Testing all variables (including industry) does not lead to one significant predictor. Not even the overall fit of the model is acceptable. The LR chi2 is 25,8 and the Prob>chi2 is 0,104.

Table 7: Ordered Logistic Regression all founder´s background variables

```
Ordered logistic regression                    Number of obs    =         71
                                               LR chi2(10)      =      21.78
                                               Prob > chi2      =     0.0162
Log likelihood = -67.634598                    Pseudo R2        =     0.1387
```

helpinternationalcategory	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
size	-.0077642	.008242	-0.94	0.346	-.0239183	.0083898
languages	.2336579	.3624792	0.64	0.519	-.4767883	.9441042
timeabroad	.0649352	.1343893	0.48	0.629	-.198463	.3283334
studyabroad	-.2705487	.2214221	-1.22	0.222	-.704528	.1634307
workabroad	-.0523902	.1644636	-0.32	0.750	-.3747328	.2699525
workinternational	.0069551	.0594127	0.12	0.907	-.1094918	.1234019
network	4.888324	1.357156	3.60	0.000	2.228347	7.548302
helpbornparents	.9474949	1.974464	0.48	0.631	-2.922384	4.817374
bornparentsinception	-.7195979	2.119864	-0.34	0.734	-4.874456	3.43526
borninception	.4825924	2.049721	0.24	0.814	-3.534787	4.499972
/cut1	2.616655	2.411949			-2.110678	7.343988
/cut2	2.690277	2.411876			-2.036914	7.417467
/cut3	3.729597	2.425958			-1.025193	8.484386

By testing all variables concerning the founders background (without industry variables), the fit of the model increases. The LR chi2 is 21,78 and the Prob>chi2 is 0,0162. More Information is shown in table 7.

The variable network is highly significant (P value 0,000) and a coefficient of 4,89 although all the other predictors remain not significant. In order words, the higher the internationalization among the founder's network, the higher the probability of its venture to operate internationally.

Table 8: Ordered Logistic Regression network variable

```
Ordered logistic regression                      Number of obs    =          71
                                                 LR chi2(2)       =       19.75
                                                 Prob > chi2      =      0.0001
Log likelihood = -68.652404                      Pseudo R2        =      0.1257
```

helpinternationalcategory	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
size	-.0057983	.0077907	-0.74	0.457	-.0210679	.0094713
network	4.479287	1.122317	3.99	0.000	2.279586	6.678988
/cut1	1.262057	.4525875			.375002	2.149112
/cut2	1.333926	.4556861			.4407978	2.227054
/cut3	2.354253	.5098651			1.354936	3.353571

Table 9: Ordered Logistic Regression variable workaborad

```
Ordered logistic regression                      Number of obs    =          71
                                                 LR chi2(2)       =        4.14
                                                 Prob > chi2      =      0.1263
Log likelihood = -76.457627                      Pseudo R2        =      0.0263
```

helpinternationalcategory	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
size	.0037254	.0067387	0.55	0.580	-.0094822	.0169329
workabroad	.1039602	.0613724	1.69	0.090	-.0163274	.2242478
/cut1	.0903363	.2995129			-.4966982	.6773708
/cut2	.1514007	.3004966			-.4375617	.7403632
/cut3	1.002035	.3205178			.3738321	1.630239

If the predictors are tested isolated, the variables network (P value 0,000) with a coefficient of 4,48 and workabroad (P value 0,09) with a coefficient of 0,103 show significant results.

The variable timeabroad (P value 0,110) with a coefficient of 0,069 is slightly not significant.

In order words, a higher degree of internationalization of a founder's network, increases the probability of its venture to operate internationally. The more time a founder worked abroad, the higher the probability of its venture to operate internationally. More detailed Information can be retrieved from table 8 and 9.

6.3. Multiple Regression

6.3.1. Speed of internationalization

Table 10: Multiple Regression all variables speed of internationalization

Source	SS	df	MS			
				Number of obs	=	39
				F(18, 20)	=	1.98
Model	37.5583741	18	2.08657634	Prob > F	=	0.0712
Residual	21.1082926	20	1.05541463	R-squared	=	0.6402
				Adj R-squared	=	0.3164
Total	58.6666667	38	1.54385965	Root MSE	=	1.0273

helpinternational	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
size	.0217025	.0060757	3.57	0.002	.0090287	.0343763
languages	-.5609775	.2535909	-2.21	0.039	-1.089959	-.0319961
timeabroad	-.0209792	.1115645	-0.19	0.853	-.2536986	.2117402
studyabroad	.180573	.1639866	1.10	0.284	-.1614971	.522643
workabroad	-.026183	.1312963	-0.20	0.844	-.3000623	.2476963
workinternational	.0359091	.0434694	0.83	0.419	-.0547664	.1265846
network	.2951907	.8942808	0.33	0.745	-1.570246	2.160628
helpbornparents	-2.845706	1.691053	-1.68	0.108	-6.373181	.6817688
bornparentsinception	3.916845	1.846091	2.12	0.047	.0659659	7.767723
borninception	-3.401128	1.766131	-1.93	0.068	-7.085213	.2829572
industry1	.4271918	1.356483	0.31	0.756	-2.402382	3.256765
industry2	-.1148644	1.309067	-0.09	0.931	-2.84553	2.615801
industry3	0	(omitted)				
industry4	.5430304	1.192068	0.46	0.654	-1.943579	3.02964
industry5	-.3039921	1.21038	-0.25	0.804	-2.828802	2.220817
industry6	1.58502	1.365816	1.16	0.260	-1.264021	4.434062
industry7	-.2557675	1.399846	-0.18	0.857	-3.175794	2.664259
industry8	.7729884	1.331191	0.58	0.568	-2.003826	3.549803
industry9	-.6936383	1.595096	-0.43	0.668	-4.020951	2.633674
_cons	3.585454	2.194922	1.63	0.118	-.993074	8.163982

62 . vif

Variable	VIF	1/VIF
bornparent~n	31.46	0.031783
bornincept~n	26.52	0.037703
workabroad	17.49	0.057162
timeabroad	17.22	0.058075
helpbornpa~s	13.76	0.072696
industry4	10.63	0.094045
industry5	10.32	0.096883
industry6	8.97	0.111439
industry8	4.65	0.215072
industry2	4.50	0.222403
industry7	3.52	0.283854
industry1	3.31	0.302293
industry9	2.35	0.425726
studyabroad	2.06	0.486001
network	2.00	0.498999
languages	1.67	0.598187
size	1.62	0.616897

Testing all variables (including industry) results in an overall good fit of the model. The R-squared is 0,64 and Prob>F 0,0712. Although multicollinearity is an issue. The variables languages (P value 0,039) with a coefficient of -0,56, bornparentsinception (P value 0,047) with a coefficient of 3,9, borninception (P value 0,068) with a coefficient of -3,4 are significant. In or-

der words, if the founder's parents are born in the same country as the founder its venture was founded, it´s venture is expected to operate internationally more rapidly. Although, if a founder is born in a different country than its venture was founded, it is expected to operate international-ly more rapidly. The less languages a founder is able to speak, its venture is expected to operate internationally more rapidly. More detailed Information can be found in table 10.

Table 11: Multiple Regression founder´s background variables speed of internationalization

Source	SS	df	MS			Number of obs	=	39
						F(10, 28)	=	2.72
Model	28.9181009	10	2.89181009			Prob > F	=	0.0179
Residual	29.7485658	28	1.06244878			R-squared	=	0.4929
						Adj R-squared	=	0.3118
Total	58.6666667	38	1.54385965			Root MSE	=	1.0308

helpinternational	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
size	.0206819	.0052777	3.92	0.001	.009871	.0314928
languages	-.4335884	.2263499	-1.92	0.066	-.8972452	.0300685
timeabroad	-.0197194	.0985556	-0.20	0.843	-.2216014	.1821626
studyabroad	.0657489	.1427864	0.46	0.649	-.2267357	.3582334
workabroad	-.0191267	.1116159	-0.17	0.865	-.2477614	.2095081
workinternational	.0144086	.0394254	0.37	0.718	-.0663505	.0951678
network	-.6128171	.7560027	-0.81	0.424	-2.161418	.9357841
helpbornparents	-2.307546	1.394201	-1.66	0.109	-5.163437	.5483446
bornparentsinception	2.466578	1.504837	1.64	0.112	-.6159418	5.549097
borninception	-2.228286	1.460522	-1.53	0.138	-5.22003	.7634567
_cons	3.764665	1.703688	2.21	0.035	.2748174	7.254512

64 . vif

Variable	VIF	1/VIF
bornparent~n	20.77	0.048152
bornincept~n	18.02	0.055499
timeabroad	13.35	0.074914
workabroad	12.56	0.079624
helpbornpa~s	9.29	0.107661
studyabroad	1.55	0.645305
network	1.42	0.702887
languages	1.32	0.755837
workintern~l	1.26	0.795120
size	1.22	0.823005
Mean VIF	8.08	

Testing all variables regarding the founder's background (excluding industry) the overall fit of the model increases further. The R-squared is 0,44 and the Prob>F is 0,0136. The variable lan-guage is still significant (P value 0,66) and a coefficient of -4,33. The variables helbornparents (0,109), bornaprentsinception (0,112) and borninception (0,138) are slightly not significant. A detailed display of those numbers is shown in table 11.

Table 12: Regression languages variable speed of internationalization

```
68 . reg helpinternational size languages

      Source |       SS           df       MS        Number of obs   =        39
-------------+------------------------------        F(2, 36)        =     10.11
       Model | 21.0981746           2  10.5490873    Prob > F        =    0.0003
    Residual |  37.568492          36  1.04356922    R-squared       =    0.3596
-------------+------------------------------        Adj R-squared   =    0.3241
       Total | 58.6666667          38  1.54385965    Root MSE        =    1.0216

-----------------------------------------------------------------------------------
 helpintern~l |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
--------------+--------------------------------------------------------------------
         size |  .0196787   .0047484     4.14   0.000     .0100484    .0293089
    languages | -.3699624   .1951621    -1.90   0.066    -.7657695    .0258448
        _cons |  1.188716   .5682603     2.09   0.044     .0362309    2.341201
-----------------------------------------------------------------------------------
```

If the predictors are tested isolated, the variables languages (0,066) with a coefficient of -0,369 is significant. More Information can be retrieved from table 12.

6.3.2. Degree of internationalization

Table 13: Multiple Regression all variables degree of internationalization

```
      Source |       SS           df       MS            Number of obs   =        39
-------------+------------------------------           F(18, 20)       =      2.99
       Model |  2.48595353        18   .13810853        Prob > F        =    0.0100
    Residual |   .923836211       20   .046191811       R-squared       =    0.7291
-------------+------------------------------           Adj R-squared   =    0.4852
       Total |  3.40978974        38   .089731309       Root MSE        =     .21492
```

```
        revenueabroad |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
----------------------+----------------------------------------------------------------
                 size |   -.002015   .0012711    -1.59   0.129    -.0046664    .0006365
            languages |   .0985452   .0530523     1.86   0.078      -.01212    .2092105
           timeabroad |  -.0094633   .0233398    -0.41   0.689    -.0581492    .0392226
           studyabroad |  -.0852408   .0343067    -2.48   0.022    -.1568034   -.0136782
            workabroad |   .0126456   .0274678     0.46   0.650    -.0446512    .0699424
      workinternational |   .0100914    .009094     1.11   0.280    -.0088783    .0290611
              network |   .1913331   .1870875     1.02   0.319    -.1989247    .5815908
        helpbornparents |  -.0017898   .3537759    -0.01   0.996    -.7397533    .7361737
     bornparentsinception |   .0228314   .3862105     0.06   0.953    -.7827895    .8284524
          borninception |  -.1075207   .3694825    -0.29   0.774    -.8782477    .6632063
            industry1 |  -.1816692   .2837822    -0.64   0.529    -.7736286    .4102901
            industry2 |   .2556021   .2738626     0.93   0.362    -.3156654    .8268695
            industry3 |          0  (omitted)
            industry4 |   .4968174   .2493858     1.99   0.060    -.0233924    1.017027
            industry5 |   .2380727    .253217     0.94   0.358    -.2901287    .7662741
            industry6 |   .0430358   .2857347     0.15   0.882    -.5529964    .6390679
            industry7 |  -.2199301   .2928539    -0.75   0.461    -.8308127    .3909525
            industry8 |  -.0924566    .278491    -0.33   0.743    -.6733787    .4884654
            industry9 |   .1889463   .3337013     0.57   0.578    -.5071423     .885035
                _cons |   .2733936   .4591876     0.60   0.558    -.6844549    1.231242
```

80 . vif

```
    Variable |       VIF       1/VIF
-------------+----------------------
 bornparent~n |     31.46    0.031783
 bornincept~n |     26.52    0.037703
   workabroad |     17.49    0.057162
   timeabroad |     17.22    0.058075
 helpbornpa~s |     13.76    0.072696
    industry4 |     10.63    0.094045
    industry5 |     10.32    0.096883
    industry6 |      8.97    0.111439
    industry8 |      4.65    0.215072
    industry2 |      4.50    0.222403
    industry7 |      3.52    0.283854
    industry1 |      3.31    0.302293
    industry9 |      2.35    0.425726
  studyabroad |      2.06    0.486001
      network |      2.00    0.498999
```

Testing all variables (including industry) results in an overall very good fit of the model. The R-squared is 0,7291 and Prob 0,0100. Although multicollinearity was an issue. The variables languages (P value 0,078) and a coefficient of 0,98 and studyabroad (P value 0,022) with a coefficient of -0,85 are significant. More detailed Information is provided in table 13.

Table 14: Multiple Regression founder´s background variables degree of internationalization

Source	SS	df	MS			
Model	1.08811399	10	.108811399	Number of obs = 39		
Residual	2.32167576	28	.082916991	$F_{(10, 28)}$ = 1.31		
				Prob > F = 0.2718		
				R-squared = 0.3191		
Total	3.40978974	38	.089731309	Adj R-squared = 0.0759		
				Root MSE = .28795		

revenueabroad	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
size	.000521	.0014744	0.35	0.726	-.0024991	.0035412
languages	.063029	.0632336	1.00	0.327	-.0664992	.1925573
timeabroad	.0336391	.0275327	1.22	0.232	-.0227591	.0900373
studyabroad	-.1161115	.0398891	-2.91	0.007	-.1978207	-.0344023
workabroad	-.0329182	.0311813	-1.06	0.300	-.0967901	.0309537
workinternational	.0048347	.011014	0.44	0.664	-.0177263	.0273958
network	.3421995	.2111986	1.62	0.116	-.0904213	.7748203
helpbornparents	.3220243	.3894871	0.83	0.415	-.4758038	1.119852
bornparentsinception	-.2798466	.4203948	-0.67	0.511	-1.140986	.5812931
borninception	.2999285	.4080147	0.74	0.468	-.5358517	1.135709
_cons	.0641405	.4759462	0.13	0.894	-.9107911	1.039072

82 . vif

Variable	VIF	1/VIF
bornparent~n	20.77	0.048152
bornincept~n	18.02	0.055499
timeabroad	13.35	0.074914
workabroad	12.56	0.079624
helpbornpa~s	9.29	0.107661
studyabroad	1.55	0.645305
network	1.42	0.702887
languages	1.32	0.755837
workintern~l	1.26	0.795120
size	1.22	0.823005
Mean VIF	8.08	

Testing all variables (excluding industry) results in an overall not so good fit of the model. The R-squared is 0,3191 and the Prob>F is 0,2718 as it is shown in table 14. Although multicollinearity is an issue. The variable studyabroad (P value 0,007) and a coefficient of -0,116 is significant. The variable network (P value 0,116) is slightly not significant with a coefficient of 0,34.

Table 15: Regression studyabroad variable degree of internationalization

Source	SS	df	MS			
Model	.661919903	2	.330959952	Number of obs = 39		
Residual	2.74786984	36	.076329718	$F_{(2, 36)}$ = 4.34		
				Prob > F = 0.0206		
				R-squared = 0.1941		
Total	3.40978974	38	.089731309	Adj R-squared = 0.1494		
				Root MSE = .27628		

revenueabr~d	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
size	.0012395	.0012852	0.96	0.341	-.0013671	.003846
studyabroad	-.0839396	.030789	-2.73	0.010	-.1463826	-.0214965
_cons	.7381799	.062857	11.74	0.000	.6107001	.8656597

If the predictors are tested isolated, the variables studyabroad (P value 0,10) and a coefficient of -0,08 remains the only significant variable as table 15 shows.

In order words, the less time a founder spent abroad, its venture is more expected to generate more revenue from abroad.

6.4. Sub Sample

In order to gain insights about the international vision of non-exporting ventures the willingness to operate international (which was asked on a scale from 0 to 10) was tested with the variables concerning the founder´s international background. The result show (mean = 5,35 standard deviation = 0,66) that the non-exporting firms are normal distributed on whether to operate international or not. The variables studyabroad showed a negative, whereas the variables timeabroad and network showed (positive) effect on the willingness to operate international. Especially, the variable network seems to have a consistent positive influence on the willingness and further actual internationalization of a new venture.

7 General Discussion

After applying different approaches to examine the relationship between a founder's background and the internationalization of its venture some conclusion can be retrieved. Among all analysis, the variable **network** seems to be the most important and consistent predictor of the **positive** relationship between a founder's background and it´s venture internationalization. In other words, the higher the international diversity among a founder's network, the higher the probability of its venture to operate internationally (more rapidly). This finding is consistent with the literature. A founder´s network is stated being the most important driver of a venture´s internationalization.

The variables **timeabroad**, **workabroad** and **workinternational**, all have a **positive** effect on the probability of a new venture to start operating international. In other words, the more time a venture´s founder either spent abroad, worked abroad or in an international environment, the higher the probability of its venture to operate internationally. These variables represent a founder´s international vision. Furthermore, these findings are consistent with the literature and former research (Acedo & Jones, 2007; Caughey & Chetty, 1994; McDougall, P. 2003; McDougall, 2003; Manolova et al 2002; Zhou 2007; Zucchella et al, 2007).

The variable **languages** appears to have **mixed** results regarding the influence on a founder´s venture internationalization. At this point, a limitation must be highlighted as survey participants clearly overestimate their language skills as kind of social bias. For example, some founders sated being able to speak 3 different languages, despite the fact that their mother tongue (German) and second language (English), the level of their third languages (e.g. Spanish in high school) was overestimated as researched confirmed via job and social media profiles.

The variables, representing and describing the founder´s roots and origin, namely **bornparents** and **borninception** show mixed results. In order words, if the founder's parents are born in the same country as the founder and its venture was founded, it´s venture is expected to operate internationally more rapidly. Although, if a founder is born in a different country than its venture was founded, it is expected to operate internationally more rapidly.

The results suggest that a venture, which was founded in a different country than its founder birthplace, is more likely to operate international quickly. Although, as positive effect on a venture´s internationalization appeared when a founder, it´s parents and it´s venture were born/founded in the same country. These results appeared in only one regression so it can be stated that these facts might be paid less attention in the overall analysis.

Although, the variable **studyabroad** appears to have a **marginal negative** effect on the degree of internationalization which is quite the opposite of the other results. The overall fit of the model is

not very good. Furthermore, the effect is marginal and therefore do not influence the overall results so much.

To bottom-line this, main driver of a new venture´s internationalization are the internationalization of the founder´s **network**, the **time spent** and **worked abroad** or in an **international environment**. Furthermore, there seems to be an influence whether a founder has international roots and founded in the same country as he is born. After all, the critic, it still has to be said that there are mixed findings about the effect of the language capabilities of a founder on the internationalization of its venture. Furthermore, the merely non detectable effect of the time studied abroad can be neglected.

8 Limitations

The literature discusses the degree of internationalization of new ventures in detail and further classifies it between ratio of sales (ratio of foreign to total sales) as an indicator of the revenue allocation and a representative of how international the company itself operates (Zhou 2007; Mcdougall & Oviatt 1996, Zhou 2007; Weerawardena et al 2007; Kwok & Reeb, 2000; Kuivalainen et al, 2007).

Whereas, the ratio of assets (ratio of foreign to total assets) describes the international integration of the company´s supply chain (Kwok & Reeb, 2000).

Albeit, especially in the current environment of quick information exchange, easy access to global suppliers via the internet, standardized processes, platforms and non-physical products or services, the measurements (measure internationalization of the supply chain) could be a bit outdated. Furthermore, considering the tax saving possibilities of legal constructs around the world, especially in some countries with very low taxation policies (e.g. Ireland), these measurements could have been and might still be an adequate indicator, especially regarding new ventures without many possibilities to the global market but should be considered to be revised.

Given the overall response rate at 13% and the distribution (majority of new and smaller ventures responded), the data is still to be considered a representative sample size representative. Furthermore, it is expected that the non-responding ventures would not have altered the results in extreme.

Another limitation regarding the social desirability bias by answering survey questions needs to be discussed in more detail (Fisher, R. J. 1993). Especially, regarding the question about the founder´s ability to speak different languages, the social desirability bias might influence the results a bit. By testing the survey beforehand, a different approach of asking the languages capabilities of founders was tested (asking about an international measurement scale of the language) which confused the participants and would have led to even more confusing results. After all, if the social desirability bias is distributed normally among the participants it should not alter the results at all.

The variables network, time spend abroad, time worked abroad, time worked in an international company could all be influenced by the founder´s new venture international operations. To countersteer these assumptions, these questions were analysed with great caution and in detail before sending out the survey. Among the pre-tested survey participants, the overall statement was that the questions regarding time lived or worked abroad was clearly understood as the time before the new venture was founded. Moreover, the participants stated that if these questions were specifically directed to the timeframe before the venture´s inception, the questionnaire would have been confusing which increased their likeness to discontinue the survey or give random answers as questions were not understood or too complex to process (for this purpose as there was no incentive provided).

9 Conclusion

As already highlighted, a founder´s network seems to be the most influential driver of a new venture´s internationalization which is also the biggest difference between non-exporting and exporting companies. Furthermore, the sooner a venture started operating international, the higher the founder´s degree of Internationals among its network. These findings show the same tendency as stated by (Caughey & Chetty, 1994).

Literature states that there is a relationship between a new venture´s founder life experience and its venture internationalization. The founder´s life experience is stated as work, life or study experience in an international environment or abroad (McDougall, 2003; Manolova et al, 2002; Acedo & Jones, 2007; Zhou, 2007). This work at hand can partly contribute to these findings as it shows that the more time a founder worked or lived abroad or worked in an international operating company, the higher the probability of its venture is to operate internationally. Furthermore, as stated in (Bürgel et al, 2004) that a founder´s international education does not affect the internationalization of its venture can be reinforced by this study as it does not show a significant effect.

At this point, the connection between a founder´s network and its international experience must be mentioned. (Karra et al, 2008) mentioned that MBA programs with a high degree of international diversity are well suited for individuals to increase their international contacts among their network.

Furthermore, as an individual´s willingness to work abroad, study abroad, live abroad or work in an international operating company can be seen as a reflection of its international orientation, which in fact is often stated a main driver for a venture to start operate internationally. Furthermore, international vision develops during time spent abroad or in an international environment or with international experience (Karra et al, 2008; Zucchela et al, 2007).

"An international network is described as a solid base for a successful international new venture as it can provide crucial contacts to the entrepreneur target markets" (Karra et al, 2008).

As (Hambrick et al, 1984) stated the upper echelon theory draws on the assumption that an organization is a reflection of its top management team which can be applied to new venture´s too. The higher a new venture´s founder international vision, the more prone a new venture is to operate internationally. As time (worked and lived) abroad and the international diversity among a founder´s network influence a new venture´s internationalization this assumption can be seen as supported by this paper at hand.

Lastly, a founder´s origin might have an influence on its international vision and therefore on its venture internationalization as stated by (Zucchela et al, 2007) too. This study provides some insights regarding a founder´s origin and the impact on its company´s international development but need further research which leads to the next point in this study.

10 Further Research

As mentioned before, a founder´s origin might influence its venture´s internationalization but needs to be further analysed in more detail. The relationship between a founder´s origin and their international network and willingness to live, work or study abroad needs to be analysed. Furthermore, as the performance of a group is related to the novelty of tasks and difficulty of problems, the diversity among new venture founders could be examined in more detail (Tajfel, 1982; van Knippenberg et al, 2004). (Lee & Park, 2006) found a positive relationship between top management team job-related diversity and firm´s internationalizion which could be examined in particular regarding new ventures. In order to examine this topic in greater detail, a more sophisticated data collection approach would be suitable. As this study shows, only 13% of the contacted individuals participated in this study at hand. By examining the diversity among a new venture founding team, one member would need to have a basic knowledge of the other founder´s

CV, which could superficially be assumed but might influence the information too much or all founding members would need to provide sufficient information. Drawing on the upper echelon theory and team diversity effect on performance, the functional diversity among new venture founders could lead to some interesting insights (Chaganti & Sambharya, 1986).

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12 Figures

13 Tables

14 Appendix

14.1.   Abstract English

As new ventures are part of the capitalistic ecosystem, not only for investor, but also for the creation of new jobs and technologies which pave the way for innovation and prosperity, it makes sense that many scholars focus on identifying and examining the main drivers of the acceleration and performance enhancing processes and factors of new ventures (Artner & Kreutzer, 2019). Therefore, the basis for this study was to provide a summary and overview of the current state of literature and research. Further, its main goal was to provide deeper insights into the factors that enable new ventures to grow successfully and provide more detailed Information on how these factors interact and influence the success of new ventures. This study is not only important for scholar, but also for practicing or future founders and investors to discover the importance of the drivers that can enhance the successful path of new ventures. As investigating the current literature about new venture success factor and team diversity effect on performance, a solid knowledge base for this study was set. First, drawings on the upper echelon theory (Hambrick et al, 1984) which states that an organization is a reflection of its top management team are made. In other words, the character of an organization´s top management team is reflected in the organization´s strategic orientation. Furthermore, the underlying processes of group diversity effect on group performance are discussed (Tajfel, 1982; van Knippenberg et al, 2004) which state for novel and unique problems team diversity might positively enhance group performance (if un-

derlying processes take place). Further, the positive relationship between ventures founder´s international vision (reflected in its international background) and the venture´s internationalization is found in the literature (Zucchella et al, 2007). After that, the defined research gap, to examine the founder´s international background, also regarding its origin was examined by first collecting the data and further by statistically analysing them investigated and discussed. In the end, the results were linked to the current literature and explained in greater detailed as set into context. This study shows that the founder´s international vision, which is reflected in its internationality of its network, its time worked and lived abroad or worked in an international environment positively influences a new venture expansion acceleration (speed and degree). Although, this study shows some limitations as a fact of its limited resources available further research is advised to examine the investigated relationship in more detail. To be more specific, the expansion process can be examined more detailed as attention should be paid to market distance (languages, culture and legal) in combination with market knowledge. Further this study assumed that the study sample is representative as only 13% of the contacted new venture founder´s answered which could be enhanced by contacting them more often in a more personal approach.

14.2.   Abstract German

Da neu gegründete Unternehmen Teil des kapitalistischen Ökosystems sind, sowohl ein wichtiger Bestandteil für Investoren als auch für die Schaffung neuer Arbeitsplätze und Technologien, ebnen sie den Weg für Innovation und Wohlstand. Daher ist es sinnvoll, dass sich viele Wissenschaftler auf die Identifizierung und Untersuchung der Hauptantriebskräfte der Beschleunigungs- und Leistungssteigerungsprozesse und -faktoren neu gegründeter Unternehmen konzentrieren (Artner & Kreutzer, 2019). Die Grundlage für diese Studie bildet eine Zusammenfassung und Überblick über den aktuellen Stand der Literatur und Forschung. Diese Studie nimmt Bezug auf die upper-echelon Theorie (Hambrick et al, 1984) welche besagt, dass sich der Character des

Top Management Teams in der strategischen Ausrichtung des Unternehmens widerspiegelt. Weiters wurden die zugrundeliegenden Prozesse, welche den Effekt von Teamvielfalt auf die Gruppenleistung beeinflussen untersucht (Tajfel, 1982; van Knippenberg et al, 2004), welche zeigen, dass Teamvielfalt (sofern die zugrundeliegenden Prozesse in Kraft treten) für neue und einzigartige Probleme zu einer Leistungssteigerung führen können. Darüber hinaus wird der positive Zusammenhang zwischen der internationalen Ausrichtung eines Gründers, welcher sich in seiner internationalen Vergangenheit widerspiegelt und der Internationalisierung seinen Unternehmens gefunden (Zucchella et al, 2007). Darüber hinaus war das Hauptziel dieser Studie, den Zusammenhang des internationalen Hintergrunds, Werdegangs und der Orientierung des Gründers sowie dessen Herkunft und der Internationalisierung dessen Unternehmens genauer zu untersuchen. Diese Studie ist nicht nur für Wissenschaftler, sondern auch für praktizierende oder zukünftige Gründer und Investoren interessant, um die Bedeutung der Einflussfaktoren auf den internationalen Werdegang der Unternehmen besser zu verstehen. Durch die Auswertung der aktuellen Literatur über Einflussfaktoren (in Bezug auf die Internationalisierung) für neu gegründete Unternehmen und die Auswirkungen der Teamvielfalt auf die Leistung wurde eine solide Wissensbasis für diese Studie geschaffen. Danach wurde die definierte Forschungslücke, den Einfluss des internationalen Hintergrundes des Gründers, auch hinsichtlich seiner Herkunft, auf sein neu gegründetes Unternehmen untersucht. Zunächst wurden die Daten gesammelt und weiters statistisch ausgewertet. Am Ende wurden die Ergebnisse analysiert und mit der aktuellen Literatur verknüpft und kontextbezogen näher erläutert. Diese Studie zeigt, dass die internationale Ausrichtung des Gründers, die sich in der Internationalität seines Netzwerks, Zeit welcher Er im Ausland gearbeitet oder gelebt oder in einem internationalen Umfeld gearbeitet hat, widerspiegelt, einen positiven Einfluss auf die Geschwindigkeit des internationalen Unternehmenswachstum hat. Obwohl diese Studie einige Einschränkungen aufweist, da die verfügbaren Ressourcen begrenzt waren, ist es ratsam, die untersuchte Beziehung eingehender zu untersuchen. Um genauer zu sein, kann der Expansionsprozess genauer untersucht werden, wobei die Auf-

merksamkeit auf die Marktdistanz (Sprachen, Kultur und Recht) in Kombination mit der Markt-kenntnis gerichtet werden sollte. Des Weiteren wird in dieser Studie davon ausgegangen, dass die Stichprobe der Studie repräsentativ ist, da jedoch nur 13% der kontaktierten neuen Unter-nehmensgründer antworteten, könnte dies durch eine häufigere Kontaktaufnahme in einem per-sönlicheren Ansatz verbessert werden.

Keywords: New ventures, StartUps, new ventures founder´s international background, founder´s international background effect on its venture internationalization, speed of internatio-nalization, degree of internationalization, team diversity, group performance, Neu gegründete Unternehmen, internationales Unternehmenswachstum, Teamvielfalt, Gründer´s internationale Herkunft und Werdegang und Zusammenhang zum internationalen Wachstum dessen Unter-nehmens

14.3.   Appendix A – Survey Questions

Page 1

Hello and thanks for participating in my survey – it will only take 3 minutes to complete.

Question 1:

What is the name of your StartUp?

_____

Question 2:

What is your gender?

O male
O female
O other

Question 3:

Question 3:

How old are you?

_____

Are you a founding member of your StartUp?

O yes
O no

Question 4:

What position do you have in your organization (e.g. CEO, CFO, CMO ….)

_____

Question 5:

How many people work for that StartUp?

_____

Question 6:

In which country has your StartUp been founded?

_____

Question 7:

When has your StartUp been founded?

_____

Question 8:

In which country were you born?

_____

Question 9:

In which country were your parents born?

_____

Question 10:

In which industry is your StartUp operating?

_____

Page 2

Question 11:

How many languages do you speak?

_____

Question 12:

How many years did you live abroad (abroad = not the country of your residence)

_____

Question 13:

How many years did you sutdy abroad? (abroad = not the country of your residence)

_____

Question 13:

How many years did you work abroad? (abroad = not the country of your residence)

_____

Question 14:

How many years did you work for an international operating company? (while not being abroad)

_____

Question 15:

How often do you travel abroad per year? (abroad = not the country of your residence)

_____

Question 16:

What share (in %) of your network lives abroad (abroad = not the country of your residence)

Page 3

Question 17:

Does your StartUp already sells products/services in the market?

O yes
O no

Question 18:

Does your StartUp operates internationally? (sell products or services in more than the founded home country)

O yes
O no

Page 4

Question19: * (only appeared if Question 18 was answered with yes)

How much of the revenue is generated abroad? (estimate in %)

_____

Question 20: * (only appeared if Question 18 was answered with yes)

When did your StartUp start operating internationally?

_____

Page 5

Question 21: * (only appeared if Question 18 was answered with no)

Do you plan to operate internationally?

O yes
O no

Page 6

Question 22: * (only appeared if Question 18 was answered with no)

How strongly do you want to operate internationally?

Rate form 0 – 10.

Thank you for completing this questionnaire!