

DBA 304

# International Business Finance



Week 10

# Small Business as Multinational Companies: Overcoming Barriers and Finding Opportunities



# Learning Objectives

- Understand the basic definitions of small business and entrepreneurship
- Explain how small businesses can begin as global start-ups or follow the stages of internationalization
- Understand how small businesses can overcome barriers to internationalization

# Learning Objectives

- Identify when small businesses or entrepreneurs should consider going international
- Understand how small businesses or entrepreneurs can find customers, partners, or distributors abroad
- Understand how new venture wedge strategies can be used in foreign markets

# What Is a Small Business?

- “Small” business – many definitions
  - UN: less than 500 employees
  - The popular press: less than 100 employees
  - U.S. small business administration has more complex definitions
    - Definition varies by industry, sales revenue, and the number of people

# What Is a Small Business?

- “Small” businesses
  - Over 98% businesses in Europe, N. America, and Japan
  - Employ more than 50% of local populations
  - Produce nearly 50% of the countries’ GNPs
  - Create more than 2/3 of new jobs

# What Is an Entrepreneur?

- Entrepreneur: person who creates new ventures that seek profit and growth
  - Faces risks and uncertainty of new and untested business
- New ventures: entering a new market
  - Offer a new product or services
  - Introduce a new method, technology or innovative use of raw materials