Strategic Resources and Capabilities for Internationalization

Autoria: Ricardo Pitelli de Britto, Elaine Mandotti de Oliveira Britto

Abstract
This article tries to show how strategic resources and capabilities developed by companies contribute to their readiness to export, considered as the most frequent path to internationalization. A research was conducted through random sampling, structured questionnaires, qualitative and quantitative questions. The research offers a contribution to Brazilian companies in which resources and capabilities that contribute to their readiness to export are identified. The company president or director was interviewed. The questionnaire was developed by Dr. Cavusgil, at Michigan State University-MSU and it is found on the software "Core", which is MSU software offered for use in this research. The results show that the bigger the resources and capabilities of the company, the bigger the volume of exports although there is no guarantee of export growth.

General Summary
The present article explores how the resources and strategic capacities developed by the companies contribute to its readiness to export, considering that this is the most used strategy at the beginning of an average company's process of internationalization. From the point of view of the resource-based theory (Penrose, 1959; Barney, 1991), every company should be considered as a set of tangible and intangible resources. Such resources are transformed into organizational capabilities when organized for the accomplishment of some administrative routines. The capacity to co-ordinate and manage resources creates the organizational capabilities in such a way that one depends on the other. In other words, when the company identifies a capacity which adds value to the enterprise strategy by being rare, inimitable, irreplaceable and versatile, the company has an *organizational ability*. If this ability is responsible for superior results compared to the market average because of its strong alignment with the enterprise strategy, the company has an *essential organizational competence* (Prahalad and Hamel, 1990).
This article tries to show how strategic resources and capabilities developed by companies contribute to their readiness to export, considered as the most frequent path to internationalization. Internationalization can be understood as the process by means of which the company takes its operations beyond the limits of the national market of origin and starts to explore foreign markets. Internationalization can be understood as different ways of performance abroad, since the simple indirect and direct exportation until more complex foreign operations with larger commitment of resources like the installation of subsidiaries overseas.
A research was conducted through random sampling, structured questionnaires, qualitative and quantitative questions. More specifically, the five hypotheses below are tested:
H1: The bigger the strategic resources and capacities for internationalization are, the bigger is the company's volume of exports.
H2: The growth of exports is strongly correlated with the presence of strategic resources and capacities for internationalization.
H3: A stronger strategic commitment to the activity of exportation is strongly correlated with the presence of strategic resources and capacities for internationalization.
H4: The future perspective of stronger strategic commitment to the activity of exportation is strongly correlated with presence of strategic resources and capacities for internationalization.
H5: The bigger the strategic resources and capacities for internationalization are, the bigger is the exploration of added value in exports.
Construction of the research variables

The construction of the research variables, grouped here to form a set of Organizational and Individual Competences to lead actions for companies' internationalization, was based on the work of Cavusgil (1998). Its analysis focus is the "Readiness to Export", involving several types of actions that support the company's exporting effort, particularly of industrial companies. In accordance with these premises, the following organizational and individual competences will be analyzed:

- *To raise external financings*: measured through questions on the degree of organization of the financial management of the company and its ability in catching external resources.
- *To analyze data and information on the international market and its rules*: measured through questions on knowledge and experiences of the company and its collaborators in the area of international trade.
- *To provide commercial assistance to the international partners*: measured through specific questions in the area of rendering of international after-sales services.
- *To promote international distribution of products and services with efficiency*: measured through specific questions in the area of international logistic.
- To perform World Class R&D and Operations: measured through specific questions on R&D and Operations investment degree and performance level.
- To manage commercial relations in intercultural environment: measured through questions on the domain of languages, experience abroad, and attendance to international business fairs (trade shows) by executives.

Relationship between variables

This paper aimed to analyze the relations between the independent variable "Organizational Competences for Internationalization" and an asset of dependent variables, which are expressed by the Hypotheses put trough test.

Sampling

A sample of 391 companies was extracted from a Fiesp* database (2003), composed by 16.384 industrial companies, from which were previously excluded "micro-companies" (up to 9 employees), service companies and 200 "super-large", resulting an universe of 14.931 companies. On the basis of the relations between variables displayed above, the statistical tests for the sample in question were accomplished. Data analyses were performed using linear regressions (H1, H2 and H3) and logistic regressions (H4 and H5). The logistic regression was used considering the fact of the dependent variables in H4 and H5 to be binomial. In the remaining cases, variables were rational therefore the linear regression was used instead.

The research offers a contribution to better understand Brazilian companies in which resources and capabilities that contribute to their readiness to export are identified. The company president or director was interviewed. The questionnaire was developed by Dr. Cavusgil, at Michigan State University-MSU and it is found on the software "Core", which is MSU software offered for use in this research. The results show that the bigger the resources and capabilities of the company, the bigger the volume of exports although there is no guarantee of export growth.

Introduction

The need to help insert companies in the international market has been imperative in these times of globalization. This insertion, represented by the search for consuming and supplying markets on a global scale, is a widely studied and developed phenomenon.

The steps to be taken and their order depend on each author, but the basic premises are the same: it is necessary that companies evolve their international participation through an increasing acquisition of knowledge and control, and exposition to risk (SACRAMENTO *et al.* 2003).

A company can develop its activities in the international market by exportation, licensing, establishing subsidiaries, developing strategic alliances, acquisition or merging with local companies. Generally, the fledgling companies use exportation because this alternative does not demand significant investments, although it may become expensive in terms of logistics. Licensing, in certain cases, can be an effective way to initiate international operations, especially for those companies which detain advanced technology. Strategic alliances have been used due to the relative ease in getting experience in external markets, with the advantage of less exposition to the risk in the company's international activity.

Most companies initiate their international activities by exports seen as a sale of products to a foreign country without entailing any productive investments in the nation where the products will be commercialized (HITT *et al*, 1999).

The present article explores how the resources and strategic capacities developed by the companies contribute to its readiness to export, considering that this is the most used strategy at the beginning of an average company's process of internationalization.

More specifically, the five hypotheses below are tested:

H1: The bigger the strategic resources and capacities for internationalization are, the bigger is the company's volume of exports.

H2: The growth of exports is strongly correlated with the presence of strategic resources and capacities for internationalization.

H3: A stronger strategic commitment to the activity of exportation is strongly correlated with the presence of strategic resources and capacities for internationalization.

H4: The future perspective of stronger strategic commitment to the activity of exportation is strongly correlated with presence of strategic resources and capacities for internationalization.

H5: The bigger the strategic resources and capacities for internationalization are, the bigger is the exploration of added value in exports.

The present article is organized as follows: the Theoretical References begin with an approach to the strategic resources and capacities in the formation of organizational capabilities, followed by a discussion of theories concerning the internationalization process. Then, the methodology of the research and the results of the sample are presented, and a final discussion about the results concludes the article.

Theoretical References

Resources and Organizational Capabilities in the Formation of the Organizational Abilities

From the point of view of the resource-based theory (Penrose, 1959; Barney, 1991), every company should be considered as a set of tangible and intangible resources. Such resources are transformed into organizational capabilities when organized for the accomplishment of some administrative routines. The capacity to co-ordinate and manage resources creates the organizational capabilities in such a way that one depends on the other. It is useless for a company to have talented employees and high technology, if these resources are not coordinated and managed towards the execution of an administrative routine. Therefore, every company makes use of resources and capabilities from the moment it starts to operate and put in practice its administrative routines.

However, resources and capabilities, even present in all companies, are not equal for the simple reason that each company acts as a different organism, affected by several variations of the external and internal environment. In other words, each company's history and development process is particular, even when belonging to the same sector, since its resources and capabilities are molded by different paths. Moreover, it is noteworthy that resources and capabilities are developed by ambiguous processes and inserted in different social complexities.

This unique trajectory gives origin to different resources and capabilities and explains why some companies achieve superior administrative routines to others in the same business, with the same customers and similar offers of goods and services. For this reason, some companies are able to generate superior aggregate value for their stakeholders, and consequently achieve superiority over their competitors, which is called competitive advantage. The competitive advantage resulting from superior value generated by these particular resources and capabilities, as long as it is perennial, constitutes sustainable competitive advantage which guarantees superior returns for longer periods in virtue of the acquired competitive force.

However, the question that remains unanswered is in what circumstances the resources and capabilities generate superior value, that is, generate this competitive advantage. Barney (1991) explains that competitive advantage is decurrent of rare resources and capabilities, difficult to imitate, not replaceable and versatile. In other words, the company has a capacity capable to generate sustainable competitive advantage when this capacity is unique, meaning no other competitor can easily develop this capacity. Moreover, this capacity is central to the performance of the main administrative routines of the company, in such a way that it can be of great utility for all the organization.

When the company identifies a capacity which adds value to the enterprise strategy by being rare, inimitable, irreplaceable and versatile, the company has an *organizational ability*. If this ability is responsible for superior results compared to the market average because of its strong alignment with the enterprise strategy, the company has an *essential organizational competence* (Prahalad and Hamel, 1990).

However, it is very rare for a capacity to add all sets of rarity, not imitation, not substitution and versatility. In most of the cases, capabilities present one or another set of characteristics and are considered competences as long as they add value to the company, even for a short time. In other words, for a capacity to be considered a competence, it has first of all to add value and this requires the capacity to be strongly aligned with the organizational strategy.

Therefore, the link between competence and strategy is essential for the existence of the concept. From the moment the capacity is not aligned with the strategy, the competence does not exist, as well as when the competence no longer fulfills its liabilities, it becomes a mere capacity. Thus, the enterprise competences are the engine of the strategy; however, as time passes, the competences must be reinvented and modified, in order to preserve the principles of rarity, inimitability, versatility and generation of value. If the company does not modify its competences, competitors can develop the same competences, despite following divergent trajectories and in different, slower ways.

Thus, it is essential for the company to develop its capabilities related to administrative and productive routines end-activities, as well to develop the capacity of reinventing competences, that is, *dynamic capabilities* (Grant, 1996), also known as *combinative capabilities* (Kogut and Zander, 1992) - the enterprise processes which transform and recreate resources, generating strategic and organizational routines which can foment new abilities - are vital. This is the capacity of the company to create a competence that can adapt to different environments that are imposed on the company. This adaptation would take place through the constant development of the ability to respond to external and internal divergences within the enterprise context.

In this manner, the strategic model of abilities approached in this study is the one developed by Fleury and Fleury (2004), in which competence is defined as *the capacity to combine, mix and integrate resources in products and services* and the competitiveness of an organization is determined by the dynamic interrelation that forms a cycle among the organizational abilities, its strategy and the process of learning.

This cycle can be further explained in the following way: *competences* are formed beginning from resources and *strategies* are elaborated from groups of resources and capabilities; the implementation of the strategy generates new configurations of resources and abilities which in turn, influence the formulation of the strategy through the learning process.

However, a limitation of this study must be clarified: as it takes departure from an adaptation of the questionnaire developed by the Prof. Cavusgil, the focus of analysis of the collected data is the *resources and capabilities* and not competences. The intended results are the correlations between these resources and capabilities and the operational and strategic performance of the organizations, assuming that once this correlation is observed, this would mean that these resources and capabilities were transformed into competences capable to add value to the internationalization strategies.

The internationalization of the Companies

Internationalization can be understood as the process by means of which the company takes its operations beyond the limits of the national market of origin and starts to explore foreign markets. Internationalization can be understood as different ways of performance abroad, since the simple indirect and direct exportation until more complex foreign operations with larger commitment of resources like the installation of subsidiaries overseas.

The theories concerning the internationalization process can be divided in two blocks: economic theories (Internalization, Transaction Costs, Eclectic Paradigm, Industrial Organization) and behavioral theories (Upsalla School, Networks Theory).

From the economic perspective of the internationalization process, the focus is on what factors abroad attract investments, in order to explain the commitment of resources in foreign countries and how it allows the company to improve its financial performance. This is emphasized by the theory of the Eclectic Paradigm (Dunning, 1981, 1988, 2000), which applies the concepts of costs of transaction (Williamson, 1975) and internalization (Bucley and Casson, 1976; Rugman, 1981) to the decisions regarding the internationalization of the firm.

This theory aims to explain which characteristics of companies and markets stimulate internationalization involving foreign direct investment (FDI), differentiating this process in terms of product and market characteristics. Academic works in Brazil have used this approach to explain the process of internationalization of Brazilian companies (Iglesias and Veiga, 2002). Furthermore, from the economic perspective, the advantage of making investments abroad can be explained by the fact of being exposed to determining local conditions which favor innovation (Porter, 1990).

From the economic point of view, however, there are limitations in explaining the forms of a company's internationalization, once these theories focus on observing the direct foreign investment (FDI). Another criticism regarding the economic approach is its static character, not considering the effect of learning on the market. Moreover, this approach does not emphasize the power of the cooperation in the internationalization strategy. These theories, however, consider that the performance abroad improves the global performance of the company.

The approach to internationalization process adopted by the behavioral models (Johansson e Vahlne, 1977 e 1990; Anderson, Holm e Forsgren, 2002; Johanson e Mattson, 1986) aims to go beyond the limitations of the economic aspects to understand the processes of decision making concerning to the internationalization of companies. The Uppsala Model considers that the knowledge of the companies is accumulated through the conduction of international operations. The model focuses on the acquisition, integration and gradual use of knowledge concerning the international operations and markets, which drives the company towards a growing commitment to the operations in foreign countries. (Johansson and Vahlne, 1977 e 1990; Eriksson *et all*., 1997)

This accumulated knowledge directs the internationalization (Eriksson et al., 2000; Simpson and Kujawa, 1974). The longer the actuation time in international markets, the most extensive the accumulated knowledge becomes. This more extensive accumulated knowledge implies in increased levels of abilities in international operations (Yip, Biscarri and Monti, 2000) and therefore, in the option for forms of entrance (Root, 1987) in new markets involving larger commitment of resources.

Recently, the theory of the relationship nets is being consolidated as evolution of the school of Uppsala (Hilal and Hemais, 2002), with strong emphasis on the internal and external relationships of the companies abroad. This way, a company would choose its way of entrance and evolution in the external market in accordance to the performance of the net in which it is inserted. The relationships abroad would determine the choice of the market to be operated and the form of actuation (Andersson and Johanson, 1997). Therefore, the process would involve the experience and the accumulation of knowledge abroad, as well as the performance of the other actors within the network.

Thus, the internationalization process is not decided just according to the perception of the matrix of the company. Both internal (Bjorkman and Forsgren, 2000) and external (Andersson, Forsgren and Holm, 2002) relations networks of the subsidiary in the foreign market play an important role in this process, which is not obligatorily gradual. (Johanson and Mattson, 1986) The internationalization is a phenomenon that is not restricted to the entrance way, but related to the process of evolution of subsidiaries itself (Birkinshaw and Hood, 1998; Rezende, 2003a), in which the relationships established by the subsidiaries during their evolution in the international market are gradual, but the sequence of the entrance ways is discontinuous (Rezende, 2002). The evolutive process of subsidiaries depends on the contingencies of the competitive environment and the relations among the subsidiaries as well as on the former company's experience in its operations in the foreign market (Rezende, 2003B). The bigger is the involvement within the relationships network of a subsidiary, the bigger will be its commitment of resources in its market.

Another point in which the Theory of the Nets supplants the deficiencies of Uppsala refers to the psychic distance. This theory demonstrates how the psychic perception can affect the process of markets selection, at individual-decision level. In other words, how the decisions of whom are in charge of the operation influences the strategic decisions of internationalization. The theory of the School of Uppsala works with a very high level of aggregation of psychic distance, in general omitting the differences between regions and industries, as well as the individual perceptions.

This level of more individual analysis made the way for the empirical evidences on companies which rise to serve the international market. The phenomenon of *born-globals* (Madsen & Servais, 1995; Knight & Cavusgil, 1995) - companies which are practically born directed toward the external markets, assuming international position - is relatively recent; the studies do not date more than one decade. For Oviatt and McDougall (2005) a new international enterprise is a business that from its foundation aims to develop competitive advantages from global resources and opportunities.

It is noteworthy the fact of the international entrepreneur, who often heads these born-global organizations. These so called international entrepreneurs are persons with the abilities to create and manage global businesses; less local than global competition oriented and with the capacity to foresee resources and chances that other people cannot identify. Beyond this global vision, these international entrepreneurs generally have a vast background in international management, a strong commitment with the business and an influential relationships network. (Oviatt and McDougall, 2005)

The Process of Internationalization and the Organizational Abilities

The importance of competences in the process of internationalization of companies was studied by Knight and Cavusgil (2004). The phenomenon of the *born-global* companies - characterized as those which initiate their process of internationalization within three years from their foundation - is attributed to the intensive use of knowledge. Researchers have mapped the competences developed by the born-global, grouping these competences in four categories:

Global technological competences: The orientation for the development in technologies allowed significant reductions in the production costs, often making possible the production in lesser scales. This last effect is pointed to make possible serving different niches in the international market.

Development of unique products: Related with the first competence, this one guides the technological development process towards excellence in production of differentiated innovative products.

Focus in quality. Beyond the policy of fulfill or surpass the expectations of the consumer, this third competence is responsible by the optimization of the resources, preventing rework and consequently increasing the performance of the company.

Using independent distributors: Learning to deal with partners in destination countries is pointed as the fourth ability. In this sense, the *born-global* shares risks with the independent distributors, beyond taking advantage of the competences already developed by the partner.

The innovations of the *born-global* were endorsed by the four related abilities, leading to superior performance in their strategies of internationalization. Knight and Cavusgil (2004) indicate that the *born-global*, often smaller in scale of production and without the infrastructure of established companies, overrides its limitations of assets by using intensely its competences, which can be considered as intangible assets.

Fleury and Fleury (2005) also examined competences and the processes of internationalization. These authors, to analyze and characterize the internationalization of Brazilian and Chinese companies, use a combination of the strategic model of competences with the approach of the Dunning's eclectic paradigm, according to which the firm must possess some competitive advantage when decides to internationalize its production. This advantage can be of three types: Ownership-specific advantage (O), Location-specific variables (L) and Internalization (I).

The competences of property of the analyzed Brazilian companies are characterized in management of operations, product development and project management. The characterized competences of Internalization are international dimensions of the competences of property. A competence that is inherent to several of Brazilian companies is the management of the firm in a turbulent, unpredictable environment in which competitive relations are often adverse.

Moreover, Fleury and Fleury (2005) make noteworthy that the access to financial resources of the international markets and actions to skip tariffs and technical barriers were been key factors to decide the internationalization of the Brazilian companies after the stabilization of the economy since 1995.

Methodology:

A conclusive descriptive research was accomplished, based on secondary data, collected trough inferential random sampling and using a structuralized questionnaire with quantitative and qualitative questions. The sampling technique was spaced out random sampling by size and region. The interviewed was the managing president, director of marketing or director of exportations of the company. The database used was obtained in the of Masters dissertation "Global Competition", by Ricardo Pitelli de Britto, under supervision by Prof. Dr. Celso Grisi, between May and September, 2004. The applied questionnaire has authorship by Prof.

Dr. Cavusgil, from MSU, included in Software CORE - Company Readiness to Export, of property of the MSU that yielded its use for the accomplishment of this research.

Construction of the research variables

The construction of the research variables, grouped here to form a set of Organizational and Individual Competences to lead actions for companies' internationalization, was based on the work of Cavusgil (1998). Its analysis focus is the "Readiness to Export", involving several types of actions that support the company's exporting effort, particularly of industrial companies. In accordance with these premises, the following organizational and individual competences will be analyzed:

- *To raise external financings*: measured through questions on the degree of organization of the financial management of the company and its ability in catching external resources.
- *To analyze data and information on the international market and its rules*: measured through questions on knowledge and experiences of the company and its collaborators in the area of international trade.
- *To provide commercial assistance to the international partners*: measured through specific questions in the area of rendering of international after-sales services.
- *To promote international distribution of products and services with efficiency*: measured through specific questions in the area of international logistic.
- To perform World Class R&D and Operations: measured through specific questions on R&D and Operations investment degree and performance level.
- To manage commercial relations in intercultural environment: measured through questions on the domain of languages, experience abroad, and attendance to international business fairs by executives.

Sampling

A sample of 391 companies was extracted from a Fiesp* database (2003), composed by 16.384 industrial companies, from which were previously excluded "micro-companies" (up to 9 employees), service companies and 200 "super-large", resulting an universe of 14.931 companies.

*: Fiesp (Federação das Indústrias do Estado de São Paulo) is the association which represents most of the industries located in São Paulo, Brazil. For details, see www.fiesp.org.br .

Relationship between variables

This paper aimed to analyze the relations between the independent variable "Organizational Competences for Internationalization" and an asset of dependent variables, which are expressed by the Hypotheses put trough test. These relations are synthesized bellow:

Hypothesis	**Dependent Variable**
H1: The bigger is the presence of strategic resources and capacities for the internationalization, the bigger is the company's volume of exports.	Volume of Exports
H2: The growth of the exportations is strongly correlated with the presence of strategic resources and capacities for internationalization.	Growth of the Exportations
H3: A stronger strategic commitment to the exportation activities is strongly correlated with presence of strategic resources and capacities for internationalization.	Type of Internationalization in Course
H4: The future perspective of stronger strategic commitment to the exportation activities is strongly correlated with presence of strategic resources and capacities for	Type of Internationalization in Future Perspective

internationalization.	
H5: The bigger is the presence of strategic resources and capacities for the internationalization, the bigger is the exploration of added value in exportations.	Added Value

Statistical tests; results presentation and discussion

On the basis of the relations between variables displayed above, the statistical tests for the sample in question were accomplished. Data analyses were performed using linear regressions (H1, H2 and H3) and logistic regressions (H4 and H5). The logistic regression was used considering the fact of the dependent variables in H4 and H5 to be binomial. In the remaining cases, variables were rational therefore the linear regression was used instead.

The independent variable used in all the tests was *score*, representative of company's strategic resources and capabilities. Moreover, three control variables were used to prevent possible unbalances if company's size, (in terms of invoicing and employees), as well as company's activity field were not considered. The analysis of Table 1 bellow allows the verification of the results in terms of the function that explain the dependent variable and the power of explanation of the equations.

Table 1: Models of Linear e Logistic Regression

Font: authors

Variable		H1(linear reg.)	H2 (linear reg.)	H3 (linear reg.)	H4 (log.reg)	H5 (log. reg)
Dependent		(exp)	(exp grt)	(in.est.cmt)	(in.est.cmt_fut)	(resexpl)
	beta constant	0,07650	-2,23500	-0,79600	-1,68900	-1,95000
Independent	resources and skills	0,00242 (13,7%)	0,09720	0,03190 (28,3%)	0,37000	0,39000
Control	size	.-*-.	.-*-.	.-*-.	.-*-.	.-*-.
	Invoicng	0,01424 (1,9%)	.-*-.	0,23200 (5,9%)	.-*-.	.-*-.
	Activity field	.-*-.	.-*-.	.-*-.	.-*-.	.-*-.
	Adjusted R square	0,156 (15,6 %)	0,032 (3,2%)	0,342 (34,2%)		
	Nagelkerke R square				0,110 (11%)	0,116 (11,6 %)

Captions: (exp) = total exports / total invoicing
(exp grt): exports growth (2001 - 2003)
(in.est.cmt) = international strategic commitment
(in.est.cmt_fut) = international strategic commitment future expectative
(resexpl) = exports based on know-how and technical resources exploit

The H1 hypothesis is confirmed with a power of explanation of approximately 15%, meaning that the presence of strategic resources and competences allows explaining in 15% the invoicing generated by the exports over the total invoicing of the company. It is noteworthy that this premise is valid mainly for the companies that present larger total invoicing.

H2 hypothesis, which works with the volume of exports throughout a period, present very little adherence, therefore the presence of strategic resources and competences itself does not have significant power of explanation for the growth of the exportations of the analyzed companies.

The H3 hypothesis is supported with relative force, that is, the presence of strategic resources and competences guarantees a sounder support for strategies of increased commitment (external operations, distribution). It is noteworthy that the larger is the company in invoicing terms, the greater is its propensity to present increased strategic commitment abroad.

On the other hand, the presence of strategic resources and competences do not guarantee an as strong future expectation of increased commitment in exterior market as expected when comparing with the results of H3.

Finally, H5 is relatively supported showing that not always is constant the relation between bigger presence of strategic resources and competences for the internationalization and better exploration of the added value in exports.

Conclusions

The results encourage serious reflections on the importance of resources and capabilities in understanding the strategies of internationalization. First, on verifying the relationship between strategic resources and capabilities and exportation, it is perceivable that - both in companies with bigger scores in relation to resources and capabilities as well as larger companies in terms of total invoicing - exports contribute greatly to their total sales revenues. However, there is no evidence that these exports are consistently ascendant, since on verifying the exports guideline during a specific period, no significant correlation is revealed which allows for hypothesis H2. On the contrary, an accurate analysis of the data shows that the exports may not only not grow, but even shrink over time.

The implications of these results are twofold: the first is related to the importance of strategic resources and capabilities and their transformation into organizational abilities; and the second is closely related to the environmental aspects of the business as well as a need for constant company adaptation, which demands a bigger support of the nets theory in international management, also known as the Evolution of the Nordic School.

Where resources and capabilities are concerned, the results confirm the evolution of studies on organizational abilities which abandon the former view of competence as a supply of resources and capabilities and begin to regard competence more as a *mobilization of these resources and capabilities*. The importance of this aspect is magnified when it becomes evident that the size of the company is associated with bigger exports.

This result leads to the understanding that though the resources and capabilities continued within the company, the abilities did not grow during the analyzed period and even decreased in certain cases, probably due to the lack of ability to harness these resources and capabilities into competence capable of assuring and developing the exports guideline.

In relation to the resources-based theory, the results related to H1 and H2 evidence the need for an analysis of organizational strategies from several angles, resorting once again to the theory of dynamic capabilities. Undoubtedly, the companies lacked the competence to maintain their platform of exports, but it is important to point out that the perception of *competence* much more as an action than as a supply results from the dynamics of the external environment. In a global and turbulent environment, the strategic point of view turned inwards or outwards is disrupted, giving place to a point of view that combines both these perspectives in an effort to adapt competences in answer to the constant changes of the external environment.

In this case, the result shows that the incapacity of the companies to develop their exports guideline may lie in part in an explanation based on the organizational resources, but without a doubt another greater unexplained part is due to the turbulences of the external environment. In this global and turbulent environment, the company should deal not only with the conditions of the national environment of the company’s origin, but above all, dedicate care and attention to the changes in the environment of the locations to which it exports.

Perhaps the companies, mainly those with bigger invoicing, may have already developed the dynamic capacity to adjust their competences to the turbulences of their domestic environment. Nevertheless and in accordance to the evolution of the Scandinavian school, from the moment the company starts to operate or to obtain part of its revenues abroad, the business environment changes and the interferences of the actors within its international network have significant effect on the success of the internationalization strategy. Therefore, the result leads to the understanding that beyond the traditional competences of the company, new ones must be developed in answer to the dynamics of change in the foreign environment.

By extension, the same reflections can be applied to the strategic commitment of the companies overseas. Although the results point mainly to the size in invoicing terms and the presence of strategic resources and capabilities as factors related to increased commitment, these factors do not strongly correlate with a more significant future insertion in the external market.

The result is in keeping with the economic theory of Dunning (1980); the bigger the advantage of property of the company, the more likely is the success of the internationalization strategy. Therefore, the explanation of why companies with more resources and capabilities should have a bigger commitment to their external activities becomes evident.

However, extrapolating in agreement with the postulations of the behavioral school of Uppsala on incremental learning should be observed with care. The result supports, in part, the postulation that companies learn with their activities abroad and consequently invest more resources. It also supports the fact that, admittedly, some of the capabilities present in the company are perfected as the company's operations expand. However, the operational construct at work does not allow for the affirmation that new abilities have been developed as a result of the operation overseas nor that these abilities were internalized, thus increasing the organizational set of abilities of the company and consequently guaranteeing an increased competitiveness for its operations abroad.

The mobilization of the resources and the construction of abilities are supported by the results, but which abilities and whether these abilities are an outcome of the resources of the matrix alone, or also of the conjunction of resources and capacities of the subsidiary as well, remain open to question. On the other hand, the premise that these resources were developed through the experience overseas and allowed the improvement of the internationalization strategy, corroborate the model of Fleury and Fleury.

Finally, referring to the H5 hypothesis, although not as expressively, the result endorses the postulation of the theory of born-globals, as companies owning distinctive organizational global abilities, capable of guaranteeing superior aggregate value sales as well as a faster insertion in external markets, due to this competitive advantage based in the matrix of the company.

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