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## Editorial

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**Biographical notes:** Susanne Royer is a Professor for Strategic and International Management and a Director of the International Institute of Management at the University of Flensburg, Germany. She received her PhD from the Faculty for Business Administration and Economics of the University of Paderborn, Germany. Her research interests include strategic alliances, changing forms of value net organisation, as well as strategic issues in e-business.

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I am delighted to present the fourth issue of the *Int. J. Globalisation and Small Business (IJGSB)*. The goal of *IJGSB* is to explore the opportunities and threats of globalisation for small businesses as well as small businesses' strategic options in an increasingly global world. Further, the objectives of the journal are directed at establishing an effective channel of communication between policy makers, government agencies, academic and research institutions and persons concerned with the complex role of small businesses in society. The international dimension is emphasised in order to overcome cultural and national barriers and to meet the needs of accelerating technological and other changes in the global economy from the perspective of small businesses.

This issue consists of six interesting papers from the field of small business in the context of globalisation, and a review of a book about clusters and regional development.

Arístides Olivares-Mesa and Katiuska Cabrera-Suárez present a paper with the title 'Factors affecting the timing of the export development process', and ask the question if family influence on businesses make a difference. Export development processes of Spanish manufacturing firms are analysed with the focus on the influence of the family nature on the speed of this process. Data are taken from the Spanish 'Survey on Business Strategies' comprising 1,524 observations. As a method, Olivares-Mesa and Cabrera-Suárez apply event history analysis to the data set. Controlling for other influences traditionally associated to the speed of the export development process, the results presented by the authors show that the family nature of the business is related to a later entry into the more advanced phase of the export development process.

'SMEs and sub-contracting in Japanese manufacturing' is the title of the next paper by Bala Subrahmanya, who posits the question if globalisation changed sub-contracting strategies of Japanese manufacturing businesses. The starting point of the paper lies in the history of Japan as a location with many sub-contracting relationships between large firms and Small and Medium Enterprises (SMEs). Subrahmanya, however, shows that in the globalisation era declining numbers of sub-contracting can be observed.

Subrahmanya suggests that the decline of sub-contracting adversely affects the performance of Japanese SMEs. The economic performance of Japanese manufacturing SMEs between 1980 and 1998 is investigated to ascertain whether and how the decline of subcontracting under globalisation has affected SMEs. The results of the study contrary to the expectations, however, show that the performance of SMEs in more sub-contracting intensive industries had not been affected when sub-contracting declined. Subrahmanya sees these results as a consequence of the exit of inefficient businesses, and suggests that the decades-old sub-contracting relationships have enabled the majority of SMEs to acquire self-sufficiency to protect their interests.

'Born Globals' foreign market channel strategies' are analysed by Svante Andersson, Jonas Gabrielsson and Ingemar Wictor in the next paper of this issue. Since the authors see foreign entry mode choices as the decisions of paramount importance for the growth and long-term survival of new and small firms that are in a process of international expansion, they want to get further insights into foreign market channel strategies of born global firms. Andersson, Gabrielsson and Wictor want to get these insights from a comparative case study of four firms. As a result from the comparison it emerges that there seems to be not a single typical foreign entry mode choice of born globals, but the choice of foreign entry mode seems to depend on several contingencies in and around the firm.

'Globally oriented small- and medium-sized enterprises: in search of an integrative framework and competitive determinants' by Jean-Marie Nkongolo-Bakenda, Robert Anderson, Jack Ito and Garnet Garven is the fourth paper published in this issue of IJGSB. The authors suggest a framework identifying the characteristics, particularities and determinants of SMEs that operate in multiple national markets, which they call Globally Oriented SMEs (GOSMEs). GOSMEs are described as a particular category of international firms, which does not fit in traditional typologies of large global firms. The authors suggest that GOSMEs are driven by factors and attributes such as manager's international experience and skills, size, competitive pressures, product/market standardisation, product/service distinctiveness and value-creating strategic actions appropriate to their relatively limited resources. In the paper they develop a definition and advance propositions for a sustainable value creation for such GOSMEs.

In the fifth paper of this issue Rajesh Pillania analyses the strategic possibilities to leverage knowledge for sustainable competitiveness in SMEs from an Indian perspective. He shows the relevance of knowledge management for SMEs in a literature review. Pillania sees SMEs as the key contributor to global economy, trade and employment, which especially should leverage their knowledge for staying competitive in a more and more global market place due to limited resources. With his paper 'Leveraging knowledge for sustainable competitiveness in SMEs', Rajesh Pillania wants to fill research gaps with regard to the possibilities of knowledge leveraging of SMEs in general and in Indian SMEs in particular. His findings do not solely base on an extensive literature review but also on secondary and primary data. Three surveys have been conducted with groups of international experts, Indian experts and auto component manufacturers. The results help the author to develop a 15-step process for implementing knowledge management in SMEs.

The last paper of this issue by Nicholas O'Regan, Bruce Dixon and S. Jaseem Ahmad examines the impact of cost on the performance of small and medium sized firms in the engineering and electronics industries. The findings show differences in firms with lower than average costs for their market and firms with above average costs. The first type of

firms have reduced their employee levels over the past three years, while the latter are able to offer competitive pricing and increased market share.

The last pages of this issue of the *Int. J. Globalisation and Small Business* contain a book review of an interesting book from the field. Charlotte Steffen reviews the book '*Clusters and Regional Development – Critical Reflections and Explorations*', edited by Bjørn Asheim, Philip Cooke and Ron Martin.

Hopefully you will enjoy this issue of the *Int. J. Globalisation and Small Business*. We would be grateful not only for interesting papers submitted to the journal in future but also welcome helpful comments and suggestions concerning our journal, e.g. with regard to relevant topics for future special issues. Thanks go to the reviewers for their efforts in regard to this issue of *IJGSB*.

Susanne Royer (Editor)