**Aalto University
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Finnish high-tech startups: How do national cultures and the global mindset play a role in their choices of international entry modes?

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Abstract

Research Objectives:

  This study is aimed at understanding the influence of national cultures and the global mindset simultaneously on Finnish high-tech startups' entry mode choices in international markets. In order to address this problem, the study identifies the aspects of national cultures and the global mindset that drive the entry mode decisions in Finnish high-tech startups. In addition, the study aims to understand how these two factors influence the entry mode choices by describing in detail the reasoning process behind the decisions and the actual dynamics behind the entry modes chosen in the case companies.

Methodology:

  This study is a qualitative multiple case study research. The empirical data for this research were mainly collected through five objective semi-structured thematic interviews with CEOs from five Finnish high-tech startups. The selected cases were prototypical ones with minimized exceptional features so that the findings can have the greatest generalizability. The informants were chosen for their thorough understanding of the companies' business decisions. Additional information was also collected through the companies' websites and blogs. The data were interpreted using different analysis techniques.

Findings:

  The findings of this study show that national cultures and the global mindset simultaneously have impacts on Finnish high-tech startups' entry mode choices, but not in a linear pattern. It is suggested that differences in national cultures drove the case companies to choose contractual agreement as their entry mode even when the managers are internationally experienced in the target markets. The global mindset of the managers resulted in establishing wholly owned subsidiary even in culturally distant countries. Joint venture was not used and export was employed by only two of the case companies. The findings also suggest the important roles of product and industry specifics in Finnish high-tech startups' entry mode decisions. Product specifics that require confidentiality prevent the use of joint venture and partially lead to wholly owned subsidiary or export with the presence of national culture differences and the global mindset. Industry specifics that either facilitate direct meeting with customers or eliminate the need of face-to-face meeting also allow startups to use export as an entry mode.

Keywords Finnish high-tech startups, startup internationalization, international entry mode, national cultures, global mindset

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1. INTRODUCTION

1.1. Background

During the past few decades, a new breed of firms that focuses on the innovativeness of products and/or business operation processes to search for profitable opportunities – startups – has been favored by the business world. Entrepreneurs are viewed as people sensing opportunities, taking risks and developing new products or services. It is firmly recognized that innovative startups are one of the main drivers for job creation and overall economic growth, which have relied heavily on big multinational conglomerates (OECD Observer 2000). Data show the importance of the birth of startups in job creation in the US from 1977 to 2005, during which time existing firms, large or small, continuously create and destroy jobs at the same time. Meanwhile "age-zero" firms – startups – create over 2-3 million jobs even during recession time without any job destruction (Kane 2010). It is said that the rising of startups and their contributions to the world economy and dynamics are highly anticipated in the next decade.

Moreover, it comes as natural to study startups in the context of Finnish economy since this is one of the small and open economies (SMOPECs) that is dependent on as well as facilitative for small and medium sized business (Luostarinen et al. 1994). In 2013, Finland was one of the world's competitive and business friendly economies with a number of supporting systems for entrepreneurship and innovative enterprises such as Tekes, Finnvera, and so on. Simultaneously, Finland still remains among the innovation-driven economies in the world with regard to its business environment and general economic performance (Stenholm et al. 2013). Particularly within the recent 5 years, Finland has become one of the hottest startup hubs not only in Europe but also in the world, with the running of the annual "Slush" event for high-tech startups. Finnish high-tech startups are going even further by internationalizing their businesses to many physically and culturally distant countries such as China, Japan, Indonesia, Brazil, and so on.

Considering the emergence and rapid internationalization of Finnish high-tech startups, I have taken my interest in the drives behind their taking-off. Starting from my own background in international business and cross-cultural issues, I have decided to take a cross-cultural lens to study this phenomenon. More details on the research problem are presented in the next section.

1.2. Research gap and research problem

As globalization turns into a must over the last few decades, national cultures' influences on business apparently becomes ever more crucial. A good understanding of cultural differences can facilitate smoother operations across national borders. Research on cross-cultural management dates back to 1980s with Hofstede's foundation of national culture dimensions. However, academic work focuses strongly on multinational companies' intercultural operations, leaving entrepreneurship a less explored field for cross-cultural research. Cross-cultural entrepreneurship research falls into the discipline of international entrepreneurship, which is the crossing of international business and entrepreneurship (McDougall and Obviatt 2000; Keupp and Gassmann 2009) and strategic management (Rouddini and Osman 2012). Despite increasing academic interest in international entrepreneurship, the research area remains in its infancy with rather fragmented content and a lack of methodological unification (Coviello and Jones 2004; Coviello, McDougall and Oviatt 2011). Culture as one of the influencing factors on entrepreneurial behaviors is little discussed in the field (Jones, Coviello and Tang 2011).

International entrepreneurship is a relatively new promising area for academic research. The foundation of the field can be traced back to approximately 3 decades ago with McDougall's study of new ventures in technology in the US that thrive for international competition at a large scale and high speed (McDougall 1989). Until 2000, the field's focus remains mostly on high-tech startups' operation and internationalization, particularly with less attention to the early stages of the internationalization process (Keupp and Gassmann 2009). Entry of high-tech startups into global market is among the first 3 stages of their development (Luostarinen and Gabrielsson 2006). It has been proved that an entry method can have decisive effects on the internationalizing startup's success in the specific market later on (Hill, Hwang and Kim 1990; Melén and Nordman 2009). Moreover, many studies have shown that international entry modes are affected by the national cultures of home and host countries (Pan and Tse 2000; Dwyer, Mesak and Hsu 2005; Ojala and Tyrväinen 2007). However, since it is still argueable if national cultures have impacts on born-globals' international entry mode choices (Perks 2009), it is worth looking at this problem in the context of Finland – one of the startup hub of the world.

In addition, the global mindset is also one of the major prerequisites to succeed in international business, particularly towards small and medium sized companies. This has been proved with empirical data in extant research (Nummela, Saarenketo and Puumalainen 2004). The concept of global mindset could also be seen as rising with the advent of globalization when companies attempted to go internationally quickly since the last decade of the twentieth century. A number of researches have been dedicated to proposing an appropriate definition for the concept (Kedia and Mukherji 1999, Gupta and Govindarajan 2002). Accordingly, a global mindset combines the elements of openness to and awareness of diversity across cultures, accompanied with an inclination and ability to handle it (Gupta and Govindarajan 2002). Going beyond this, Levy et al. (2007) reviewing main research streams on the global mindset consolidate its characteristics including the two above and a complex combination of cultural and strategic dynamics, which explicitly confirms those features. Current research has stated that the global mindset is an antecedent at the managerial level of startups' and small and medium-sized enterprises' internationalization process (Nummela, Saarenketo and Puumalainen 2004, Miocevic and Crnjak-Karanovic 2012).

Considered as part of small and medium sized firms, high-tech startups also observe large impacts of the global mindset on their internationalization and success. However, startups is different from traditional small and medium sized companies in that their business are scalable. With startups taking off, the scope of the global mindset's impacts can be dramatically accelerated. In the light of the multiple cultures perspective, I assume that the global mindset implies one shared culture among high-tech startups (Sackmann and Phillips 2004). In that case, the clash of cultures is no longer just among nations (i.e. at the macro level), but rather among different cultural levels. Then, one thought-provoking idea is whether national cultures are still influential with the emergence of a shared culture like the global mindset. The studying of the influence of national cultures together with the global mindset on internationalizing high-tech startups becomes essential. Captivated by this question, I engaged myself in this research. This thesis is dedicated to this phenomenon.

Moreover, firm's entry mode choice is very important to its future success in the market (Brouthers 2002, Chen and Hu 2002). Although a large number of researches have touched the topic of small firms' internationalization, my study goes a step further into details about

influences on firm's entry mode choice and is aimed to make contribution to this specific aspect. This study also takes a less used methodology in this field, using the qualitative multiple case study research design to approach this research problem. With this methodological approach, my study is expected to contribute to theory building process in the field.

1.3. Research objective and questions

The study's objective is to investigate how national cultures and the global mindset influence Finnish high-tech startups in their choices of international entry modes. Within its scope, my study is aimed to tackle 2 research questions:

a) What aspects of national cultures and the global mindset are important to the entry mode choice in Finnish high-tech startups?

b) How do these factors influence the entry mode decision?

The study follows the qualitative research method in order to achieve its objective. The research questions are addressed through an empirical investigation of 5 Finnish high-tech startups. To be specific, objective semi-structured thematic interviews are carried out with the case companies' CEOs, with each lasting approximately 1 hour. The number of questions for the interviews is subject to change for each case. However, the questions are developed on the same themes which are based on the extant literature review on the research problem. Additional minor information is also collected through the companies' websites ad blogs. The data are analyzed by using different techniques and the research questions are tackled thereon.

1.4. Definition

To clarify the literature domain for building up the theoretical framework for this study, it is essential to put forth one unified understanding for the term "high-tech startup" to be used in this study.

High-tech startup

The term "start-up" is defined by Blank and Dorf (2012) as "not a smaller version of a large company" but "a temporary organization in search of a scalable, repeatable, profitable business model" (p. xvii). In addition, as "high-tech startups" that go for international competition will be studied, the term's definition would be close to that of "international new ventures" or "born-globals" operating in the industry of high technology products or

services. These terms are more or less used interchangeably in current research (Jolly, Alahuhta and Jeannet 1992, Kuivalainen, Saarenketo and Puumalainen 2012; Cannone and Ughetto 2014). However, for the purpose of this research, I believe that the term "high-tech startup" best describes the type of firms studied in this thesis (Jolly, Alahuhta and Jeannet 1992).

These terms could be possibly defined by many criteria such as years of age or firm's size but the focus is on firm's intention to be global market players from inception (Oviatt and McDougall 1994, McDougall and Oviatt 2000, Zahra and George 2002). However, Oviatt and McDougall (1997) suggest that since it is not a popular practice to observe the inception of these firms, they can be defined as firms that have observable foreign commitment like sales efforts or investments. Moreover, although many selections for the particular period during which startups internationalize are still open to be discussed (McDougall et al. 1994, Jolly, Alahuhta and Jeannet 1992), the period of 6 years at the beginning can be considered the formative phase of new ventures (The State of Small Business 1989, cited in Oviatt and McDougall 1997). Therefore, the term "high-tech startups" in this study will refer to firms in the industries of high technology that attempt to internationalize to other markets than their home countries within 6 years of establishment in search of scalable, repeatable and profitable business opportunities (Oviatt and McDougall 1997, Blank and Dorf 2012).

The next chapter is reserved to examine research done in the related academic fields and to construct a theoretical framework for this study.

2. LITERATURE REVIEW

The purpose of this chapter is to construct an appropriate theoretical framework for the empirical investigation following in the next chapters. This is done by examining academic works mostly in the field of international entrepreneurship. The chapter starts with an overview on the international entrepreneurship field – existing studies and research trends. In addition, researches on the internationalization process of both traditional and small and medium sized companies will be presented and compared, followed by entry mode studies. The chapter then introduces studies on national cultures and the global mindset and findings about their influences on entry mode decisions. At the end of this review, I propose a preliminary theoretical framework as the base for the data collection, analysis and discussion later on in this study.

2.1. The field of international entrepreneurship

The idea of international entrepreneurship dates back to late 1980s, marked with McDougall's research in 1989, in which the author attempts to show the differences between new ventures that compete domestically and internationally. Employing a survey-based quantitative research methodology, with empirical data from manufacturers in telecommunications in the US, she has put forth some key aspects differentiating new ventures operating internationally from domestic ones, such as distribution and marketing strategy, international competition magnitude, entry strategies, and so on. Despite the infancy of international entrepreneurship, starting with drawing the boundaries of internationalizing high-tech startups, the research has opened up a new path for researchers, intertwining the two fields of international business and entrepreneurship, calling for further observation, description and explanation of the phenomenon. (McDougall 1989)

After this perceived foundation of the field, more and more studies have been conducted developing the definition of international entrepreneurship further beyond the operation of high-tech startups. Both conceptual and empirical studies have contributed to the development of the field; the definition of international entrepreneurship has thus been through major changes (McDougall 1989, Zahra 1993, Oviatt and McDougall 2000, Zahra and George 2002, Oviatt and McDougall 2005). This section and its sub-sections are dedicated to review the evolving process of the field, thus positioning the present study in the field.

2.1.1. International entrepreneurship definition

The term of "international entrepreneurship" was first explicitly mentioned by McDougall as "the development of international new ventures or startups that, from their inception, engage in international business, thus viewing their operating domain as international from the initial stages of the firm's operation" (McDougall 1989, p. 387). The notion of international entrepreneurship is also supported by her empirical research of 188 new venture firms in telecommunications in the US.

Research did evolve over time to include examining those entrepreneurial activities carried out by large established multinational enterprises, thus bringing up the idea of "corporate entrepreneurship" (Zahra 1993). Particularly, McDougall and Oviatt (2000) have formally introduced international entrepreneurship as the crossing of international business and entrepreneurship research, defining it as "a combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations" (p. 903). The authors also emphasize the irrelevance of firm's size and age, stating clearly that studies in the field include both the entrepreneurial internationalization and the comparison of domestic entrepreneurial behaviors among countries (McDougall and Oviatt 2000).

In response to calls for research in international entrepreneurship during 2000s, in Zahra and George (2002), the concept of "opportunities" was introduced along with international entrepreneurship. To be specific, international entrepreneurship is considered to be "the process of creatively discovering and exploiting opportunities that lie outside a firm's domestic markets in the pursuit of competitive advantage" (p. 262). This definition however does not touch the aspect of comparison of domestic entrepreneurial behaviors among multiple countries. Instead, Zahra and George (2002) focus on realization and exploitation of opportunities overseas and the creativeness of those activities that literally equates entrepreneurial internationalization (Coviello, McDougall and Oviatt 2011).

The multi-domestic entrepreneurship comparison is once again included in the coverage of international entrepreneurship research along with the idea of innovatively recognizing and exploiting opportunities by Oviatt and McDougall (2005). The authors think that

international entrepreneurship is "the discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future goods and services" (Oviatt and McDougall 2005, p. 540).

Although Oviatt and McDougall (2005) focus on the aspect of "across national borders" which means covering both the above-mentioned sides, the definition appears to display the phenomenological rather than theoretical approach to the definition of international entrepreneurship. This in turn leads to literature exclusively focusing on analyzing small young firms' tendency to internationalize, their international performance and demographic and entrepreneur's cognitive features. However, the closest definition to international entrepreneurship should be *studying "the early stages of any process where the entrepreneurial aspects of internationalization come to the fore"* (Keupp and Gassmann 2009, p. 603). This definition is also chosen for this study since it focuses on constructing the boundaries for the field, opening up room for studies either existing sub-fields, i.e. entrepreneurial internationalization, comparison of domestic entrepreneurial behaviors in many countries, internationalization of small new ventures and internationalization processes executed by multinational enterprises. Moreover, the definition also covers possible future research or phenomena emerging regarding the internationalization process and its "entrepreneurial-ness" that do not fall under the umbrella of the above existing sub-fields. In other words, the definition not only managed to position international entrepreneurship in the intersection of international business and entrepreneurship, as it should be but also realized international entrepreneurship as a theoretically legitimate field whose study goes beyond international business and entrepreneurship in general. (Keupp and Gassmann 2009)

2.1.2. Major research streams in international entrepreneurship

This section is dedicated to look at the existing literature in international entrepreneurship. As mentioned above, since the field is still in its very infancy phase, studies, especially empirical ones, are rather fragmented despite some dominating trends in international entrepreneurship. Hence, it is useful to go through some review papers to have an overview of the field. I will then position my study basing on my research objectives.

In a recent research, Jones, Coviello and Tang (2011) conduct a thematic analysis of researches in international entrepreneurship in the 20-year period of 1989-2009. Content-wise speaking, the authors point out three major categories of research in the, which are (A) entrepreneurial internationalization, (B) international comparisons of entrepreneurship and (C) comparative entrepreneurial internationalization field (Figure 1). This classification can be seen as the closest one that follows the definitions proposed in previous researches. While the two former categories derives from the definition of international entrepreneurship by McDougall and Oviatt (2000) and Oviatt and McDougall (2005), the third one is an emerging trend in international entrepreneurship research which focuses on comparing cross-border entrepreneurship throughout different countries and cultural contexts. As can be seen from Figure 1, most of existing studies are concerned with entrepreneurial internationalization, looking at different kinds of ventures and their internationalization. Next come a number of researches in international comparisons of entrepreneurship, which look at cross-country and cross-culture issues in entrepreneurship. There are not many researches in the new branch of comparative entrepreneurial internationalization that includes studies on comparing internationalizing high-tech startups across different countries, mostly exploring knowledge-intensive firms that base themselves on high technology. (Jones, Coviello and Tang 2011)
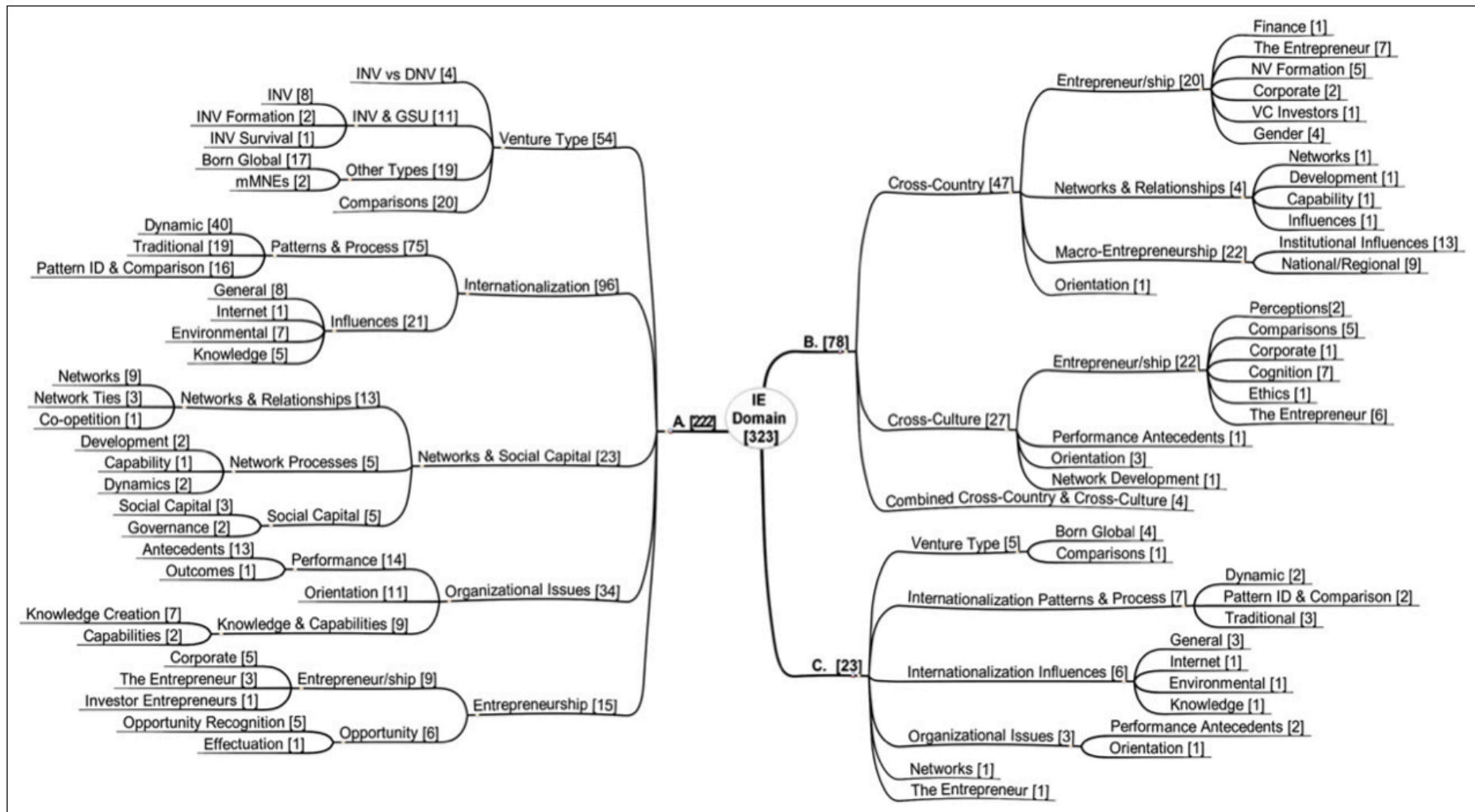
Figure 1. Thematic map of the international entrepreneurship domain 1989-2009
(Jones, Coviello and Tang 2011, p. 636)

While Jones, Coviello and Tang (2011) take the country borders and the entrepreneurialness of firms as the criteria for reviewing, Keupp and Gassmann (2009) shift their focus to the components of the internationalization process. The authors group existing studies, starting with antecedents of international entrepreneurship, leading to its elements and consequently its outcomes (Figure 2). According to the authors, researches are dedicated to many different concerns in the field. They include the influence of the antecedents on the elements (Arrow 1), the influence of the elements on the outcomes (Arrow 2), the influenc of the antecedents on the outcomes (Arrow 3), the influence of between the elements (Arrow 4). According to Figure 2, the largest number of studies concentrates on the influence of international entrepreneurship's antecedents on internationalization pattern/degree/extent (120 studies). Meanwhile, very few studies focus on the entry mode choice (only 8 studies). (Keupp and Gassmann 2009)
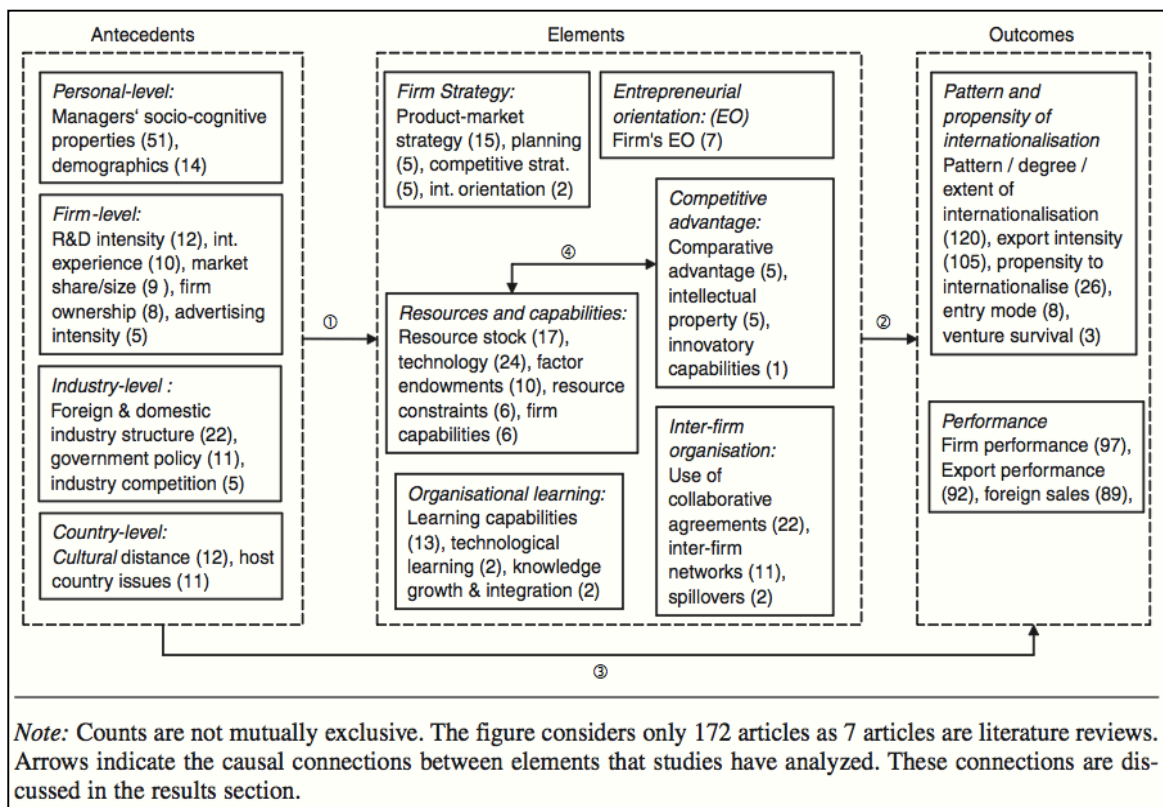
Figure 2. Organizing framework derived from content analysis of the literature and counts of the most frequent topics treated therein
(Keupp and Gassmann 2009, p. 605)

While the two observations above are made content-wisely, there is a methodological division in international entrepreneurship research. A large number of researches in international entrepreneurship adopt the quantitative research method, mostly survey-based

research, while the qualitative research method is less employed (Coviello and Jones 2004, Keupp and Gassmann 2009). According to Coviello and Jones (2004), less than a quarter of the researches adopt qualitative as their primary research method. It means that researches in the field are mainly concerned with measuring numbers and hypothesis testing, thus predicting future incidents through predetermined assumptions and sets of variables. This, in turn, seems not reasonable for researching such a newly emerging field that requires investigating behaviors varying context by context (McDougall and Oviatt 2000). Therefore, it is highly suggested that future research should focus on explaining the phenomenon rather than purely recognizing it (Jones and Coviello 2004).

From the above discussion and my study's objectives, this study can be seen as falling under the research branch of entrepreneurial internationalization, with the focus on influences on internationalization in particular (Figure 1), and the influence of international entrepreneurship's antecedents on its outcomes (Arrow 3 in Figure 2). Although these are both dominating trends in the extant research, my study goes a step further into details about influences on entry mode choice and is aimed to make contribution to this specific aspect. This complies with Keupp and Gassmann's (2009) encouragement for further knowledge about the entrepreneurship-driven phases (usually at the beginning) of the internationalizing process. Moreover, this study adopts the qualitative research method, using the multiple case study research design and objective semi-structured interview for collecting data. Thus, it is expected to contribute to theory building process in the field. Next, I will compare the internationalization process in both the traditional way and the way favored by high-tech startups, then discuss different types of international entry modes and current research in international entrepreneurship about entry mode choices.

2.2. The internationalization process

2.2.1. Existing approaches to the internationalization process

The internationalization process has long been studied in traditional types of firms. Recently, many researches have also been dedicated to this process in small and medium sized companies and startups. In this section, a comparison of the approaches to the internationalization process is provided, followed by the introduction of international entry mode and its meaning towards firms' success in foreign markets.

The traditional internationalization approach

The traditional internationalization approach is one of the dominating theory in existing international business literature. It has been the foundation for plentiful studies in the research of the process during which firms internationalize their operations to one or many foreign markets other than their home markets. The traditional approach is generally attached to the stage model of internationalization, or the Uppsala model, presented by Johanson and Vahlne (1977).

The stage model of internationalization (Johanson and Vahlne 1977) focuses on firms' incremental market knowledge acquisition and integration in their international operations, during which firms gradually increase their market commitment or resources committed to foreign markets. Basically, when a firm is relatively new to a certain foreign market, meaning it has little knowledge of the market, it will perceive that market as presenting more risks than opportunities, thus decides to invest only a small amount of its resources in the market. For example, firm uses less resource demanding modes such as exporting, franchising, and so on to make first moves into the target market. As firm continues its initial operations in the market, it gradually acquires more knowledge, leading to less uncertainty about the market. As a result, firm makes adjustments in its current operations so as to increase the amount of time, money and human resources in the market. It will consequently be prone to highly-committed modes such as representative office, wholly owned subsidiary, or manufacturing factory. The model emphasizes that additional commitments have to occur in small steps. However, this might be not the case for firms with plentiful resources, foreign markets with very stable and homogenous features, and/or firms with much experience from similar markets. (Johanson and Vahlne 1977)

The original traditional model however maintains that the main reason for a firm's uncertainty in a foreign market is the psychic distance between its home and host market (Johanson and Vahlne 1977). Due to major changes in economic and regulatory environments, as well as firms' behaviors, the authors have made some adjustments to the original model, integrating the network perspective in reviewing (Johanson and Vahlne 2009). The revisited model, or the business network model of the internationalization process, poses the idea of liability of outsidership, which implies the root of uncertainty lies in the state of being an outsider in a business network. To be specific, firm is perceived

as always operating in a business network and internationalization is purely firm's attempt to strengthen its network position (Johanson and Vahlne 2009).

Despite the other model – the innovation related internationalization model (Bilkey and Tesar 1977), the Uppsala internationalization model has gained in popularity in international business literature perhaps because of its applicability to a wider range of firms, not limited on foreign activities and firm sizes (Oviatt and McDougall 1997). However, the model also shows its drawbacks when applied to internationalizing high-tech startups which emerged in a great number during 1990s (Oviatt and McDougall 1997). Next is the accelerated approach of internationalizing high-tech startups.

The accelerated internationalization approach

In her foundation setting research for the field of international entrepreneurship in 1989, McDougall proves that startups in telecommunication industries in the US usually choose to start their international operations with highly-committed modes at a large scale (McDougall 1989). Along with proposing the initial definition of international entrepreneurship, McDougall (1989) also brings up a need for substantially reviewing the applicability of the traditional internationalization model. Following that, Oviatt and McDougall (1997) call for further study of a pervasive phenomenon named the accelerated internationalization process, which appears to accompany with the birth of internationalizing high-tech startups.

Many studies suggest that startups do not internationalize in the shadow of the stage models (Bell 1995, Madsen and Servais 1997), at the same time highlighting a unique approach to internationalization called accelerated internationalization process (Chetty and Campbell-Hunt 2004, Weerabardena et al. 2007). The main idea of the accelerated internationalization approach is that startups internationalize rapidly with a large extent of commitment simultaneously into multiple markets with intense competition. This rapid internationalization happens simply because it brings benefits to startups rather than posing risks to them. According to Oviatt and McDougall (1997), internationalizing startups might need to seek invaluable resouces like human resources while minimizing the cost they have to pay. Therefore, going to any part of the world where these resources are available actually turns into a strategy. Moreover, founded by internationally experienced

entrepreneurs, these startups usually serve niche fast changing markets. Consequently, startups' fast responses are required for good business performance.

Comparison of firms following the two approaches

In order to provide an overview of both internationalization approaches, Rialp et al. (2005) have based on three dimensions: founder's attributes, organizational competences and firm's strategic focus. Regarding founder's attributes, the vision, international experience, commitment and network of firm's founder or founding team are taken into account. Internationalizing high-tech startups' founders usually aim at internationalization from day one. They are often familiar with international exposure in previous assignments, thus having a broad network of critical contacts and being very committed to early internationalization. Meanwhile, traditional firms do not score high in all these criteria. Their managers are not very well-equiped with previous international experience and have a rather loose network of business leads. Their commitment to internationalization is at a general level and gradual internationalization is an acceptable target. (Rialp et al. 2005)

In regard to organizational competences, firm's intangible assets, market understanding and commitment, and value creation sources are evaluated. In high-tech startup's position, thanks to founder's international expertise, firm owns valuable knowledge management processes, which enables high commitment to internationalization since the beginning. Knowledge-intensive product is also expected in this type of firms. On the contrary, gradualist firms do not seem to possess these attributes. Their knowledge is built up slowly and less critical intangible assets are available. In addition, traditional firms tend to provide basic products with less product differentiation, which is less favorable for them in the global market. (Rialp et al. 2005)

As regards firm's strategic focus, Rialp et al. (2005) consider the magnitude of firm's international strategy, the customer strategy and the strategic flexibility. For high-tech startups, the focus is on a niche market with active involvement in market development around the globe. Customers are also chosen carefully and approached directly. Moreover, all strategies are kept as flexible as possible to react quickly upon changes. Meanwhile, traditional gradualist firms rather aim at popular markets, first entering less psychically

distant ones, relying on foreign intermediaries for customers. Their strategies are also quite rigid and less subject to change. (Rialp et al. 2005)

On the other hand, there are researches proving that the accelerated approach does not differ from the traditional stage model as much as the model suggests. Chetty and Campbell-Hunt (2004) involving case in-depth research with 16 New Zealand companies report that in both approaches, many phenomena appear to be the same for high-tech startups and traditional firms in the beginning phase of the internationalization process. This however might not be the case as firms develop further into global markets. In the latter phases in the process, high-tech startups grow as the accelerated model predicts, i.e. they are led to enter multiple markets quickly, focus on niche markets, and extensively utilize their network of business partners. Chetty and Campbell-Hunt (2004) therefore conclude that the accelerated internationalization is not a new phenomenon, instead it comes naturally and relevantly to compete in global market as a result of the transformation of the global economic system.

In a similar vein, Gabrielsson and Pelkonen (2008) conduct a case study research with 3 Finnish companies in digital media. These companies are characterized by rapid establishment to distant countries and their skip of the non-investment production operation modes to directly move to sales subsidiary followed by several acquisitions of production units. However, after the business crises in 2000 leading to these firms' withdrawals in the industry, the way they internationalized is more similar to what the stage model of internationalization would suggest. Thus, it is concluded that the internationalization patterns of high-tech startups follow different models depending on the investigation period, especially after an economic slow down. This view is also shared by Fan and Phan (2007) comparing new ventures in airline industry across European countries, which suggests that many non-born-global firms had the same features as internationalizing high-tech startups but did not opt for early internationalization.

From these contradicting findings, it can be seen that firms in their early stages of the internationalization process tend to show the entrepreneurial characteristics in their movements and benefit the most from these activities (Keupp and Gassmann 2009). Thus, regardless of what breed of firms they are, traditional or startup, new or transformed from traditional ones, it is possible to observe some deviations from the traditional stage model

in their internationalization process. Going beyond both models discussed above, some firms even employ 2 to 3 modes of international market entry at the same time rather than changing one by one over time (Perks 2009). This suggests that the two internationalization models are not necessarily mutually exclusive in a firm's internationalization. On the contrary, they can be applied in different time period or even simultaneously in seeking the most benefits for their international operations. Next is the extant research on international entry mode.

2.2.2. International entry mode

The definition of international entry mode is rather straightforward. In general, it is understood as the way that internationalizing organizations use to operate their business in foreign markets (Welch, Benito and Petersen 2007). International entry mode is among the elements that have the greatest impact on the success of firms' operation in international markets (Anderson and Gatignon 1986). Decision makers usually favor the modes that enable highest return on investment after evaluating and mediating all possibly observed risks. Entry modes also go hand in hand with the degree of control that they can entitle the internationalizing firms. According to Anderson and Gatignon (1986), the degree of control is concerned with firms' ability to influence the overseas business operations and decisions. However, higher degree of control also means higher level of risks, as firms have to bear the responsibility to make decisions, commit more resources and thus become more exposed to unfamiliar business environments. In compensation for that, return is expected to rise. On the other hand, less control helps reduce risks at the expense of returns. The classifications of international entry modes thus also surround the idea of risk, return and control (Anderson and Gatignon 1986).

In general, the current classifications of international entry modes are largely based on the idea of control that is discussed above. Anderson and Gatignon (1986) suggest grouping entry modes into 3 groups with descending level of control respectively: dominant equity interests (wholly-owned subsidiary, dominant shareholder), equitable interests (equal partner, contractual joint venture, contract management, franchise, etc.) and scattered interests (non-exclusive non-restrictive contract, small shareholder). Pan and Tse (2000) divide these modes into 2 categories of equity and non-equity modes (Figure 3).

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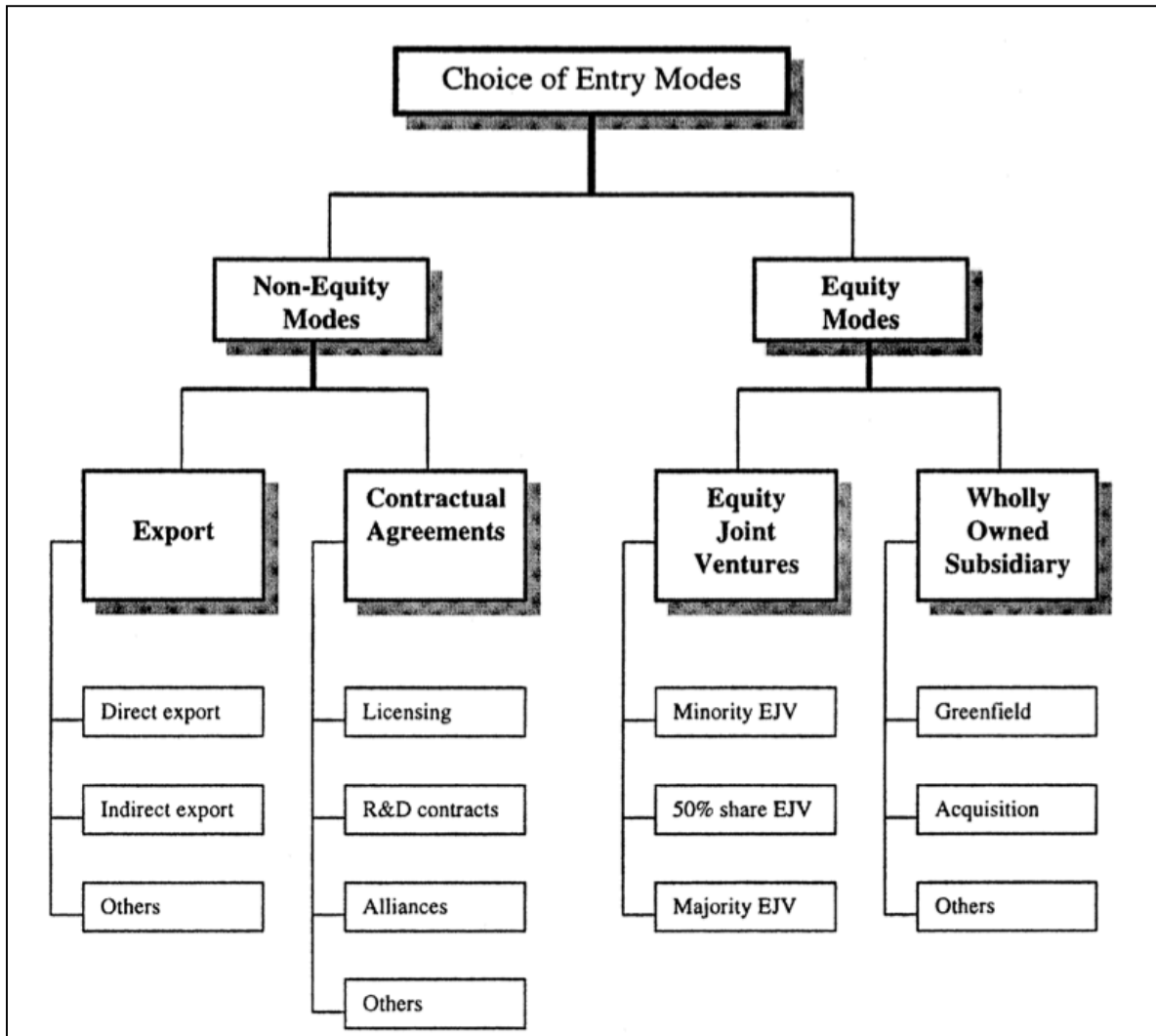
Figure 3. A hierarchical model of choice of entry modes

(Pan and Tse 2000, p. 538)

In a similar vein, Welch, Benito and Petersen (2007) suggest 3 groups of entry modes: contractual (franchising, licensing, management contracts, etc.), exporting (i.e. distributor, sales office/subsidiary) and investment modes (minor/major share alliance, wholly owned factory). While this could be seen as another way of classification since it provides a more focused perspective on firms' investment, it still finally comes down to firms' level of commitment, thus their control over their overseas business units. Therefore, in this study, the classification of entry modes as shown in Figure 3 will be used. The classification will be understood in this study as non-equity modes allowing low resource commitment and low level of control for internationalizing firms and equity modes showing high level in both criteria (Pan and Tse 2000).

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Research show that there are many options for predicting entry mode choices in internationalizing high-tech startups. Rennie (1993) suggests that products' unique know-how usually seen in high-tech startups tends to let them choose highly involved modes to avoid knowledge exposure. On the other hand, startups lack tangible resources, especially financial resources, which leads them to logically favor less committed entry modes. However, these choices mainly result from constraints, which are substantially based on the traditional stage approach to internationalization. They can possibly be constructed by many other factors, for instance the national environment of startups' home and host countries (Efrat and Shoham 2013).

With regards to factors influencing startups' entry mode choices, Ripollés, Blesa and Monferrer (2012) conduct a survey-based study of 537 Spanish internationalizing startups from several industries. The authors propose that early international entry and entrepreneurial orientation can affect startups' international market orientation, thus lead to choosing higher committed entry modes for their operation in international markets. Hessels and Terjesen (2010) research of 871 Dutch SMEs and suggest that SMEs might favor direct export mode if their home markets offer low perceived production costs and provide them with accessible knowledge and technology. Using a multiple case study approach, Melén and Nordman (2009) conduct a longitudinal study and conclude that high-tech startups choose both high- and low-committed modes depending on the perceived importance of the target markets, without following either the traditional stage model of internationalization or the accelerated model.

In a similar attempt, Nakos and Brouthers (2002) come to conclusions that small companies tend to choose equity modes of entry when they possess differentiated products, enter high potential market, and/or perceive high international advantages. Brouthers and Nakos (2004) in addition show a link between national cultures and small enterprises' entry modes in that they opt for equity modes when perceiving target market uncertainties as low. With an orientation towards new venture type of firms, Perks (2009) adds more factors influencing entry mode decisions of European firms (France, UK, Italy and Germany), including entrepreneurs' personal preference and mindset, national cultures, product nature and so on. In this research, I keep the focus on national cultures and the global mindset that are predicted as two factors influencing Finnish high-tech startups' entry mode choices. In

the next section, I will review existing research on each of these factors and their influences on international entry mode choice.

2.3. Cultural distance

2.3.1. The national cultures perspective

The notion of national cultures was first introduced by Geert Hofstede in 1980s. This was based on a large-scale research project that the author conducted in 50 countries with over 116,000 answers to questionnaires (Hofstede 1983). Accordingly, the differences among national cultures in the world are summarized in 4 dimensions, which include power distance, uncertainty avoidance, individualism – collectivism, and masculinity – femininity. These dimensions, often referred to as the national culture dimensions, have close relationships with many basic problems of any human societies. They provide tools to explain the different solutions that each single society could come up with for their problems. More specifically in organizational settings, these dimensions are useful in organizational structures and human resources' issues (Hofstede 1983). Moreover, since these cultural dimensions can be similar among certain groups of countries and strongly different among others, they also help explain the possible conflicts to be seen in increasing cooperations across country borders nowadays.

To be more specific, Hofstede (1983) has elaborated on these dimensions. Firstly, power distance refers to the way a society perceives about the values and power of superiors and their subordinates. This perception can be led to two extremes, with the power distance index ranging from low to high. One is the situation in which subordinates do not prefer their superiors making decisions on everything themselves but basing on the majority of subordinates' opinions – this group exhibits low power distance. The other extreme, in which superiors are supposed and advocated by their subordinates to maintain large power, shows high power distance. Secondly, uncertainty avoidance indicates the level of avoiding uncertainties in life, for example breaking company rules or leaving one's employer. This dimension also stretches to two poles, with one showing greater anxiety upon uncertainties – high uncertainty avoidance – and the other illustrating less anxiety – low uncerstainty avoidance. Thirdly, individualism versus collectivism mainly deal with the way an individual perceives himself among his organization and the importance of such self-perception. Individualism means that an individual perceives himself as an independent

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individual towards community and pays more attention to personal time, freedom and challenges. Meanwhile, collectivism implies that an individual is dependent on the organization and favors organization's training, working conditions and benefits over his own concerns. Finally, masculinity versus femininity indicate people's view towards the importance of earnings, recognition, challenges versus relationships, cooperations, employment security. The former group is considered more important in high masculinity countries while the latter outweighs in high femininity countries. (Hofstede 1983)

Upon developing these national cuture dimensions, Hofstede (1991) has introduced the fifth dimension of time orientation based the Confucian dynamism, which is a continuum of long- and short-term orientation (cited in Fang 2003). According to this dimension, long-term oriented cultures are dynamic and future oriented. This trait is in close connection with 4 attributes: persistence, status and relationship order observance, thrift, and a sense of shame. On the opposite side, short-term oriented cultures are steady and past oriented with 4 features: personal steadiness and stability, face protection, tradition esteem, and favor return (Fang 2003). While these dimensions appear to be rigid and well defined, they are subject to change depending on people's age, gender, education, social status and so on. For instance, it can be obvious that gender has a great impact on the last cultural dimension, i.e. men across societies usually exhibit more masculinity while women often show high femininity. Aged people tend to show higher defense against uncertainties than youngsters might do. These factors play moderating roles in the cultural exhibition of one country. However, the 4 culture dimensions still work relatively effectively when it comes to comparing groups of similar social demographic background across countries (Hofstede 1983).

Despite the usefulness of these dimensions confirmed in many studies in cross cultural management (Kogut and Singh 1988, Shane 1994), the national cultures perspective still receives many critiques from current researchers. Hofstede's project on national cultures is first criticized for its no-theory-driven starting point (Javidan et al. 2006). Accordingly, Hofstede's work is not even an action research as it claims to be since it does not involve a spiral of such activities required for an action research as fact finding, planning, plan changing, and so on. Furthermore, the research was based on a consultancy project for an American multinational company. This implies that the result can be US-centered and

largely biased by the company's interests and requirements towards the project. Even though the fifth dimension extracted from Chinese culture has been added to the list as the main decentering factor (Hofstede 2006), this somehow confirms the limitations of the original design (Javidan et al. 2006). It thus raises the question of Hofstede's research creditability. In addition, Fang (2003) criticizes Hofstede's fifth dimension in that it divides interrelated values in Chinese cultures into 2 separate contradicting extremes and does not have the same sampling background as the first 4 dimensions (students versus multinational company's employees). Fang (2003) also adds that it is necessary to include Taoist and Buddhist values to constructing this cultural dimension. Thus, despite its leading contribution to cross-cultural management research, the national cultures perspective still poses several drawbacks. Next, I will present the cultural distance concept and its impacts on international entry mode.

2.3.2. The influence of cultural distance on international entry mode

Cultural distance

Basing on Hofstede's introduction of national cultural dimensions, many researchers have built up the concept of cultural distance (Kogut and Gingh 1988, Erramilli and Rao 1993, Sousa and Bradley 2008, Shenkar 2012). Basically, cultural distance is the extent to which nations' cultural values differ from one another (Shenkar 2012). Kogut and Singh (1988) evaluate cultural distance by establishing a composite index using Hofstede's cultural dimensions. This index basically is calculated through the deviation from the US cultural dimension indices along the four Hofstede's dimensions. The index is used to research the influence of national cultures on the choice of entry mode in 506 foreign firms entering the US. The results show that the firms lean towards joint venture or wholly-owned greenfield when the cultural distance between their original countries and the US is large. This method of measurement has a major advantage in "quantifying" the cultural differences among countries. Consequently, it has been welcome and widely employed in other existing studies (Erramilli and Rao 1993, Barkema, Bell and Pennings 1996, Holtbrügge and Berg 2004).

However, the cultural distance index also receives a number of critiques for both conceptual and methodological attributes (Shenkar 2012). Conceptually, the index does not consider the differently-perceived distance from the home and host country's perspectives. In other

words, it implies the identical perception of cultural distance from both side, which does not have any support. Another conceptual flaw is that the index suggests a sense of stability over time while cultures change and firms' experiences in a country also affect their choice of entry mode. Morever, there is no support showing that cultural distance linearly affect entry mode. In other words, the assumption that the larger cultural distance, the less control mode is chosen is argueable. In addition, there are limitations in causality and discordance, meaning uncertain assumptions that cultural distance results in mode choice and differences in cultures means obstacles. Methodologically, the cultural distance index is weakened in that the cultural dimensions might have unequal contributions to the index. For example, uncertainty avoidance could be more important than other dimensions (Hofstede 1989, Barkema and Vermeulen 1998). It is also obvious that the index has left out the fifth dimension that was added later. Besides, the cultural distance index might be misleading since it does not consider either organizational level cultures or sub-cultures within a country. (Shenkar 2012)

Supporting Shenkar's (2012) argument on methodological flaws of the cultural distance index, researchers also agree that it is more sensible to measure cultural distance at an individual level rather than a macro level, especially when it comes to the influence on a few key decision makers' choices of entry mode (Stöttinger and Schelgelmilch 1998; Evans, Treadgold and Mavondo 2000; Dow and Karunaratna 2006). Also, other aspects of countries' differences such as language, religion and so on, should be integrated in cultural distance as well (Dow and Karunaratna 2006, Shenkar 2012) since Hofstede's cultural dimensions alone could be insufficient for predicting differences among countries (Dow 2000).

Compensating for these flaws, Ronen and Shenkar (1985) integrate linguistic differences into measuring cultural distance. They have employed a cluster approach towards cultural distance, i.e. grouping together countries with similarities in three major cultural dimensions: language, geography and religion. Religion is also one important factor in certain values and belief of a society, thus Especially, language has been obviated in management study yet plays an important role in internationalization decision and mode selection (Marschan, Welch and Welch 1997, Luo and Shenkar 2006). West and Graham (2004) suggest that language does not only smoothen or block the flow of information but

also shape a person's values and management style. This, in turn, drives a manager's decision of a certain entry mode. This view is shared by López-Duarte and Vidal-Suárez (2010) and confirmed on 63 Spanish firms internationalizing to 34 different countries. The research indicates that language difference increases the chance of joint venture over wholly-owned subsidiary.
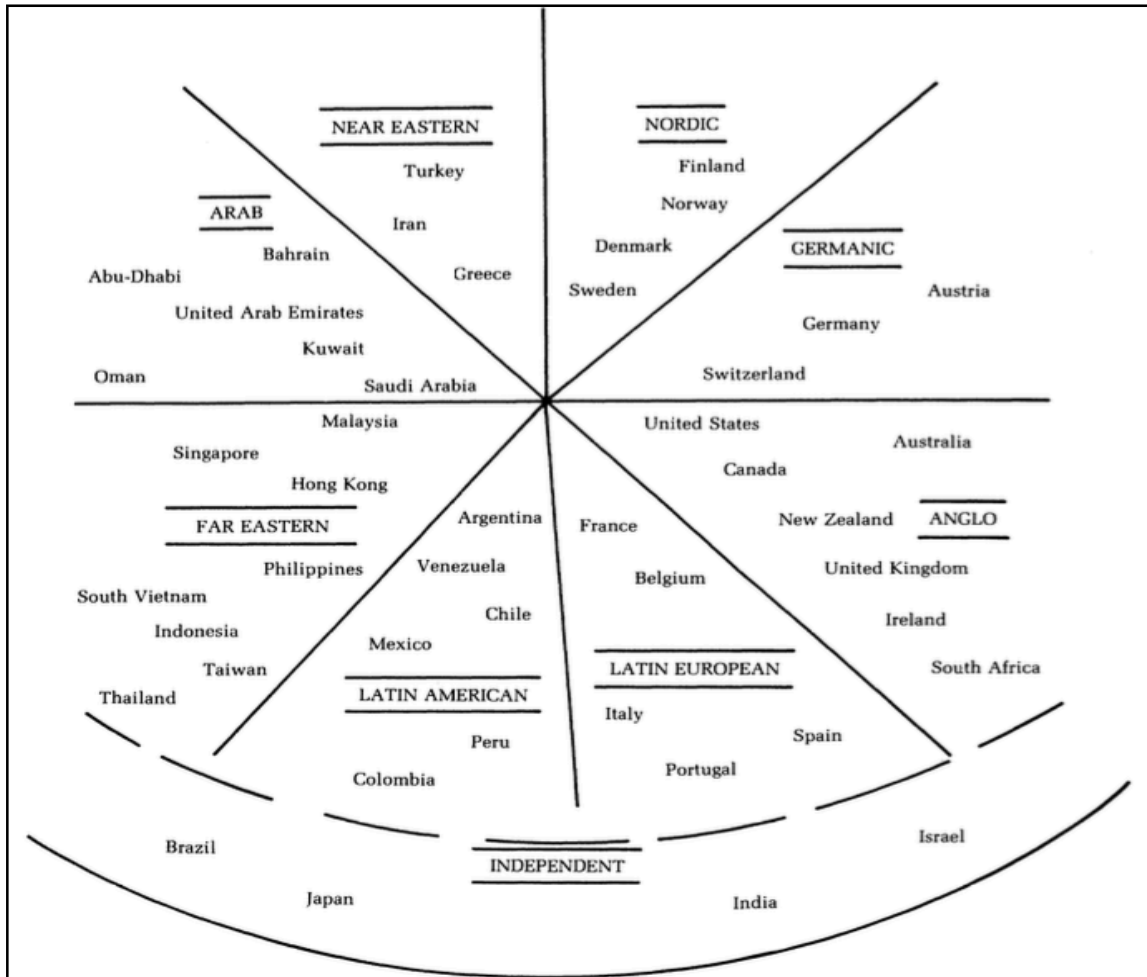
Figure 4. Country clusters
(Ronen and Shenkar 1985, p. 449)

Figure 4 describes Ronen and Shenkar's (1985) clustering of countries very clearly. In this map, it can be obviously seen that countries within a cluster are rather geographically close. For example, Finland shares the same group with the three other Nordic countries. This group is separated from but very close to the Germanic group which consists of Germany, Austria and Switzerland. The both groups have their languages derive from the Germanic linguistic family (except for Finnish) and are generally Protestant. Other clusters follow the three dimensions of geography, language and religion as well. However, there are still 4 countries which are in no cluster: Brazil, Japan, India and Israel. Researchers have

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hypothesized that other dimensions such as economic and technological development have outweighted the traditional dimensions. Yet it does not imply these independent countries are similar to one another (Ronen and Shenkar 1985).

This study focuses on understanding the drives behind the entry mode choice of startups' top managers, which rather leans towards exploring their perceptions and personal experience. Thus it does not make much sense to measure numbers that represent differences among countries. In other words, a macro-level index would be of less benefit to this research. In addition, the majority of existing literature adopt the quantitative research method, which justifies their use of the cultural distance index by Kogut and Singh (1988). This study, on the contrary, is an exploratory case study research that aims at exploring rather than theory testing. Therefore, I have decided to keep a general measurement of cultural distance, using the clustering of nations by Ronen and Shenkar (1985). The cluster approach is certainly criticized for its exaggeration of the differences. However, considering my study's objective, it is more important to learn about Finnish high-tech startups' own decisions and perception of cultural differences as personal experiences. My purpose is to use the clustering to roughly understand the context in which Finnish startups operate. Their own elaborations on cultural differences, in relation to their global mindset, will help answer my research questions more precisely, instead of focusing too much on measuring macro-level national differences.

The influence on international entry mode
There are a large number of studies on the influence of cultural differences or cultural contexts on entry mode choice. Erramilli's (1996) research on 337 subsidiaries of American and European companies predicts that companies from those countries with large power distance and high uncertainty avoidance tend to favor modes with majority ownership. Erramilli and Rao (1993) using the cultural distance concept study international entry mode choices in 463 US service firms. These firms represent all types of service industries. The study has found out that US service firms favor lower-control modes with largely culturally distant countries. In a similar vein, Brouthers (2002) conducts study on 178 entries by European firms in both manufacturing and service sector. These entries are into 27 different countries, mostly transitional and developing ones. The finding supports a cultural context's influence on entry mode choice. Specifically, firms entering low investment risk

countries favor wholly-owned subsidiary. Similarly, high risk countries leads firms to choose joint venture.

Cultural distance also has major impacts on each entry mode in application. Barkema, Bell and Pennings (1996) studying 13 nonfinancial Dutch companies and their foreign ventures suggest that large cultural distance has negative influence on the robustness of the foreign entries. Holtbrügge and Berg (2004) also employ this cultural distance index to measure the knowledge flow in 142 German subsidiaries of multinational companies. The results indicate cultural distance positively hinders the flow, which could probably lower the efficiency of this entry mode.

However, if cultural distance includes language distance, this dimension drives certain specific patterns. For example, López-Duarte and Vidal-Suárez (2010) confirm with their research on 63 Spanish firms internationalizing to 34 different countries. The result indicates that language difference increases the chance of joint venture over wholly-owned subsidiary. However, this still supports the conclusion that different cultural contexts of countries will influence firms' entry mode choice, one way or another.

The influence of cultures on traditional companies' entry mode choice raises a question: Do high-tech startups come under the same umbrella? Considering the accelerated internationalization process that high-tech startups are usually believed to go through, they appear less likely to be influenced by their cultural traits. This may equal their preference of non-equity modes due to limited resources (Freeman and Cavusgil 2007). On the other hand, due to some traditional traits still found in high-tech startups' internationalization, there are clues to believe this breed of firms is exposed to cultural distance as well. To the best of my knowledge, research in this problem almost remains untouched or integrated in studies that aim at other purposes. Among few researches dedicated to the entry mode strategy of high-tech startups, Fan and Phan (2007) conclude that they are not immune to cultural distance. In fact, it still affects, for example, firm's decision on its capacity division among markets. However, like other international entrepreneurship researches that do touch the entry mode strategy of high-tech startups, this fails to provide further discussions or evidence on this problem, probably due to the employment of quantitative research method that do not allow lengthy elaboration from insiders' view. Therefore, this study is

open to exploring this new area of research. Next I will review literature on the global mindset and its influence on entry mode choice.

2.4. The global mindset
2.4.1. The global mindset definition

In order to understand how the global mindset is possibly one of the constructs of entry mode choice, it is essential to clarify this idea. This section is devoted to put forward a unified understanding for the idea of global mindset to be used in this study and its facilitating role for the internationalization process.

A number of studies have attempted to propose definitions for the term "global mindset" over 2 decades back. According to Rhinesmith (1993), a global mindset is "a way of being rather than a set of skills. It is an orientation of the world that allows one to see certain things that others do not. A global mindset means the ability to scan the world from a broad perspective, always looking for unexpected trends and opportunities that may constitute a threat or an opportunity to achieve personal, professional or organizational objectives" (cited in Kedia and Mukherji 1999). Kedia and Mukherji (1999) however pose that a sustainable global mindset should be backed up by manager's knowledge of the interdependent world from different perspectives and skills of acculturation and leadership for managing diversity.

Gupta and Govindarajan (2002) define the global mindset as "one that combines an openness to and awareness of diversity across cultures and markets with a propensity and ability to synthesize across this diversity" (p. 117). Developing this definition, and perhaps being the most thoroughly developed definition, Levy et al. (2007) view the global mindset at individual level as a knowledge structure characterized by three aspects, namely "(1) an openness to and awareness of multiple spheres of meaning and action, (2) complex representation and articulation of cultural and strategic dynamics, and (3) mediation and integration of ideals and actions oriented both to the global and the local" (p. 244). Within this study, this definition will be employed to investigate the decision making process of international entry mode in Finnish high-tech startups.

2.4.2. The influence of the global mindset on international entry mode

Despite the limitation in number of studies and methodological approach, extant literature have confirmed the link between top managers' global mindset and firms' internationalization and entry mode choice, especially in small companies (Herrmann and Datta 2006, Nielsen and Nielsen 2011, Kyvik et al. 2013). Nummela, Saarenketo and Puumalainen (2004) emphasize the importance of top managers' global mindset towards small and medium sized firms' successful internationalization. The survey was conducted on 72 Finnish small and medum sized companies operating in the information and communication technology sector. The research result shows that firms with the global mindset have broader networks of partners and customers overseas, from which a large percentage of their revenue derive. The global mindset is therefore confirmed to improve firms' financial performance in foreign markets. Among other things, Kyvik et al. (2013) endorse this argument by surveying 215 firms of random sizes in Norway and 257 ones in Portugal. It is shown that a CEO with a global mindset is proner to exploring new business opportunities in foreign markets, thus accelerating his firm's internationalization behaviors.

Hutchinson et al. (2007) conducting a case study research on 9 smaller specialist British retailers also support this result. The research found out that the international experience and knowledge of different cultures and nations have led to top managers' international orientation. This outward-oriented mindset, in turn, produces the necessary conditions for firms' overseas business growth. In a similar vein, Hsu, Chen and Cheng (2013) survey 187 Taiwanese small and medium sized companies in many industries including information and electronics, chemicals and biotechnology, etc. The survey findings indicate a phenomenon in which firms' CEOs possessing international experience are more confident and knowledgeable of foreign markets. As a consequence, these people can handle the market uncertainties better than those without international exposure. Thus, firms' foreign business performance is much improved (Hsu, Chen and Cheng 2013).

From the dynamic capabilities perspective, Weerawardena et al. (2007) have constructed a model of accelerated internationalization. In this study, the authors propose that the profile of manager has close connection with firm's capabilities to acquire and integrate market knowledge, to acquire and disseminate technological and non-technological information internally, and to network in the accelerated process. These capabilities, in turn, influence

firm's marketing capability and development of knowledge intensive products. Consequently, it facilitates accelerated internationalization. In the mean time, manager's profile is greatly contructed by his global mindset. Therefore, the facilitating effect of manager's global mindset towards firms' rapid successful internationalization is confirmed. (Weerawardena et al. 2007)

While the global mindset is believed to facilitates the internationalization process, it is also proved to influence entry mode choice. Specifically, top managers' international experience is considered one of the most important contructs of entry mode choice. This connection is explained by the managers' confidence acquired during their international assignments or involvement. A research by Nielsen and Nielsen (2011) on 165 Swiss firms indicates that international exposure equips the decision makers with extensive expertise of foreign markets and business network. These assets lead them to trust in the accuracy of their risk estimation. This, in turn, transforms into their favor of wholly-owned operations overseas. This argument is also supported and tested on a sample of 78 US manufacturing firms in Herrmann and Datta (2006). According to this study, the mindset and knowledge of US firms' CEOs enable them to go for higher levels of resource commitment and control. Wholly-owned subsidiaries are therefore preferred over joint ventures in their 380 foreign market entries (Herrmann and Datta 2006). Among other things, it is worth mentioning a case study on 8 small and medium sized Finnish software firms by Ojala (2007). In this research, all the case companies opted for wholly-owned subsidiaries in the Japanese market. The research result suggests that managers' perception of different countries, probably developed through international work experience, is critical to firms' entry into even a psychically distant country.

From the above review, it can be seen that little research has been dedicated to the influence of the global mindset on high-tech startups' entry mode choice (Nielsen and Nielsen 2011). Extant research on the global mindset as a drive of entry mode choice has reached out to small and medium sized companies. While startups are also small firms, their specific features like scalability make them deserve further investigation. In prior research, even fewer studies are conducted on the relationship between the global mindset and startups' entry modes. Moreover, to the best of my knowledge, no research is found examining both national cultures and the global mindset simultaneously as factors influencing Finnish high-

tech startups' entry mode choice. Therefore, my study is aimed to contribute to this problem.

Next, the multiple cultures perspective will be presented as my approach to the research problem.

2.5. The multiple cultures perspective

The global economic context has largely changed over the last 40 years with the balance moved towards Asian countries such as Japan, China, South Korea and so on. Hence, there is an increasing interest in developing the understanding of an effective interaction way among long established Western economies with their new emerging Asian counterparts (Sackmann and Phillips 2004). At the same time, the actual "intercultural interaction" also flourishes (Boyacigiller et al. 2004, cited in Sackmann and Phillips 2004). Certainly, people are the intermediaries among countries. Several managers gradually built their knowledge about another countries, including language, working experience and so on. As a matter of fact, they develop different assumptions about culture despite national cultures still being the fundamental identifying source. Thus, culture at organizational level today becomes more relevant in cross-cultural management research. Moreover, along with the change in the economic context come the changes in technology, communication, politics and society, which also largely contribute to the desperate need of a new approach to cultural research: the multiple cultures perspective (Sackmann and Phillips 2004).

The multiple cultures perspective views culture as a collective, socially constructed phenomenon (Berger and Luckmann 1996, cited in Sackmann and Phillips 2004). It means that a certain group of people that share a set of common beliefs can form its own culture. Consequently, many cultures can exist within just one organization, and at different levels, not just national cultures. According to this perspective, an individual is believed to belong to many different cultural groups that are even likely to be contradicting. Proponents of this perspective raise two critical empirical questions and shift their research focus on them: "Which culture within organizations is salient?" and "When, why and how does this happen?" (Yagi and Kleinberg 2011). Besides, the way multiple cultures interact and how individuals handle their multiple identities also become directly relevant. According to Sackmann and Phillips (2004), this perspective is extremely useful when applied to seek

an insiders' view of the organization and goes hand in hand with inductive methodologies. The multiple cultures perspective has been of great benefits to organizational researchers who study organizational or professional identity and cultures and sub-cultures in organization. Among other things, it helps shed lights on many organizational paradoxes by recognizing the complication in personal identity and organization. From these insights, researchers can either make sense of the conflicts in organizational and individual identities or suggest important skills to work in an multicultural environment (Sackmann and Phillips 2004).

The multiple cultures perspective with the above explanation becomes very helpful to my research. First, it allows me to look at cultural distance and the global mindset at the same level, not as two incomparable factors as used to be seen in many researches before (Kuivalainen et al. 2012). This is also in line with prior research's suggestion that cultural distance will make more sense when viewed at individual level in entry mode choice study (Ojala 2007). Second, by acknowledging multiple personal identities, I can explain the drives behind the thought process of the insiders in entry mode choice. For example, accepting that a global minded manager can also belong to, for example, a rather reserved culture, can help shed lights on his decisions. Third, the multiple cultures perspective matches with my research methodology and method as qualitative case study research which results from the requirement of the study objectives. In other words, by focusing on a certain number of firms, I can find out insiders' (Finnish high-tech startups' managers) experiences with international entry modes (Sackmann and Phillips 2004). In the next section, I move to putting forward a theoretical framework for my study based on the so far reviewed literature.

2.6. Theoretical framework

In the literature review, I have provided an overview of development and major research streams in international entrepreneurship, as well as examined existing studies of cultural distance and the global mindset on firms' entry mode choices. It is important to emphasize that, the findings from previous studies regarding startups' international entry modes are neither exactly applicable to the Finnish context nor totally true for Finnish high-tech startups. However, a comparison of previous key findings will pave the way for my research. Therefore, this sub-chapter is the summary of the extensive examination in the

literature review, thus providing a primary theoretical framework for the empirical phase of my research.

As the research questions suggested, this study focuses on the roles of national cultures, represented by the cultural distance parameter, and the global mindset on Finnish high-tech startups' entry mode choices. In order to provide understanding for this problem, different approaches to internationalizing were evaluated since they are interrelated with firms' mode choices. To be more specific, two approaches were reviewed: the traditional incremental and the accelerated internationalization. Following was research on firms' international entry modes, especially regarding startups'. After that, studies on the influence of national cultures, represented with cultural distance, and the global mindset were described. Finally, the multiple cultures perspective was introduced as an approach to my research problem.

Firstly, two firms' internationalization approaches have been presented. The first one is the incremental approach as mapped out by Johanson and Valhne (1977) in their stage model of internationalization. Following this approach, firms have a tendency of employing operation modes at low level of resource commitment when entering a new psychically distant market. Only when gaining certain knowledge about the market should they increase this commitment level. On the other hand, the accelerated approach is known as the rapid internationalization: at a high pace, in multiple markets simultaneously and with high resource allocation (Chetty and Campbell-Hunt 2004, Weerabardena et al. 2007). This model of internationalization has long been associated with high-tech startups' international operations (McDougall 1989, Oviatt and McDougall 1997, Rialp et al. 2005). This view has not yet been universally confirmed in the academic world. In contrast, it is even countered by a few recent researches (Chetty and Campbell-Hunt 2004, Fan and Phan 2007, Gabrielsson and Pelkonen 2008).

However, either this view or its counter arguments were based more often on their phenomenological findings than on a theoretical viewpoint. In regard to the entrepreneurialness of firms during their early stages of internationalization (Keupp and Gassmann 2009), it is justified to think that firms can use both approaches in their internationalization. In other words, the 2 approaches are not mutually exclusive. Firms

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vary their aproaches according to the period of internationalization they are in. The purpose is to maximize the benefits that international operations can bring to them (Perks 2009). This prediction implies that Finnish high-tech startups' international entry modes will also vary from time to time and not necessarily follow one specific pattern, for instance entering foreign markets with from low to high resource commitment entry modes.

Secondly, existing literature on firms' international entry modes have been reviewed. Defined as the way firms use to operate their overseas businesses, international entry modes are often classified by the level of control they entitle internationalizing firms over their overseas business units (Anderson and Gatignon 1986, Pan and Tse 2000, Welch, Benito and Petersen 2007). Generally, entry modes fall into either non-equity or equity group, with the former including export and contractual agreements, and the latter comprising equity joint ventures and wholly-owned subsidiary (Pan and Tse 2000). The idea was that the equity group of modes requires more resource commitment of firms to the international business while the non-equity group does not. Hence, equity modes allow more control for internationalizing firms yet pose more risks of loss due to high resource commitment in foreign business operations.

Thirdly, many factors have been argued to influence the entry mode decisions of small enterprises and high-tech startups (Rennie 1993, Melén and Nordman 2009, Perks 2009, Efrat and Shoham 2013). Among other things, the most frequently mentioned factors include entrepreneur's global mindset, product's knowledge intensive nature, cultural differences between home and host countries, and so on. Based on these extant researches, this study is targeted to focus on exploring the influence of national cultures, represented by cultural distance, and manager's global mindset on entry mode choice, within the context of Finnish high-tech startups.

The cultural distance concept represents the degree of difference in values, norms and beliefs of different countries (Shenkar 2012). It is measured by a composite index developed by Kogut and Singh (1988) and widely used in many existing researches (Erramilli and Rao 1993, Barkema, Bell and Pennings 1996, Holtbrügge and Berg 2004). Despite this index's helpfulness in "quantifying" cultural differences at a macro level, it has a number of fundamental limitations such as exclusion of important dimensions

(language and religion), stable cultures view, failure to see multiple cultural layers, and so on (Shenkar 2012). In order to overcome these flaws, a mainstream framework of cultural distance is adopted using Ronen and Shenkar's (1985) clustering of countries along three dimensions: language, geography and religion. This clustering is also in line with my research objective and methodology. It keeps a very general perception of cultural distance among groups of countries, avoiding going to deep into macro-level cultural distance. Instead, this study can dig deeper into individuals' experience and knowledge about cultural distance, which in my opinion is more relevant to my research objectives.

Cultural distance has long been confirmed to influence firms' internationalization pattern and choice of entry mode (Erramilli and Rao 1993, Barkema, Bell and Pennings 1996, López-Duarte and Vidal-Suárez 2010). Generally speaking, the majority of researches conclude that large cultural distance between home and host countries results in firms' favor of lower-control entry modes (Erramilli and Rao Rao 1993, Brouthers 2002). Yet a special dimension of cultural distance – language – poses a specific pattern in entry mode choice. Language difference tends to drive firms to choose joint venture over wholly-owned subsidiary in order to bridge the gap (López-Duarte and Vidal-Suárez 2010). In any case, the influence of cultural distance on entry mode choice is confirmed.

The global mindset is considered another important factor in prior researches in entry mode choice. The global mindset is defined as manager's knowledge to the multi-spheral world, articulation of that knowledge and actions resulting from it (Levy et al. 2007). The mindset's influence on internationalization has just received more researches recently (Nummela, Saarenketo and Puumalainen 2004, Weerawardena et al. 2007, Kyvik et al. 2013). These studies attribute small firms' fast internationalization and excellent overseas financial performance to manager's global mindset. However, researches on the connection between manager's global mindset and entry mode choice are rather limited in number (Herrmann and Datta 2006, Ojala 2007, Nielsen and Nielsen 2011). These reseachers conclude that manager's global mindset, mostly developed through international exposure, leads to his confidence in estimating risks in foreign markets. This, in turn, results in his choice of wholly-owned entry mode instead of joint venture. Almost no research on startups is found, creating a gap for my study to fit in.

Despite the relatively limited studies dedicated to these factors, it is essential to predict the roles of the two factors as contradicting due to two reasons. First, cultural distance has been regarded as one of the risk-proposing factors that lead firms to favor the incremental approach to internationalization (Johanson and Vahlne 1977). This complies with previous studies since national cultures' impact on customer behavioral patterns in different countries has been proved (Roth 1995). Second, it is justified that manager's global mindset, basically built up on the basis of his good grasp of diversity across cultures and ability to adapt accordingly (Gupta and Govindarajan 2002), enables a certain level of risk management for firm in its internationalization. In this case, it makes sense for them to favor a highly committed mode, given that it is firm's strategic market. In addition, in the light of the multiple cultures perspective, the global mindset can be seen as a shared culture among managers with international exposure while managers' perceived cultural distance makes more sense to firms' operation. Therefore, it is essential to view these two factors at the individual or organizational level rather than at the macro level. From the discussion and summary above, I put forward a theoretical framework for the moderating roles of national cultures and the global mindset on Finnish high-tech startups' entry mode decisions. The framework is presented as in Figure 5.
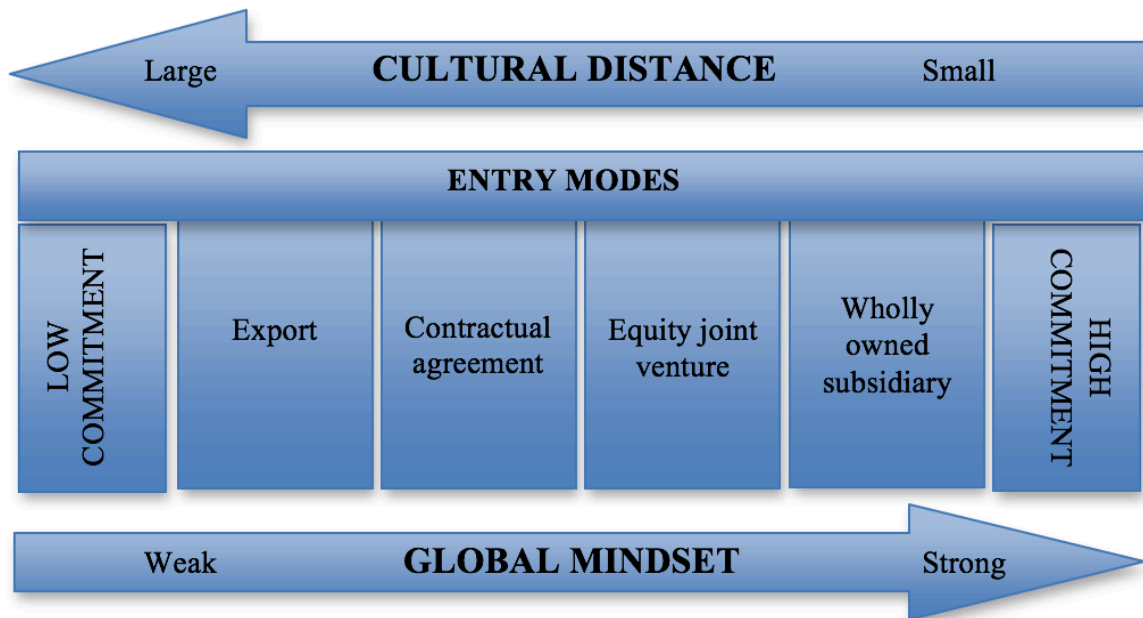
Figure 5. Theoretical framework of the study

The core idea of this framework is that Finnish high-tech startups change their entry mode choices according to the cultural distance with host markets and their CEOs' global mindset. As Figure 5 shows, entry modes change toward requiring low commitment from

high-tech startups when cultural distance increases and the global mindset is weak. On the contrary, entry modes move to high committed modes when small cultural distance and strong global mindset are in place. In the next section, the research method applied for this study will be justified. To be specific, this is a qualitative multiple case study research that is based on interviews with the CEOs of five Finnish high-tech startups. The detailed description of the research process and an evaluation of the study quality will also be presented.

3. METHODOLOGY

This study is a qualitative research. The adoption of the qualitative research method resulted from a careful consideration of the study objective, which is to study the decision making process of Finnish high-tech startups in choosing international entry mode. To be specific, the qualitative research method allows the study to collect context-sensitive data and to give analysis at a holistic view (Eriksson and Kovalainen 2008). Moreover, the nature of the study is more towards looking for the meaning of the phenomenon. Silverman (2001, p. 29, in Erikkson and Kovalainen 2008, p. 4) also states: "Quantitative research cannot deal with the social and cultural construction of its own 'variables'". Thus, it is suitable to adopt a reasoning and explaining research method rather than a numerical one that aims at measuring variables and testing theories. In addition, regarding the limited information on startups' internationalization process, the study is naturally prone to exploring the phenomenon, thus favoring the qualitative research method (Eriksson and Kovalainen 2008).

Four arguments proposed by Marschan-Piekkari and Welch (2004) for using qualitative methods in international business research also support the adoption of the methodology in this study. Firstly, the qualitative research method facilitates more exploratory and theory-generating research instead of focusing on empirical testing. Secondly, qualitative research allows me to have deeper cross-cultural understanding and leaves out the cultural bias or ethnocentric assumptions that I might have during the research process. It provides a more holistic approach to study the object in its specific context. Thirdly, the method allows suitable research instruments to be chosen for the context in which my study is conducted. Finally, it guides me to go beyond the measurement of observable behaviors to seek the meaning behind them. In other words, qualitative research method helps me understand the "soft" factors that connect complex issues studied. (Marschan-Piekkari and Welch 2004)

In more details about the qualitative approach used in this study, I have adopted case study for my research design. The next section is dedicated to elaborating on my research approach and design: how it suits my study objective and the study context.

3.1. Case study research

3.1.1. Rationales for a case study research

For distinguishing among five research strategies of conducting a research, i.e. experiment, survey, archival analysis, history and case study, Yin (2003) has developed three conditions. These conditions include the type of research question that the research proposes, the extent of control over actual behavioral events required for the research, and the extent to which the research relates to current as against historical events. Basing my choice of research strategy on this model by answering the three questions, I came to conclusion of using case study for my research.

First, with regard to my research questions, the focus is on both exploring the possible factors facilitating different international entry modes in Finnish high-tech startups ("what" question) and explaining the reasons for this phenomenon ("how" question). Yin (2003) points out that "what" questions can be exploratory, which favors any of the five research strategies. However, "how" and "why" questions tend to tackle problems that need following over time (Yin 2003). Thus, it is more likely that my study must rely on a history, an experiment or a case study research. Second, the further distinction among these three research strategies is the extent of the researcher's control over behavioral events (between experiment and case study research) and the extent to which the research relates to current rather than historical events (between history and case study research). It is obvious that my study is not dealing with the "dead" past but is aiming at understanding the decisions of international entry mode made by startups' founders or top managers. These people are still in charge of running the companies studied and are the main informants of my study. Thus, a case study research is applicable to this study as opposed to a history research. Besides, an experiment study is not applicable in my study since it is not possible to manipulate the informants' behaviors and decisions directly and precisely in a laboratory setting. These decisions happened over a period of time that is long enough so that it cannot be controlled and replicated within experimenting conditions. All these elements lead me to believe a case study approach is suitable for my study, as Yin (2003, p. 9) states: case study research strategy is used when "a "how" or "why" question is being asked about a contemporary set of events, over which the investigator has little or no control".

These rationales for choosing case study approach for my study are also supported by other researches. Case study research is a key research strategy in international business research (Piekkari and Welch 2011) and has long been commonly used in business research (Eriksson and Kovalainen 2008). Although case study can be both qualitative and quantitative, studying cases in business research is normally to provide insight into an issue with little knowledge of and the researcher is aiming at establishing a theory for this issue (Ghauri 2004). Regarding the research field that my study contributes to, i.e. international entrepreneurship, there is a lack of research particularly in the early stages of the internationalization process of startups, both theoretically and empirically. Thus, case study strategy can be considered as complementing my study, focusing on theory building as the primary goal of research (Eisenhardt 1989).

3.1.2. Extensive multiple case study research

There are many ways of doing a case study research, depending on several issues such as the purpose of the study, the nature of the research questions, the research design, and so on (Eriksson and Kovalainen 2008). Eriksson and Kovalainen (2008) follow the division of intensive and extensive case study research in business research. Accordingly, intensive case study research relies on ethnographic research traditions, focusing on the uniqueness and thick description of the case, interpreting the case and understanding the specific contexts. It allows the researcher to be involved in the construction and analysis of the case, investigating the sense-making process of the people involved in the study. Intensive case study research is normally tentative, meaning no pre-given theoretical propositions. This does not necessarily mean that it is not theoretically informed or cannot be used to elaborate theory. However, the key interest is in the case itself and the main aim is not to produce knowledge to be generalized to other contexts. This type of case study is also termed intrinsic case study, aiming at understanding abstract constructs or generic phenomenon without focusing on theory building (Stake 1995).

On the contrary, extensive case study research shifts its focus away from any intrinsically interesting cases (Eriksson and Kovalainen 2008). The objectives of this type of research are to test or extend existing theory or to build new theory (Eisenhardt 1989). The main interest of these studies is in the phenomenon, not in the cases. In extensive case study research, usually multiple case studies, not all details of the cases are described as they are

in intensive research design, but rather follow a more or less predefined theme. This might lead to seemingly thin description in extensive case study research. However, since the cases are seen as research instruments for studying the phenomenon, this enables the researcher to compare the cases and to look for common patterns, which makes it termed as instrumental case study (Stake 1995). From the empirical knowledge generated from the cases, the researcher aims at adding something new to the existing theory (Eriksson and Kovalainen 2008).

In addition to intensive – extensive categorization, case study research can be divided as single and multiple cases (Yin 2003, Fletcher and Plakoyiannaki 2011). Overall, there are five rationales for using single case design in business research, i.e. when the case aims at theory testing, a distinct case, a prototypical case, the revelatory case, or in a longitudinal study (Yin 2003). In adopting single case study reseach, the researcher aims at deep insights into highly specific contexts and focuses on the uniqueness of the case, which usually makes single case design an intensive research. Researchers who use single case study design usually adopt the interpretivist approach to study, with an emphasis on the single case and the researchers' roles in analysis (Fletcher and Plakoyiannaki 2011).

Meanwhile, multiple case study research design with the replication logic aims at the breadth of the phenomenon, focusing on comparing the cases and searching for chances for generalizability, more or less resembling extensive research design (Fletcher and Plakoyiannaki 2011). Researchers who use this design tend to adopt the positivist approach, stressing the cases' facts and factual observation (Fletcher and Plakoyiannaki 2011). However, researchers should notice that there is no room for application of the sampling logic to multiple case study research. This is because (a) case studies are not meant for evaluating the commonness of the phenomenon, (b) it requires an impossibly large number of cases for any statistical consideration of the relevant variables yielded from a case's phenomenon of interest and context, and (c) many important problems could not be empirically studies simply due to the small number of available cases (Yin 2003). Eisenhardt (1989) also shares this view. This research design also requires modifications in order to seek the replication in the cases chosen (Fletcher and Plakoyiannaki 2011).

Based on the classification by Fletcher and Plakoyiannaki (2011), this study is an extensive study drawing on multiple cases. First, an extensive research allows me to follow partly predefined theories in international entrepreneurship, particularly research results in internationalization process of startups, and to test them in the context of Finnish high-tech startups. Second, a multiple case study research enables comparison across cases and show common patterns in Finnish high-tech startups' entry mode choices in particular. Thus, the cases serve as a tool for my study in building theory in this specific aspect. Third, extensive multiple case study research gives more creditability to this research result, making it more generalizable to other conventional settings of high-tech startups in Finland. In addition to these reasons, multiple case study design is also in line with my ontological and epistemological viewpoint, which is the positivist approach. In the next section, the specific context in which my study is conducted is discussed.

3.2. High-tech startups

Although almost no research in this area makes it clear about the notion of "high technology", I personally think it is necessary to present a united understanding about this for my research. There are many definitions for "high technology", by industries, by individual companies, by products or rapid life cycles (Steenhuis and Bruijn 2006). However, most of them are related to the amount of knowledge or research and development required and how quickly the products become obsolete. Developing from this, Steenhuis and Bruijn (2006) propose an approach to identify "high technology" by high level in three aspects, i.e. product complexity, production process complexity and short product life cycles (Table 1).

Table 1. Technology classification

	Process complexity	Product complexity	Product development rate
Low technology	Low	Low	Low
Low-med technology	High	Low	Low
	Low	High	Low
	Low	Low	High
Med-high technology	High	High	Low
	High	Low	High
	Low	High	High
High technology	High	High	High

(Steenhuis and Bruijn 2006, p. 1083)

To give some exact names of high technology industries, Hatzichronoglou (1997) in an OECD working paper of science, technology and industry, basing on R&D intensities of the industries, classifies manufacturing industries into high technology and medium high technology. This is revised in OCED (2011) as stated in Table 2. As for service industries, since direct research and development intensities are not very helpful, other indicators such as skill intensity and indirect research and development measures (e.g. investments in ICT goods) must be considered by each industry (OCED 2011). This categorization is also used in this study as a criterion for case selection.

Table 2. Classification of manufacturing industries into categories

High-technology industries	Medium-high-technology industries
Aircraft and spacecraft	Electrical machinery and apparatus, n.e.c.
Pharmaceuticals	Motor vehicles, trailers and semi-trailers
Office, accounting and computing machinery	Chemicals excluding pharmaceuticals
Radio, TV and communciations equipment	Railroad equipment and transport equipment, n.e.c.
Medical, precision and optical instruments	Machinery and equipment, n.e.c.

(OECD 2011)

Besides, as stated in the background section of the study, it is necessary to develop further studies on startups regarding Finland as a small and open economy which leads to its favor of and dependence on small and medium sized business (Luostarinen et al. 1994). Next, I will describe the selection criteria for the cases and the informants of my study.

3.3. Case companies

3.3.1. Number of cases

Deciding the number of cases to be included in the study is a question of great importance. As advised by Yin (2003), it is preferable to do many cases when possible due to the substantial analytic benefits from two or more cases. With many cases, the contexts are likely to vary to some extent. Thus, common conclusions deriving from these cases will have greater chances of external generalizability. This view is shared by most researchers following a positivist logic (Fletcher and Plakoyiannaki 2011). Eisenhardt (1989) suggests a number between 4 and 10 cases because with fewer than 4 cases or more than 10 cases, it is often considered either unconvincing or too complex to cope with the data produced. The author also emphasizes the openness to add more cases during the research process but limits the number of cases to the point when incremental contribution of extra cases is minimal (Eisenhardt 1989). Following this idea and considering time constraint (within 6 months) and the availability of resources (single researcher, limited network), I conducted

a study of 5 case companies. In addition, since the information collected started to be replicated, I decided to stop the data collection after the fifth company. The selection criteria for the case companies will be described in the next section.

3.3.2. Criteria for case selection

The cases for multiple case study research can be selected for many reasons such as replicating previous cases or extending extant theories, filling theoretical categories and providing polar types of cases, and so on (Eisenhardt 1989). Since this study is aimed at theory building, I have chosen prototypical cases, trying to minimize exceptional features to increase the chance of external generalizability. Besides, the cases also comply with the criteria for Finnish high-tech startups that are proposed at the beginning of this research, i.e. Finnish by origin with entrepreneurial characteristics integrated in business operations, internationalizing within 6 years of establishment, operating in high technology industries. In order to choose the cases for study, my personal contacts were utilized, i.e. my friends' startups and their business networks. As a consequence, I have built up a list of 100 startups in the Helsinki region that meet the research requirements, and their CEOs' contact information. Emails were sent to these 100 CEOs explaining the purpose of the study and asking for access to data. There were 9 responses to my requests, 1 of which was rejection due to present participation in another research. 8 CEOs consented to join my research. However, 1 of them asked for phone interview, which I had to reject in order to guarantee the data and the study quality. 2 others could not schedule a suitable interview time due to their business travels. In the end, I succeeded in interviewing 5 CEOs for the my thesis's data.

3.3.3. Informants of the study

The main informants of the study were the top managers of the companies who were involved in the companies' internationalization process. These people are those who have the strongest influences on companies' strategies and important moves. Because of the young ages of the startups and their scales, there were normally 1-3 top managers at each company. With regard to the time scope of this study, I have conducted 1 interview per company with its CEO.

3.4. Data collection

Yin (2003) suggests six ways of collecting data for case study, i.e. documentation, archival records, interviews, direct observations, participant-observation and physical artifacts. First, documentation consists of many different documents such as letters, agendas, announcements and meeting minutes, administrative documents, newspaper clippings, and so on. Second, archival records include service records, organizational records, survey data, personal records, maps and charts, and name lists. These two method can provide exact information in written form which is very unobstrusive from the study. However, the information can reflect certain bias of its author and can be inaccessible (Yin 2003). Third, interviews can be in the approach of objective or active interview (Holstein and Gubrium 1997) with different types: structured interview (with fixed content), focused interview (semi-structured, flexible with a frame) and open interview (with open-ended nature) (Eriksson and Kovalainen 2008). According to Yin (2003), interview provides researchers with insights on the research topics but can be biased if the questions are poorly constructed or there is response bias from the respondants. Also, the phenomenon of reflexivity in interview – the respondant says what the interviewer wants to hear – can distort the study results. Fourth, direct observations involve in the researcher's field visits to the case study "site", ranging from formal to casual data collection activities. Fifth, participation-observation is a special mode of observation that allows the researcher to be active in constructing the data. The fourth and fifth data collection method provide a real view, exact information and insights in the contextual settings required for the study. Yet it is very time- and effort-consuming and can lead the context to proceed differently due to the researcher's observation or manipulation (Yin 2003). Sixth, physical artifacts can be technological devices, tools or works of art, which may be collected or observed as parts of field visits; this source of data however is less relevant in the most typical case study (Yin 2003).

The data for my study were collected within a period of six months from May to October 2015. Considering the six ways of data collection presented above, I decided to retrieve the empirical data for my study in two ways. First, the companies' websites were used for collecting some basic information about the companies such as year of establishment, number of employees, and so on. Second, most of the data were collected through face-to-face interview with the CEOs of the case companies as the primary source. For collecting

primary data, using interview in this study let me have a deep insight into the phenomenon in the cases, i.e. the factors that might influence choices of international entry mode in the case companies. In addition, my study is aimed at investigating factors influencing the choice of entry mode, meaning it largely concerns facts and real experiences. Therefore, an objective approach instead of active interviewing is considered to be suitable for my study (Yin 2003).

Also, I have tried to keep my data remain focused on my research questions by doing guided conversation with the informants in the cases. I have used focused or semi-structured interview because this method allows me to go through a theme regarding the partly pre-given theoretical propositions presented in the literature review. Yet, it leaves room for the interviewees to elaborate on their decisions of international entry modes since there is still a gap of theory in this aspect that my empirical result will contribute to (Yin 2003). Basing on the theoretical framework that was proposed in the literature review, I framed a set of required information and themes, thus drafted the interview questions (see Chapter 8. Appendices). The questions were used as the guidance for the interviews. However, I have added a number of questions for more elaborations when needed, depending on the informants' responses.

I have conducted totally 5 interviews with the 5 CEOs, 1 with each. Each interview lasted from 40 to 70 minutes, happening either face-to-face at the companies' offices or via video conferencing due to the interviewees' working conditions. All the interviews were recorded with the interviewees' permission. Each CEO was asked to sign 2 copies of the recording consent form with my signature (see Chapter 8. Appendices). The copies were kept by the interviewer and the interviewees, one for each. The recordings and their transcriptions were accessible to the interviewer only. In addition, due to the confidentiality reason, I had to keep all the case companies' and the interviewees' names anonymous. In the empirical findings part, I replaced all the names with A, B, C, D, E. Each interviewee shares the same name with his company, i.e. Company A – CEO A, Company B – CEO B, Company C – CEO C, Company D – CEO D, and Company E – CEO E.

3.5. Data analysis

As Eisenhardt (1989) asserts, "analyzing data is the heart of building theory from case studies, but it is both the most difficult and the least codified part of the process" (p. 539). Although data collection and data analysis appear to be two separate stages in the research process, the researcher actually starts analyzing empirical data very early, usually rarely clearly separated from data collection (Eriksson and Kovalainen 2008). In fact, data analysis and collection need to be closely interconnected throughout the case study research so that the researcher can ensure the "authenticity" of people's experiences (Ghauri 2004). Moreover, the intertwining of data collection and analysis also allows the research problem to be formulated and reformulated at the same time, assuring the circularity of research. Ghauri (2004) develops a set of different techniques required in analyzing data. These techniques include chronologies, coding, clustering, matrices, decision tree modeling and pattern matching. The process of data analysis starts with arranging the information or events in the order of occurrence (chronologies), followed by sorting the data by themes and concepts (coding). After that, it is important that the similar cases are grouped together (clustering) and the similarities are explained (matrices). From this explanation, a picture of the real-world phenomenon in question is drafted (decision tree modeling) and compared to the initial prediction of the phenomenon (pattern matching) (Ghauri 2004).

Following this process, my data analysis process started as early as the data collection process. The interview recordings were listened to twice and transcribed manually without using any kind of software. Then I went over the transcriptions twice to familiarize myself with the data. After the first interview and its transcription, I sorted the gathered data by the themes I used in the interview guiding questions and made sense of them while keeping my research questions in sight. Consequently, I made necessary adjustments to the interview guide and replicated the procedure with the following interviews. After finishing all the interviews, I completed sorting the information and applied the within-case and cross-case analysis technique.

Since my study is a multiple case study research, it is essential to conduct within-case analysis, followed by cross-case analysis (Eisenhardt 1989, Eriksson and Kovalainen 2008). Within-case analysis is usually the beginning phase of analysis process that enables a clear insight into each single case's characteristics, helping to cope with the complexity

and abundance of data (Eisenhardt 1989). In order to do this, I drafted a general description of each case companies through thematic content analysis, including business field, year of establishment, development process, year of internationalization, current markets, targeted customers, entry modes, problems regarding cultural distance, global mindset evaluation. This process was done separately for each case companies. After this process, a holistic picture of each case companies and their relevancy to the research problems were formed. This is presented in the empirical findings chapter of my thesis.

The next step was the cross-case analysis of the data. Cross-case analysis technique entails some kinds of comparison among the cases, thus realizing differences as well as common patterns across cases (Eriksson and Kovalainen 2008). Cross-case synthesis is also suggested by Yin (2003) especially for multiple case study research, in which each case is treated as a separate study and the synthesis process is done in the same way as aggregating finding across several studies (Eriksson and Kovalainen 2008). During this process, I analyzed the common patterns across the cases according to the framework set up in the literature review chapter. A comparison of the empirical results with the predicted theoretical framework is also discussed and explained, using existing related theories and studies. This analysis is presented in the discussion and analysis chapter. Next I will move on to evaluating the quality of my study.

3.6. Evaluation of the quality of the study

As clearly stated in this chapter, my study is a qualitative research. According to Eriksson and Kovalainen (2008), there are three classic criteria that provide the basic framework to evaluate the quality of a business qualitative research. These criteria include reliability, validity and generalizability. Basically, reliability reflects the consistency in research. If repeated research trials of a research result in the same findings, the research can be considered a reliable one. Validity refers to the accuracy of the research conclusions. A valid study should have true findings that represent the exact phenomenon happening and are evidently supported. Generalizability shows if the research findings can be somehow applicable to a larger context. This does not equals a large sample as it does in quantitative research. Qualitative generalizability rather implies profound selection of cases so that two or more cases support a developed theory (Yin 2003). (Eriksson and Kovalainen 2008). In this study, I have used these three criteria as the framework for evaluating my research.

Reliability and validity

Both of the two criteria are based on the accuracy of the research process and conclusions, which are evaluated through analytic induction, triangulation and member check. Analytic induction intertwines a research's data analysis process with data-theory integration. Member check is done by the research's participants when they check the researcher's interpretations of the information they have provided. Triangulation, on the other hand, is the process of double-checking the research findings through using multiple resources. Triangulation has many forms, including triangulation of methodologies, methods, data, theories and researchers. For a case study research, triangulation is also used as a specific evaluation criterion. (Eriksson and Kovalainen 2008)

In this research, I have used triangulation to evaluate my study's reliability and validility. Particularly, triangulation of data and methods were used. In other words, multiple sources of data and analysis techniques have been applied. I have collected the data for my research through two sources of information: the companies' websites and the interviews with the companies' CEOs. Due to the time scope and scheduling with the case companies, I was not able to initiate more face-to-face interviews. The fact that only 1 interview per case company could be the main drawback of this data collection method since it largely relies on the single interviewees' memory. However, I have tried to compare the information through interviews with the companies' websites and blogs so as to double-check. In addition, I have applied two techniques into analyzing the collected data: the within-case and the cross-case analysis technique, as described in the previous sub-chapters. Therefore, the reliability and validity of my study can be confirmed to some certain extent.

Generalizability

Yin (2003) emphasizes the "analytic generalization" of a qualitative research, meaning over two cases' evidently-backed empirical findings supporting a previously established theory. The findings of this thesis have accomplished this criterion, with the common patterns found in the cases supporting certain themes in the theoretical framework presented in the previous chapter.

Besides the above three criteria, a case study research can also be evaluated by its significance and relevance (Eriksson and Kovalainen 2008). In other words, a good case

study should (a) be of general theoretical or practical interest, (b) have an explicit definition, description of its context and relevant evidence, and (c) finish with convincing results, not due to time, money or energy exhaustion. This thesis is fully in line with these criteria in that the research objectives have been basically rooted in the increasing interest in the taking-off of startups in Finland and their rapid internationalization. It is practical to take a closer look at what they are doing and the drives behind. Moreover, the research context, the case selection criteria, and the empirical data are also presented very clearly in the thesis. Most importantly, the study has come to an end with evidence- and theory-based arguments and findings.

Finally, in this thesis, I do not only present the evidence that supports the theoretical framework but also realize the disparities. Furthermore, I also attempted to explain these disparities using existing theories and adapted the previously developed theoretical framework accordingly. It is a challenge to present the evidence that is at odds with the research findings along with the supporting one. However, I have tried to keep critical pieces of evidence so that the research findings can be evaluated transparently and independently. This also contributes to the reliability and validity of my study. (Eriksson and Kovalainen 2008)

4. EMPIRICAL FINDINGS

In this chapter, I provide a general introduction of the case companies and the findings from the data collected through both the companies' websites and the interviews. The findings result from my within-case analysis for each company separately. This analysis process follows the themes of the theoretical framework proposed in the literature review chapter. At the end of this chapter, I make a summary of the commonalities and differences of the cases in order to prepare for the cross-case analysis in the next chapter.

4.1. Introduction of the case companies

Company A

Company A was established in mid 2010 by CEO A. At the beginning, the company specialized in providing cyber security technology in the gaming industry with an international customer base in Europe (the UK and Germany) and Korea. However, the PC gaming industry has struggled for a while in 2013, moving to mobile gaming afterwards. At the same time came the security upgrading requirement in the European legislation for banking and financial sector. Thus, the company decided to redirect its business to focus on the newly created market in Europe and customized its solution accordingly on the same technology base. At the moment, the company has an on-going agreement with Mastercard globally. Its target customers include banks and financial service providers all around the world. Company A provides it customers with authentification and authorization solution, basically increasing user security in the fastest and simplest way. Its solution can be used for universal 2-factor authentification, customer authentification for payments, and mobile ID services. The company has been going global since its very first days. Its customers are in Europe (Germany, the UK, etc.) and Asia (China, Phillipines, Korea, Malaysia and Singapore). Currently, the company operates with 10 employees in Finland, along with a network of local partners in other countries. The company's currently biggest revenue comes from China and Europe. Company A has not yet been present in the US, South America and Africa. (CEO A 2015, Company A website)

Company B

Company B, founded in 2011, was actually a spin-off of a company previously specializing in social media in China. The current Company B on the other hand focuses on providing translation service globally. The idea of translation service was inspired from the previous

company's business. Company B was basically started on top of the existing foundation of that previous company, with the same founder and team members. The service is straightforward, allowing the company to target different types of customers including individual and corporate customers. The pricing model is quite simple, charging users on the word count basis. Currently, the majority of its customers are corporate customers, mostly in Northern Europe and the US. The company also has customers in Asia, i.e. Hongkong, Japan, Singapore, Korea. Company B has 7 employees at the moment, 3 of them in Finland, 3 in the US, and 1 in the UK. In addition, the company has a broad network of approximately 100,000 translators working as freelancers providing translation. (CEO B 2015, Company B blog)

Company C

Company C is a wireless service solution provider started in late 2009 in Finland. The company is a Finnish company headquartered in Tampere, Finland. The company's first global reseller was also a Finnish company. However, despite the company's product research and development activities in Finland, Company C's main target customers are not Finnish ones. Instead, Company C is truly born internationally in that its customers are in the US and Japan. These countries are also the company's focus at the moment. The idea behind the startup is that the company has foreseen a growing demand for high quality wifi access and decided to provide solutions to the telecom industry many years before it became a major problem. Company C's customers include wifi service providers, cellular carriers, airlines and online travel agencies. The company basically provides solutions to improve the speed and quality of the wireless network its customers are providing, even customizing the network for certain purposes such as e-commerce. These solutions are based on Company C's patented technology. The company is rather in its early phase of building up customer base and operates with a small team in Finland, the US and Japan. Company C also works closely with a network of professors and researchers for its product development. (CEO C 2015, Company C website)

Company D

Company D is a Finnish startup in device- and platform-independent mobile instant messaging. Started in 2009, the company at the beginning developed a consumer messaging service for sending free messages from application. Not long after its first launch in 2010,

the company realized the trend and future of messaging – instant messaging. Company D then soon built its in-house development team, started fresh and launched the current Company D service at the end of 2012. Basically the company is providing Company D application - a social messaging application across different platforms, i.e. iOS, Android, Firefox and Windows Phone. As the nature of the product suggests, the company is also a global company since day one and continuously improves its service offerings. The application Company D is based on freemium, meaning it is free to be downloaded and used from application stores. An in-app store is included for users to do in-app purchases, which is the company's revenue generator. The company currently focuses on making the application viral to boost user acquisition. Its major focus is in South East Asia at the moment. Company D is headquarterd in Helsinki, Finland, with an office in Jakarta, Indonesia. The company now operates with 22 employees representing 13 different nationalities. (CEO D 2015, Company D website)

Company E

Company E is a Finnish startup in the field of clean technology providing cleantech advisory service and collaboration platform to its customers. The idea behind the company was formerly an online service under Cleantech Finland's operation in 2012, on which anyone anywhere having questions related to cleantech saving energy, environmental topics and the likes can ask experts for advices. Later on, as the need for cleantech service increased, Company E was officially established as a separate company in 2013. The purpose is to enable the experts to offer whole solutions to the customers' challenges, not only a few pieces of advices. The collaboration platform on Company E's website thus came to existence. It works generally like a social media interface for experts and customers, but the process of interfacing is facilitated so as to really solve the problems. The company's customers are all around the world, from Asia (Vietnam, China) to Europe (Finland, Slovakia, Sweden). However, the current focus stays in Finland, Slovakia and Central Europe. In order to provide the advisory service, Company E has built up a broad network of experts which include up to 700 experts from 250 organizations in 50 different countries. The company has 7 employees now but runs essentially and effectively based on the expert community that is comprised of university professors, consultants and so on. At the moment the company operates with 3 offices in Helsinki, Oulu, Finland and Bratislava, Slovakia. (CEO E 2015, Company E website)

4.2. Findings on the cases

4.2.1. Company A

International entry modes

Despite being a Finnish company, Company A's very first market and customers were not in Finland. The company has been international since it was established. The limited size of the market in Finland was mentioned as the first reason that Company A sold it service to online gaming companies all over the world. Moreover, online gaming is rather a special industry where connections within the industry play more vital roles than country borders do. The CEO confirmed: "It's been natural that…we looked at the online gaming *(industry)*…it was global vertical so we had deals in Korea. We had discussions all around the world with online gaming." (CEO A 2015). Thus, it was reasonable that the company went industry vertically, not country by country. Company A approached its customers directly by participating in many global events where online gaming companies gathered. The purpose, as the CEO described, was to get Company A known by its customers, as well as to collect information about its potential customers so as to do the sales work after that. Its customers back then were from Korea, the UK and Germany.

Moving on to its new business in banking and financial sector, Company A had still both utilized some previous contacts and participated in international exhibitions for financial institutions to market itself. The company employed a broad communication approach, targeting banking and credit card issuers around the globe. Due to the change in European legislation, as explained by the CEO, Company A's customers now come broadly from Europe, including Finland, Germany and the UK. Also as a result of its participation in global events, plus its previous contacts, the company reached South East Asia, Phillipines to be exact, and China. The company is considerably active in Phillipines and China at the moment, looking forward to developing in other areas nearby like Malaysia or Singapore.

Company A employed different entry modes during its internationalization. The company's operations went in two phases: in the gaming industry and in the financial sector. In the gaming industry, the company did its own sales of the service, worked with their customers by themselves. Specifically, its active participation in international exhibitions made their services and solutions known to a number of customers. CEO A highlighted: "…The

exhibitions and events are a lot about marketing to get them *(online gaming companies)* to know about us…" (CEO A 2015). Since the gaming industry is fairly straightforward in a sense that the product is somewhat universal, this facilitated the company's direct communication with its customers regardless of their location. The result was the direct "export" of the service without a need of any intermediary party.

On the contrary, having a local reseller was the mode used during Company A's business in the financial sector. This sector works in a rather different way from the online gaming industry. Customers in this sector can be big financial institutions who often work with many processes and formalities, associated with longer sales cycle. According to CEO A, the company has "signed a reseller agreement there *(Phillipines)* so we have a local company representing us…". Due to the specific features of these cutomers, it was justified for them to work with a local company "who knows everything going on with the customers" (CEO A 2015). CEO A also emphasized the important role that his company's partner was playing. It was also mentioned that in some cases, the company did start the discussion directly with the customers but had to introduce the partner into the discussion to actually seal the deal. Along with the agreement, the company needed to give the reseller some training about the solutions. The reseller then took charge of the sales part for the company in the area.

In addition, at the moment, the company has introduced a Cloud service which can be seen as a direct way of sales and communication Company A offers to its global customers. This service is available around the clock anywhere in the world, meaning it helps erase any inconvenience in time difference or physical location. The customers can just sign up on the internet and have conference calls with Company A should they need any technical assistance from the company. (CEO A 2015)

Cultural distance
As mentioned before, Company A customers scatter all around the world from Korea, China, Phillipines to Germany, the UK and Finland. With its Finnish identity and an identical team of Finnish male employees, it can be said that the company has gone rather far internationally into many cultures that are seen as majorly different, if not contradicting. For the newly created market for the company in Europe, along with its previous business

and customer acquisition, it makes sense that Company A are present in Germany and the UK. Yet the CEO also admitted that there was still the language barrier worth concerning. For the Asian markets, many cultural traits are mentioned like the language barrier, the issues of trust and perception.

One outstanding characteristic mentioned was the way South East Asian customers perceive foreign companies, especially European companies. South East Asia is a kind of developing area where there are many opportunities to grow but also risks of fraud. Towards such a strictly law binding economy like Europe, these customers tend to show certain respect. They make a presumption that services provided by European companies are of high quality and these service providers are trustworthy to some certain extent. "…*(In)* South East Asia, they do respect, they do kind of look at European companies as good companies." CEO A also highlighted this attribute by comparing with customers from other areas: "US is pretty specific market and you have to be American to really win the market...It's kind of much easier for us *(in South East Asia)*…". Plus some contacts there, Company A ended up doing business in these countries other than the US or South America. (CEO A 2015)

However, a good reputation for quality is not enough for an European company to win its business in Asia, particularly in the banking and financial sector. Financial institutions would rather strictly following their working routines and procedures. When it comes to Asian customers, it is also justified to presume these as very hierarchical organizations. This of course required long discussions and repeated sales meetings, as confirmed by CEO A. Therefore, it was then a preferential solution that Company A introduced its local representative into the cycle. This local company was described as already having banks as cutomers. "In financial sector sometimes it's not possible to do the deal directly unless you have a local partner who has the relationship". (CEO A 2015)

According to CEO A, the language barrier is always one of the problems since the company can only use either Finnish or English for business purpose. This issue is present not only in Asian countries but also in Europe. The CEO expressed that he did want to expand the sales force internationally, "…doesn't have to be a German guy but somebody who speak German could be very beneficial." He explained that since in some countries English is not

used popularly as a global language, it also made it difficult for the company to do business there. "We tried to do deals in Thailand which were very difficult because of the language barriers." (CEO A 2015)

The language issue sometimes led to the trust issue in business. CEO A explained the situation for China, taking an example from his own previous experience: "We had a Chinese guy in Norway who spoke Chinese so it was much better to build the trust … where Chinese didn't have to try to speak English on the phone…" (CEO A 2015). The fact of having a local partner or a local employee thus has actually proved itself to be of great benefit to the business.

Global mindset
CEO A, the entrepreneur of Company A, started his career in 1993 after finishing his vocational degree in information technology. Starting as a programmer, he moved on to establishing his first startup as early as in 1997. In 1999, he sold the company and moved to work for a Norwegian startup. Though he was not the founder of the company in Norway, the entrepreneur was a part of the management team with some ownership. He was in Norway for six years. The company was later on sold to a US-based company. CEO A continued working there for extra two years before deciding to start Company A. It is obvious to see that the entrepreneur actually had no background in business education. Still his career so far has always been involving with both the technical and business sides. (CEO A 2015)

Working in Norway for six years, it had been a real international working experience for him. His company was then based in Norway but did not have any Norwegian customers. Instead, its customers were from China, Italy, Taiwan and so on. This had been a global company that enabled CEO A to work with a very international team. The entrepreneur described his working experience with his ex-colleagues: "…We had a team where there were Hungarians, Australians, Finns, Norwegians, Chineses, Malaysians, so we had a very international team and we got along very well." Apparently, his experience with such an international team had been rather comfortable for him. CEO A did mention the clash of cultures at his workplace, giving an example of the calm and quite way of the Finns and Norwegians with which the Greeks got frustrated. However, despite the tension this culture

clash created sometimes, the entrepreneur emphasized that this was indeed not a major problem for him. (CEO A 2015)

Furthermore, CEO A explained that the whole career between engineering and marketing/sales has been very helpful to him so far. The experience has equipped him with the ability to communicate either technical problems or business ones in a clear and simple way. According to him, this was his only solution to accommodate his co-workers and to smoothen every task. The entrepreneur also expressed a high level of confidence in working with people from not only different cultures but also different educational backgrounds. In addition, CEO A shared his thoughts on building a diversified team in Company A, noting that the Finnish way of thinking was not that universal and having only one way of thinking was definitely not very beneficial to the company. He also expressed his agreement with bringing different cultures into the company to introduce more angles and opinions to the business. (CEO A 2015)

In addition, the CEO had to admit that a more structured way of internationalization could have helped his business to reach a further range of customers. "…We just now went very broadly to go with banks and anywhere…it sometimes feels like we are doing so tiny bit here and there that maybe could've been better to go more step by step and do a little bit more in one country…Maybe some marketing effort more and generate PR…". It seems that customers' specific features in different areas require more commitment from the company since marketing and PR activities are often customized particularly to target some certain groups of customers. (CEO A 2015)

4.2.2. Company B

International entry modes

As introduced above, the current Company B has been operating for almost four years so far. Built on the basis of a previous company which had been already involved in international operations, Company B quickly became global though its first customers were from Finland. CEO B explained this as a very natural path for their business, that "…translation industry is quite easy in the sense that it's global by nature". He noted that there was always a need for translation service and customers can be either small customers with simple documents to be translated, or larger companies who want to localize their

websites and to communicate with local customers in their own languages. The market is always available and customers could easily be found. (CEO B 2015)

At the moment, the company provides translation service on an automated platform. This platform facilitates the users – customers to do everything by themselves: uploading documents, inputting their contacts and instructions for translation, paying for the bills. The translation itself, however, is done by the company's network of translators. According to CEO B, there are roughly two types of customers: the very small companies refered to as the mass market and the huge corporations. In the way the platform runs, there is almost no need for Company B to meet customers in the mass market directly since they can get everything done by themselves. For the huge corporate customers, however, it took Company B pretty long time, up to 3-6 months, to actually close the deals which could last for couple years. Company B's customers at present largely falls into the first category. The company currently targets corporate customers, not consumers since they can opt for free translating tools on the internet. (CEO B 2015)

In addition, the company is now focusing on Northern Europe and the US. Explaining this market concentration, CEO B mentioned the fact that the company was of Finnish origin, plus the neighboring countries are not exactly the same but very similar in culture. Besides, Company B is still in an early stage of its business, which leads to a need of investors. "We need to be present in the US also because it's the big source of venture capital…focusing only in Finland for example would not be enough because all sources that're available funds has already been used", noted CEO B. The company does have customers from other parts of Europe or Asia as the result of their sales effort and mass marketing. However, the CEO emphasized that they need to stay focused on certain markets instead of spreading their resources everywhere. (CEO B 2015)

For the strategic markets, Company B has set up its own offices. To be more specific, they have one office in Finland and one office in the US. The office in Finland is the company's headquarter which is also in charge of the Northern Europe region. Three employees are based in this office now. Meanwhile the US office was opened in 2013. As explained before, the US market is rather an important one, not only for the market size but also for the company's sources of investment. According to CEO B, the company in Silicon Valley

is currently run by the founder of the company with the assistance of two more employees. This is now an active part of their business. The company also has one office in London with one employee doing mostly sales and managing the network of translators. The employee is British. However, CEO B explained that this was a coincidence and this person had joined the startup from the beginning without the company's intention of expanding to the UK at that time. (CEO B 2015)

In addition, Company B has signed a sales agreement with a Finnish sales agent who lives in Singapore. This person, as described by CEO B, has some relations in Singapore and basically does the sales work connecting Company B and its potential customers. The sales agent does not take part in the operation of the platform or service; neither does he bear any responsibility for delivering the service. His work is based on the sales target and on the commission basis. However, CEO B also noted that since some connections for the company have been established, the agent is not very active at the moment. The CEO did mention other sales agents in some other areas but they are not really actively selling the company. (CEO B 2015)

In some cases, Company B did approach the customers directly by emailing them. Thanks to an expanded network of translators, it seems that the language barrier does not pose significant problems to the company. According to CEO B, some of these customers include Chinese and Korean ones that the marketing founder of the company met in meeting in China. Some follow-up emails were sent afterwards in Chinese and Korean and in those cases, direct communication actually worked for the company. Yet, these customers remain in the minority of Company B's customer base. The focus, as clearly stated by CEO B, is still the US and Northern European countries. (CEO B 2015)

Cultural distance
Company B as explained so far has been a truly global company by its nature. The service itself is a connecting tool for different cultures; the broad network of translators is from many different countries; the current customer base spreads all over the globe. Along with this global business, CEO B yet mentioned some problems with the cultures and thus its requirement of efforts, including the working styles and the connections in the markets.

When Company B first came to the US, it was majorly reliant on the advice network that was introduced by the company's investors. These advisors then made referrals and introduction of Company B to its potential customers. The CEO admitted: "That's a way to kind of the first meeting, otherwise it's very difficult". He also gave an example of his Finnish ex-colleague who spent quite a few years in the US constantly building a network of personal contacts from scratch before successfully acquiring big customers there. It appears that the US is rather a specific market that requires lots of commitment from any company so that they can get rewarding results out of it. Meanwhile, the Northern European market seems not to pose many significant risks for the company so far. It is probably due to the similarities in culture, which was also the factor leading to Company B's choice of this strategic market. (CEO B 2015)

Besides, the CEO also discussed the difference between two existing markets of the US and Asia. They were described as fundamentally different in their working dynamics. The Asian customers "…have more clear organization, hierachy and structure…they have way of working and they follow all the same pattern that they've always done…and to change that pattern is very difficult." In the meanwhile, the Americans are probably changing rather quickly and moving with more stronger decisions. CEO B also noted that, "…when you're in there *(Asia)*, …you get to be inthere to continue…If we really want to sell more in Asia, we should have an office in Asia, so that agent does not really help". (CEO B 2015)

From these comments it appears that Asian countries probably requires more engagement from the company to actually expand its customer base there. Having a sales person as agent in Singapore definitely helped in a way that the agent's connections can lead the company to some deals, as confirmed by CEO B. This is for sure not enough to win over a large number of customers in Asian countries due to the thinly resources and efforts. These customers' procedural working style implies on-going involvement of the company, in other words, its presence in the region. However, the CEO also noted that "the whole culture and everything are so different, and it just takes a lot of time *(to have an office there)*". So the company still decided to go with sales agent agreements. In any case, this is of course because the company's resources are now kept focused on the US and Northern Europe. (CEO B 2015)

Global mindset

CEO B has been the CEO of Company B since October 2014. He completed his Master degree of Science in mathematics from Aalto University School of Technology. Despite his major in mathematics, the CEO did have minor study in economics, focusing on financial economics. After finishing his degree, CEO B worked for a bank as a credit and risk analyst. One year after that, he joined a consulting firm based in Helsinki and spent one and a half year working as a management consultant, mostly related to data analysis and sales planning operation management. After that, he moved to a Finnish startup in maritime industry, leading their data analysis business. Three years after that, he joined Company B as to lead the Finnish operation abroad development and finance. At the moment, as the CEO, he is also in charge of the whole company's operations besides the previous tasks. (CEO B 2015)

According to CEO B, three-year working experience in the startup in maritime had been very international. The startup was a Finnish company based in Helsinki but had been very global in that its customer base was outside Finland way back then. They did have offices in different countries like Singapore or the US with employees working there. CEO B himself also spent quite some time travelling to the US, contacting to their US customers and working in a fully international team. Moving on to work for Company B, a global startup, also gave him opportunities to work with customers from different countries. It appears that the prior international experience contributes to his understanding of possible differences and the need of having contacts in the target markets. In turn, this leads to his opinion of making more commitment, like having an own office, to help boost the business in Asia. (CEO B 2015)

The CEO also gave an example of problem that he had observed during his international experience. "The biggest difficulty is always…whether they are Finns or from some other cultures…to work as part of a team if you are not in the same place". The problem of mutual respect was also mentioned as a cause of conflict, for example Finn's and American's different respects for career or education. However, it sounds that this was not a major problem for him, given his experience in a global environment before. Again, this confidence expressed by CEO B somewhat leads to his willingness to take further

engagement in Singapore should they have enough financial and human resources to do so. (CEO B 2015)

4.2.3. Company C

International entry modes

Company C has been a rather young startup which was born internationally in that its customers have never been in Finland. The company went outside Finland with a global reseller which was a big construction company having a broad network in the mobile wireless industry. However, the startup strongly started its international business in the recent three years with its offices in the US and Japan. The company is headquartered in Finland mostly for its research and development activities led by Company C's CTO. In the meantime, the US office is run by the the company's CEO and one of the founders manages the Japan office. The company has recently introduced its new solutions into the Japan market and in Finland. (CEO C 2015, Company C website)

According to CEO C, the company's presence in the US could possibly be attributed to the potential size of the market. "It may take a lot of time but of course if the product is right for the US market, it's meybe the best market". In addition, since Company C is still in its very initial stages, there is a drive for funding for further growth. This also led the startup to expand its business to the US. As for Japan, Company C's physical presence there has been made by the company Japanese founder. Moreover, according to the CEO, Japan is considered an advanced market in the industry which is leading innovations as well as product quality requirements. Conquering this market opens up many opportunities to go to less developed markets for the company. Thus, it was almost a must and a natural decision that they were selling solutions in Japan. (CEO C 2015)

It appears that Company C's internatinalization was largely led by the telecom solution industry. More speciafically, one reason was that it could be the limited market in Finland. Furthermore, the fact that one of the founder is Japanese, plus Japan at the same time is a big competitive but promising market, contributes to their business in the country. It is also very early in their development that the company is just trying to exploit every of its existing resources.

As can be seen from above, Company C currently has its own offices in Finland, Japan and the US. Each office point has Company C's own employees work there. In Finland, it is mostly the research and development team focusing on the technology patented for the company. Meanwhile, in the US and Japan, it has largely been the business development and the sales part. CEO C working in the US is also in charge of seeking for funding sources for the company's future growth. In each market, they work to sell their solutions to the local telecom operators. (CEO C 2015)

The most noticeable point is that even though Company C has been physically present in the US and Japan, they still chose to go through some intermediary companies – system integrators – in order to get the sales done. Explaining this decision, the CEO shared that it was mostly related to the way the industry functions. The wireless solution industry itself works in a way that big dominating mobile operators/customers usually buy solutions from a few providers that have been servicing them for quite a time. It was then not favorable for new comers to approach them directly. Again, this shows that the company's decision and movement has been closely connected to the industry specific features. In any case, regardless of selling directly or through the integrators, Company C by itself is still doing the contract with the customers, who is the mobile operators. (CEO C 2015)

Cultural distance

The CEO of Company C observed two aspects of culture during his business with Company C as well as from his previous experience. The first was the problem of trust and relationships. The other, being less crucial, was the language, i.e. Japanese. The trust issue sounds like an important one that led to their physical presence with local people in both Japan and the US. It is of course one of the special characteristics of the industry. However, it can also be seen as the way people work in those countries. The CEO shared that they also reached the potential customers in Japan thanks to the Japanese employee of the company who had the relationship in the telecom industry for many years. "Of course he's a local, he speaks Japanese, he has the relationships and he understands business", described the CEO. The customers have long worked with a few main system integrators that it has become a kind of general rules for them to do so. The trust is so important that they might work with fewer middle companies rather than a hundred suppliers. He also

emphasized that it was unlikely to sell directly despite the superior quality of the product. (CEO C 2015)

According to CEO C, the situation appears to be less difficult for their business in the US. The CEO himself is also very experienced with the market throughout his years doing business here. In that sense, he can also be considered a "local" representative of Company C in the market. The CEO shared that there might be different ways of going to the US market, either hiring people that have connections or going to some tradeshows talking to the customers and leaving out the middle man. However, he still went with a reseller who is a big well-respected American company in the industry. "They are our core resellers…they have the resources to do that and I have hired them…the operators are very hard customers to deal with", explained CEO C. It looks like doing business in the US requires not only large commitment with frequent presence there, but also the relationships and other resources. At the moment, despite having an employee in the market, Company C still have not had enough reputation to cover the market by itself, which led to the reseller agreement. (CEO C 2015)

A rather minor issue mentioned was the language. The CEO also confirmed that people do not speak English well in Japan that almost anyone has no better choice than speaking Japanese. Consequently, he of course emphasized the importance of the Japanese founder of the company. (CEO C 2015)

Global mindset

CEO C joined Company C as a consultant who helped with the business internationalization strategy and capital raising for growth in late 2011. Starting with a background in computer science education, he initially had no business education; instead he learned every business knowledge by actually doing. Later on he did finish an intensive executive education program in University of Washington in the US, getting an MBA. CEO C is currently the CEO of Company C, working constantly in the US. Sharing about his career, CEO C started as a software designer but quickly transitioned into management position. He has been working in the mobile wireless sector all the time, from Finland to the US. The CEO had quite a lot of experience working with startups and their business, especially internationally born startups. Throughout his career, he got involved in as well

as ran businesses in Europe (Germany, Denmark, France, Finland), Middle East (Jordan, Egypt), Asia (Hongkong, Singapore, Japan), South America (Venezuela) and especially twenty years in the US. (CEO C 2015)

From these sharings, it is apparent that the CEO had equipped himself with an immense range of international experience prior to Company C. In the US, he had built a personal reputation and been able to sell solutions in the industry. In Japan, he also worked with another company, having an office in Tokyo doing business there quite a time. An obvious fact is that his previous experiences helped him understand the markets of Company C and the industry so well. This in turn could result in the company's decision to go with the reseller for example in the US. (CEO C 2015)

4.2.4. Company D

International entry modes

First, it is necessary to understand the company's revenue generating model. The Company D application functions on the freemium basis. Basically this means that the app is free to download and to install into users' smart devices. The company then offers many types of in-app purchases, like stickers, to its users during their usage of the app. If they like and pay for these offerings, they become the company's paying customers, not free users anymore. (CEO D 2015)

Company D is a special case of all because its product is a mobile application. This particular type of product nowadays work in a way that could be seen as beyond any country border. Developers only need to launch their applications on the mobile application store for smartphones, such as Appstore or Google Play store. Thus the applications are immediately available to customers all over the world as soon as they are launched. In that sense, Company D has been a global company since its very beginning. Company D's social messaging application is available across different operating platforms for various brands of smartphones. There is theoretically no first market for the company, definitely not Finland. To some certain extent, it can be said that Company D's product has reached out to every single one of its potential customers without the need of any specific entry mode.

However, despite being launched globally since day one, the product is not creating a real business if its potential customers always remain "potential". In other words, if the Company D app is not promoted to become popular to its potential customers, they will not use it and there will be no business. After launching the app, the company noticed its natural take-off in certain regions. CEO D, the co-founder and current CEO of the company, explained that the organic users came mostly of South East Asian countries when the app was launched. Therefore, it was justified for Company D to focus on boosting their business in the area, mostly in Thailand, Indonesia, Phillipines. The app is also gaining in popularity in South America, particularly Brazil. China is also a big promising market and the company is keeping developing its customized service for China. Other big markets include India, Turkey and so on. (CEO D 2015)

For a company like Company D, the mobile application store plays a vital role in their internationalization. The store has advanced their business a long way in that it made the app visible to a broad range of customers right from the beginning. In some ways, the application store can be seen as a direct export of the product to different countries or areas. The word "export" is of course not exact in this case because still the app is not necessarily downloaded from the store, or used by users/customers even when they already download it. In other words, Company D does not necessarily have regular renevue just by uploading its app onto the store. However, this is still the very important first entry of Company D in its internationalization.

After the app became popular naturally in some countries, Company D started focusing its efforts into those areas of organic customers. The most active users had come from South East Asian countries, with Thailand, Indonesia, Phillipines topping the list. The company then first focused on making the app viral by improving its quality, increasing ratings and rankings in the app store. At the same time, Company D also attempted to get more presence in the social media by partnering with some media companies and operators in the region. The closest partnerships were in Indonesia and CEO D himself also travelled there on monthly basis to work with the partners. Besides, Company D also signed a partnership contract with a business development partner in Singapore. (CEO D 2015)

Since February 2015, Company D has been physically present in Indonesia with its own office. The office is run by two Indonesian employees who had been working for Company D. This office is also Company D's regional office, in charge of the whole Asia Pacific region. According to CEO D, the two local employees in Indonesia have been taking care of the app's quality assurance, customer care and community management. They also work with the company's partners and handle the negotiations of the agreements with them. However, the Helsinki office still remains the signing right and approval of the contracts. CEO D still maintain quarterly visit to the office and also travel there to have official meeting if needed. (CEO D 2015)

As for the taking-off market in South America, according to CEO D, this is mostly because Company D is among the few instant messaging apps operated on Firefox – the mobile operating system popularly used in the region. Besides, it was also the result of Company D's participation in Microsoft's global visibility program. At the moment, the company is considering different options to boost its business, looking for partnerships and/or bringing more commitment there. (CEO D 2015)

Cultural distance

The CEO of Company D mentioned a number of factors that could be seen as related to the company's entry modes. According to him, there are many differences in users' habits in different contries. "Some people in some countries, they use more one-to-one chat, some countries they use more group chat. Some countries they prefer sending more texts, some countries they really like our stikers and some countries like push-to-talk…", described CEO D. The variety of users' preferences has lead to Company D's great efforts in customizing the service to each of the countries. First of all, the app needed to be local in its languages. For every local app store, Company D had to provide corresponding language setting so that the description, instructions and so on had to be in local languages. After users get their localized version of the app, next came the localized user experiences. Company D worked with local illustrators to create the stickers that connected with the local appeal and design. Finally, Company D held press events to launch the new stickers, as they did recently in Jakarta, Indonesia. Obviously it can be seen that the differences in users' habits have created many works for Company D. The company had to invest more

and more of its resources in order to serve the market in Asia. This implies that cultural difference has certainly led to the company's physical presence in Indonesia. (CEO D 2015)

The commitment issue was also mentioned as one of the reasons that the company decided to have its own office instead of only working with the partners. The product is described as special in terms of its continuous development. Company D needs to keep updating its product and services quickly enough to serve its customers and in that sense, "…the product is never gonna be ready…", said the CEO. He emphasized that the sales people had to know the product extremely well in order to promote it in the right way. The fact that the partners can not access confidential information about the product means that they can not make the best out of it. Thus, it became essential for Company D to have its own employees working in the region. In addition, the company had already had an Indonesian employee at that time, which also made the decision easier, as confirmed by CEO D. (CEO D 2015)

Global mindset
CEO D, the co-founder and CEO of Company D, finished his bachelor degree in economics, later on got an MBA. He started his career first with working for a telecom operator in Finland in 1999. In the company, CEO D was in charge of sales and marketing operations, particularly involved in international projects and business development of the company. After six years working for the telecom operator, he moved to work in advertising business in 2005 in a startup where he first met Arto Boman, the founder of Company D. He spent two and a half year with the startup before joining a boradcasting company. Finally in 2009, he co-founded Company D and is currently the company's CEO. (CEO D 2015)

According to CEO D, he had been involved in many international projects long before joining Company D. During the time working in telecom industry, his job was mainly to help launch some Finnish services to other countries in Europe, like Italy. On the contrary, his responsibilities included importing and introducing massive multiple online games from Korea into Finland. Moving onto working for Company D, the whole time has been very international experience for him with partners from Asia and Europe. Moreover, the Company D team is truly global with people from 13 different nationalities working

together. It appears to the CEO as no major prolem managing diversity, given his experience working internationally. (CEO D 2015)

One of the most noticeable point is that the international team working for Company D at the moment was built up on purpose. CEO D shared: "We actually made a strategic decision…From the day one we built the global team…we decided that all job announcements will be in English". The CEO also emphasized that it is the way the company differentiated itself in the labor market and the team has brought many benefits to Company D. One of them was that the office in Indonesia, as explained, was smoothened by relocating the company's Indonesian employees from Helsinki back to the country. Another was an extended network of local users, for example in China. These users, who are families, relatives and friends of Company D's employees, are willing to try the app and to report back any things to improve. CEO D also gave an example of how they developed the push-to-talk function of the app, the idea of which was actually raised by a Chinese employee, trying to save people time of typing complicated Chinese characters. It is apparent that with his international exposure and willingness to adapt, the CEO could help advance the business further, with more commitment where they want to go. (CEO D 2015)

4.2.5. Company E

International entry modes

In general, Company E's customers will need to go through a three-step journey. First, a customer goes to the platform Company E.fi to raise a dialogue for defining their problem and getting the right experts involved. Second, a team of qualified experts will be selected for the customer's problem and work to customize a solution to that. Third, the experts will deliver a whole solution package or instructions for solving the customer's problem in a fast and effective way. The first step is free while customers have to pay for the second and third step in the journey. (Company E website)

Company E started firstly with providing its solutions in Finland. As part of Cleantech Finland program for roughly one year in 2012, the idea of Company E has attracted many customers in Finland. First known as the new marketing concept of "Ask the Experts", the idea was to nominate experts' services from Finnish clean technology companies globally

through a digital channel. Through this channel, dialogues between customers and the experts are created and the experts can promote their own technologies. The concept then also attracted customers from other parts of the world under the promotion of Cleantech Finland, like China, Vietnam, Russia. In 2013 when the company was officially established, it immediately grew internationally. Indeed, the company could be considered as a global company since its very early stage. (CEO E 2015)

According to CEO E, the founder and CEO of Company E, the company currently has three offices in Finland and Slovakia. It was very natural for Company E to be physically present in these countries due to the founders' countries of origin. They are from different countries including Finland, Slovakia, Austria, Russia, Asia and so on. However, the focus of the business is in Central Europe and Scandinavia. The CEO emphasized that they had made marketing test and strategically decided that they would focus on these markets during this early phase of the company. He also noted that they would go step by step in case of going more internationally: first initiating projects and then opening own office if there is big volume of projects. "I think that…it is very essential that you have a process how to go international instead of a random approach…you need to have a plan…to go there step by step", explained the entrepreneur. (CEO E 2015)

General speaking, Company E has employed two different entry modes in its internationalization: having its own office and signing sales agent contract. As said, Company E is present with offices in Finland and Slovakia. Company E's first customers mostly came from these two physical points. Indeed, they were from the founders' previous contacts in the industry. The office in Slovakia also takes full responsibility of developing the digital platform. (CEO E 2015)

In addition, the network of experts also played an important role in Company E's international business. It seems that the network of experts has been actively initiating projects for the company. These experts on one hand are the service providers; on the other hand, they also act as Company E's sales agents in different countries. According to CEO E, the company started with roughly 100 experts and over two years since established has increased this number to 700 people from 50 different countries. They, referred to as "business leads", have the motivation to connect customers in their own countries with the

company in that they get commission for the sales. Mostly these people are from Finland, Slovakia, Hungary, Czech Republic, the UK, France and Russia. The company has just signed the agent agreement with one or two of them but the idea is to sign the contract with all of them. The entrepreneur also noted that Company E remains to be the one who signs the contract with its customers. However, the idea in long term is that the business leads can make contracts directly with the customers but through Company E's platform, so that the company can have control of the contracts and money flows. (CEO E 2015)

In addition, the CEO shared that it is just the matter of time that they open offices in some other countries or regions when they have enough resources. "Of course we know that if we're seriously going to enter Vietnamese market, we need to be somehow locally present there…Even though we have the digital channel and virtual presences but maybe some physical presence is also needed." However, he also emphasized that it is strategic that the company would go step by step, first with the business lead, then with the own office. (CEO E 2015)

Cultural distance

The issue of trust was mentioned as the first and foremost cultural trait that CEO E noticed in his business across countries, especially between Finland and other countries the business is present. According to him, winning people's trust does not take so much effort since Finland is rather a small country in which it is somewhat easier for one to have some connections with others. "They have trust to start with…It's the starting point that I trust you", shared the entrepreneur. However, the issue is not the same outside Finland: "In most of the countries I think that you need to first build the trust…you need to invest a lot to build the trust". The CEO also mentioned Russia as an example, where it is essential to initiate projects through the business leads whom the customers already trust. It looks like the network of experts – business leads – sales agents has been very important to Company E in overcoming this difference among cultures. (CEO E 2015)

Another problem that was discussed by the CEO was customers' habits in using this service. As explained, this is a kind of consulting service which is operated on a digital platform with experts all over the world. In other words, it is a totally new way of consuming consulting service. "There is of course lots of traditions of using consultants in

a traditional consulting way", noted CEO E. It is a challenge for the company to recognize those customers who are willing to break the conventional way of working to do more with a virtual digital platform. He also added local competition as a challenge to the company, yet emphasized customers' working traditions. This could possibly explain the free offering for the service's first step where Company E would aim at proposing its customers to try. It is of course not easy to change people's habits, which might require permanent commitment from the company. The entrepreneur also agreed that some physical presence in such markets is needed despite the digital channel. (CEO E 2015)

In can be seen from this case that the sales agents have actually of great importance to the company's business. These agents who are mostly local people in different countries do not only have connections in their home countries, thus could easily overcome the problem of trust. Moreover, they also understand very clearly the local way of working. Plus their good grasp of the business and its essence, it is highly likely that they can help change customers' habits and successfully initiate projects.

Global mindset

CEO E is the founder and the CEO of Company E since 2013 when the company was officially established. Graduating from the master of science program in engineering at Aalto University School of Technology in 1994, his study focused on energy economics, with a minor in entrepreneurship and international marketing. The entrepreneur first started in a private engineering company providing energy efficiency services for real estate industry. He was in charge of developing new business for the company. After that he moved to work for a government-owned energy efficiency agency for five years, coordinating Finnish energy audit program with private consultants. The founder later worked for Finnpro (Finnish trade and investment promotion organization) in seven years helping Finnish small and medium sized companies to go international. Here he together with two of his colleagues who are now Company E's co-founders invented the first version of Company E as a online consulting service in Cleantech Finland program in 2012.

In further explanation of his experience at Finnpro, the CEO added that he had been mostly heading the sector of energy, environment and construction as well as logistics and machinery. Finnpro is really a global organization with its trade centers in roughly 50

different countries. During this time he already had many opportunities to work with experts from for instance Vietnam, China, or the US, who were consultants in these local markets that Finnish companies targeted. Until now when Company E has been in operation for two years, the entrepreneur shared that he still kept quite tight connections to those ex-colleagues in different countries, not to mention Company E's first customers were also related to this network of previous connections. Company E's expert network was also partially built up through these connections, by references from people who already work as experts for the company. Consequently, it can be concluded that the entrepreneur had a broad international experience prior to the startup. (CEO E 2015)

Regarding the direction that Company E is going, CEO E showed a strong determination of the goal that he aimed at. "We are making it international. It's not anymore promoting Finnish technologies or Finnish companies but really trying to find the best solutions for the clients wherever the technology comes *(from)*…", shared the entrepreneur. He emphasized that they had created a multidisciplinary network of experts with various types of expertise, from around 300 companies over 50 different countries. When it came to discussing difficulties with this diversity, the entrepreneur said: "I think it's essential to understand, even though I don't believe in stereotypes,…it's important to understand the stereotypes…it helps you…to adapt…I don't see that as a big obstacle". In any case, the network indeed helped Company E with project initiation. Although this might have not been planned at the beginning of the startup, it appears that it was resulted from the founder's prior international exposure and thus his familarity with diversity. (CEO E 2015)

4.3. Summary of the empirical findings

In this chapter, I have presented the findings on each single case company according to the themes in the theoretical framework. After each case was carefully examined, many commonalities of the case companies have emerged from the empirical findings. However, there are also a number of differences among the cases that need clarifying. In this sub-chapter, I will provide a summary of these similarities and differences of the case companies.

As regards the cases' common patterns in entry mode choices, firstly, it is apparent that all the companies have employed at least 2 entry modes at the same time. Most of them had

their own offices in the foreign markets with their local employees. In addition, all the companies had contractual agreements with local partners. These people are any type of middlemen, who could be media partner, sales agents, or specialized experts. They act as the bridge of the case companies to their targeted markets. It should be noted that the companies started internationalizing very early in their businesses and in most cases, Finland is not their first market. Secondly, it is worth mentioning that no company uses equity joint venture for entering foreign markets. Thirdly, regarding cultural distance, all the CEOs thought that it was very natural for them to have their own offices or work with local agents, because the industry specific features required them to do so. Most of the CEOs even explicitly attributed their decisions to the nature of the products they provide. Specifically, it is either the universality or the knowledge-intensive feature of the products that led them to choose these entry modes. When asked, they all thought that the modes were helpful and there was no need to change.

As for cultural distance and the global mindset, all the CEOs mentioned some of the cultural traits that drove their entry mode choice. These traits include language barrier, customers' business working customs, trust and relationships. According to the CEOs, hiring local employees or cooperating with local agents helped them deal with these problems. All the CEOs had either worked in different countries or involved in international assignments in their past careers. All of them expressed very profound knowledge of multicultural business environment. Especially one of them even integrated this knowledge into his firm's strategic development by building an international team of employees.

The empirical findings also exhibit some inconsistencies among the cases. Firstly, although the companies have their own subsidiaries in foreign markets, the dynamics were not the same. For example, Company C's office in Japan is working as an agent would do, i.e. a local agent (its Japanese co-founder) looking for sales. This is rather similar to Company A's sales agent in Phillipines than a direct wholly-owned subsidiary. Meanwhile, Company D's Indonesian office actually works as a representative office with all functions like quality assurance, customer care, and so on. Secondly, the companies' internationalization processes were either gradual or accelerated. For instance, Company D first launched its product on app stores (direct export), then gradually increasing its resource commitment by working with local partners and a physical office. In contrast, Company B and Company

C just had office immediately in the US. Company C also had office in Japan. The next chapter is dedicated to discussing and explaining all the similarities and differences of the case companies that are presented in the empirical findings.

5. DISCUSSION AND ANALYSIS

5.1. Cross-case analysis

In the previous section, I have presented the information collected through interviews with the case companies. I also provided a within-case analysis for each case, following the theoretical structure proposed in the literature review. The data collected have shown many commonalities among the case companies, yet indicated a few differences that require further elaboration and explanation. In this section, I apply cross-case analysing techniques so as to focus on comparing the cases, thus roughly picturing the real-world decision making process for Finnish high-tech startups' international entry modes. After arriving at this empirically based picture, I make a comparison with the predicted theoretical framework that I put forward in the literature review. Previous studiees and reasoning are employed to explain the comparison.

5.1.1. International entry modes

The entry modes that were used by the case companies are presented in Table 3 as follows.

Table 3. Entry modes of the case companies

Entry mode\Company	A	B	C	D	E
Export	✓	✓	–	–	–
Contractual agreement	✓	✓	✓	✓	✓
Equity joint venture	–	–	–	–	–
Wholly-owned subsidiary	–	✓	✓	✓	✓

Firstly, it is apparent that all the case companies employed the contractual agreement mode. They all had agent agreements with local partners either to boost sales or to increase marketing activities. Indeed, this fact receives empirical support from extant research. Burgel and Murray (2000) studying European high-tech startups emphasizes that using middle man is the most frequently used entry method, together with export. The reasoning behind this choice is usually the intermediaries' superior knowledge and network of relationships in the local markets (Burgel and Murray 2000). All the case companies in this research also demonstrated an incline to this reasoning for their choices.

Secondly, previous studies (Bell 1995, Burgel and Murray 2000) indicate that export is another most prefered method of entry by internationalizing high-tech startups. However, my research is at odds with this finding. Almost all of the case companies had representative offices or wholly-owned subsidiaries in the local markets, which implies even more committed resources into these foreign markets. This is probably explained by the complex features of the products that require prolonged sales cycle, intensive interaction with customers or maintenance phase. Burgel and Murray (2000) also confirms that the product nature gradually leads to direct communication and frequent interaction between internationalizing high-tech startups and their customers. For example, Company A's maintenance service which is particularly technical entails direct involvement of the company's technical staff and close customer service for instructing customers if needed. Another example is Company D's instant messaging service. This also requires timely responses to any requests from customers who are living a few time zones away. As a result, the companies need to be physically present to solve their customers' problem without delay. At this point, this research is rather in line with Ojala (2007) researching on Finnish small and medium-sized software firms in Japan.

In this research, only one company – Company A – went international with export and contractual agreement mode. This could be due to the industry specifics that required the company to present itself at the exhibitions and events of the industry worldwide and work with the customers directly, thus leading to export. Yet the 24/7 cloud service offering afterwards had largely saved the company time for direct meeting with foreign customers, hence there was not a need for physical office in the local markets any more. In other words, Company A's internationalization and entry modes were also driven by the structure of the industry and the product itself.

Thirdly, throughout all the cases, it appears that Finnish startups rather employ more than one entry mode at the same time for their business operations in one local market. More specifically, all the companies both approached their customers directly by themselves and went through local sales agents or partners. This research supports Perks (2009) concluding that European entrepreneurs prefer using a combination of some different entry modes to changing them linearly over their internationalization. Again, the cause is attributed to the specific requirements of the products/the industries or the local market dynamics/specific

cultural features: the Japanese market and the telecom industry required Company C to acquire relationships, the Filipino market and the financial industry forced Company A to have a local intermediary, the Indonesian market needed local people for the language and relationships, and so on.

One outstanding point to notice is that the essence of using the entry modes are not similar throughout all the case companies. In other words, the names could be the same but the dynamics behind these modes could vary among the companies. For instance, most of the case companies had their physical offices in foreign markets but the offices' roles in their overseas businesses are different. For Company D, the Indonesia office is not only for working with their local media partner but also for multiple functions such as customer care or quality assurance. Company D has two local employees who speak the local language and have the relationships. It makes sense that they can take more responsibilities for the business though all final decisions still remain reserved for the company headquarter. Company E is somewhat similar in the way its Slovakia office operates. Besides its "representative" function in the country, the office is also the centre for research and development of the company. Meanwhile, Company C has offices in Japan and the US, each run by a company's employee. In Company C's case, the CEO can be regarded as the company's "local" employee due to his long working time in the local market and industry. The Japan office is run by the Japanese founder of the company. This physical presence is not much different from an agency if we consider the most part of its responsibility is selling by connecting with the industry's intermediaries through personal relationships and contacts.

Finally, it is apparent that no case company uses joint venture to enter their foreign markets. Pan and Tse (2000) in their research on firms' entry modes suggest that the incentives that lead firms to choose wholly-owned subsidiaries over joint ventures come from micro-level firm-specific elements. Actually, many researchers have proved the failure of joint venture as an operation mode due to partners' disagreements in economic motivations, sizes, technology transfer and so on (Vanhonacker 1997, Park and Ungson 1997). The case companies' favor of wholly-owned subsidiaries over joint ventures can arise from one of such factors. It is easily noticed that all the case companies are engaged in knowledge-intensive industry. It implies that product specifics play an important roles in their

businesses and are confidential. This feature certainly prevent a technology transfer process which might be inevitable in joint venture. This argument is supported in the interviews with CEO A, CEO C and CEO D.

The internationalization process of the case companies is also worth mentioning. Across all the case companies, the first pattern emerging was that the accelerated approach applied to most cases in the very first period of internationalization. Indeed, the first fact proved this trend was that most of the companies did not have their first market in Finland. Company B and Company E had started in Finland but very soon expanded to other countries, the US and Slovakia respectively. Furthermore, despite their quick expansion abroad, their commitment towards overseas business were fairly high. Company A went with international exhibitions and did follow-ups by itself, yet later on had its local sales agent representing the company and working with customers in Phillipines. Company B and Company C had their own offices with own employees in the US. Company D started with partnership but now settled a physical presence in Indonesia. Company E presented its Slovakian office right at the beginning. It was obvious that all the companies invested plenty of their resources in broadening their business outside Finland from scratch. Data at this point prove that the accelerated approach could be the one favored by Finnish high-tech startups.

There are two motivations behind this fast and widespread expansion. First, it can be explained by the limited size of the Finnish market for the companies' products. Bell (1995) studying Finnish small computer software firms concludes that their products fall into the knowledge intensive niche category. As a result, it goes without saying that large potential markets for the products, which do not often include Finland, become their destinations early in their business life. In this study, most of the case companies also happen to provide business to business solutions, except for Company D with the messaging app. Deals in this type of business in Finland can be even less promising in both quantity and value. All these things considered, there is evidence for their early fast committed internationalization. This point supports Ojala and Tyrväinen (2007) in concluding potential market size as a motivation for Finnish high-tech startups' internationalization.

Another reason for this trend can be the specific structures of the industries. For Company A at first it was the online gaming industry around 2010. The industry functions in a quite different way from others in that it usually engages players vertically in the industry, regardless of their countries of origin. It thus made more sense for Company A to follow international events specifically held for the industry's players than to focus on a rather limited number of online gaming companies in Finland. Or in the case of Company D, the inevitable was that the company launched the app on the global app stores. Consequently, there was a low chance that it would have "taken off" in Finland, considering a huge number of (mostly young) users who love instant messaging in Asia. For Company C, it was explicitly expressed that Japan was the must-go market for a telecom company due to its developed market structure and demand. At this point, this research is supported by Sousa and Bradley (2006), Brewer (2007) and Ojala (2008). Finnish high-tech startups can be said to adopt early vigorous internationalization due to the industries' specific structure.

However, data also indicate that the period of accelerated internationalization could probably be over for the case companies. They admitted that it was wise now that they stayed focused on a few selected markets due to scarce resources. Company A's entrepreneur shared that it could have been a better approach if the company went more structuredly and strategically since the company's resources were a bit scattered. Actually, Company D did apply this incremental internationalization in that they "exported" the app first through app stores, then partnered with local media to promote the app. When the number of customers sharply increased, they presented their customer care and product assurance in Indonesia physically. Company C strategically presented itself in Japan and the US, and kept focused on these two markets due to the markets' importance in the industry. Company B did the same to the Northern European market and the US. Company E strongly relied on their business leads mostly in Finland and Central Europe, with reluctance to continue aggressive physical expansion in other countries. All emphasized that they now would want to go with clearer strategies in certain markets and less here-and-there way of internationalizing.

Up to this point, data show the intertwining of the accelerated and incremental approach in Finnish high-tech startups. This finding complies with the argument in the theoretical part of this study and supports findings of Perks (2009). Both approaches have been used by the

case companies in which period they helped with their business expansion and operation the most. During the first stage of expansion abroad, the companies could have been pushed to internationalize quickly for potential markets. Yet they are now slowed down by the limited resources that they possess in terms of time, financial strength and human resource.

One more point that should be highlighted is that most of the case companies started their internationalization with their network of contacts in their previous international careers, as they mentioned. Just by switching the angle a bit, it was probably the network of previous contacts that led to the early and vigorous internationalization of the case companies. In this sense, this explanation conforms with Sharma and Blomstermo (2003) which studied Swedish high-tech startups' internationalization.

5.1.2. Cultural distance

Firstly, all of the interviewees did not take cultural differences as a major problem in their international businesses. They gave the impression that the cultural features of the countries did not have much influence on their internationalization and entry mode decisions. This perceived immunity to cultural differences demonstrated by the entrepreneurs can be the result of their strong international exposure during the past working experience (Ojala and Tyrväinen 2009). It is highly likely that during the long time working internationally, the entrepreneurs have accumulated knowledge, developed their global mindset and thus shaped a new cognition process along the way (the entrepreneur's global mindset is discussed in the next section). This could lead the entrepreneurs' belief that their decisions on either the markets or the entry mode choices were very natural, without any cultural impact. In addition, it can also be because the strong bias toward the products' nature and requirements that the national cultures' importance and influence were largely undermined (Perks 2009). This somewhat "overlooked" effect of national cultures is proved to be present by the next two arguments.

Secondly, the language barrier appears to be one of the obstacles nonetheless. Indeed, three out of five case companies mentioned the language barrier as the reason that they decided to have the local agents. Company A in Phillipines, Company D in Thailand and Indonesia, Company C in Japan, all of them relied much on their local agents who speak the local languages. To certain extent, language is one of several aspects of culture and it can cause

a leaning towards the entry modes that help overcome this barrier (Marcella, Davies and Williams 2002). This study in this point is at variance with Perks (2009). The language might not be a barrier to the case companies' internationalization decisions but was a significant factor in their choices of entry mode.

Thirdly, the problem of trust and relationship that exists in the local markets were also discussed by the interviewees. Company A encountered the language barrier and the trust issue in Phillipines, though this could be intensified by the sensitivity of the financial industry. Company C definitely experienced the language barrier in Japan where people do not speak excellent English, along with the relationship-favored working dynamics in the local market. Company E also relied on its strong network of business leads who acted as local agents of the company in order to overcome the trust issue. Finally, when asked if their operation modes helped with this problem, all interviewees indicated their satisfaction. It is apparent that this cultural specific characteristic had strongly influenced the case companies' entry mode decisions into these foreign markets.

Table 4. Cultural distance encountered by the case companies

Company	Aspects
Company A	Language
	Connection/Relationship
	Trust
Company B	Connection/Relationship
Company C	Language
	Connection/Relationship
	Trust
Company D	Language
	Connection/Relationship
Company E	Connection/Relationship
	Trust

These problems regarding cultural traits of the local markets have led to the companies' contractual agreements with their local agents, even when they have already had their own representative offices. This finding reveals that Finnish high-tech startups are subject to certain cultural traits as well, as acknowledged by Ojala and Tyrväinen (2009) which studies Finnish small and medium sized software firms. This argument also receives

empirical support from Dwyer, Mesak and Hsu (2005) which confirms the influence of national cultures on the product diffusion in cross-border business in European companies providing high technological innovations. The problems concerning cultures that the case companies have experienced in their internationalization are summarized in Table 4.

5.1.3. The global mindset

All the interviewees illustrated an expression of the global mindset. First thing to mention, all the CEOs have been doing business cross-border several times in their working histories. Some of them have even been engaged in international business throughout their past careers until the present moment (Company C, Company D, Company E). On average the CEOs had 12.6 years of running in international projects and business in which they worked with multidisciplinary and multicultural teams. While time could probably be a limited parameter for measuring the global mindset, Nummela, Saarenketo and Puumalainen (2004), studying over 100 small and medium-sized Finnish ICT companies, has confirmed the significant relationship between the manager's international working experience and the global mindset. This result is supported by this research, regarding the CEOs' broad knowledge of and detailed elaborations on cultures, as presented in the empirical findings part.

However, knowledge could be seen as the display of the first aspect of the global mindset, which is manager's awareness of multidimensional information in this diversified world. The next aspect of the global mindset illustrated by the interviewees was their articulation of the information, or interpretation. The CEOs shared that they all used to encounter conflicts in the international team they worked with yet none of them took that as a major problem. They thought that it was an inevitable part of diversity which exists to be adapted to, not to be scared of.

The final and probably most important aspect of the global mindset is integration, meaning manager's actions reflecting his information acquisition and interpretation. In this study, the integration was displayed in some cases quite obviously. The information gathered by the CEOs appears to have been translated into their actions or the companies' strategies. Company D built its international team since the very beginning of its business and turned that into one of its key competitive advantages later on in the business. In a similar sense,

Company E started developing its network of international business leads as soon as the company was established and aimed to go global. Integration also came in the form of solving conflicts in a facilitating manner which was the approach Company A's entrepreneur used in his working history. Company C's entrepreneur based on his profound international working experience decided to keep the number of employees minimum and to develop its cooperation with agencies, thus increasing the overall efficiency.

The evaluation of the interviewees' global mindset can be summarized in Table 5 as follows.

Table 5. The CEOs' global mindset

Aspects	Company A	Company B	Company C	Company D	Company E
Openness and awareness	✓	✓	✓	✓	✓
Representation and articulation	✓	✓	✓	✓	✓
Mediation and integration	✓	✓	✓	✓	✓

Manager's global mindset did appear to play the facilitating role for the option of high-committed entry modes in some cases. Ojala and Tyrväinen (2009) also highlight the importance of the manager towards entry mode choices, noting that his perception to the cultures and business environments leads to proper decisions of whether acquiring knowledge through hiring local employees or agents is necessary. In this study, the most persuasive case for this argument is Company D. The entrepreneur himself has long been working with international business assignments throughout his working history. He showed a good understanding of diversity thanks to his past experience working with international teams from Europe and Asia. This could have formed his cognitive process, from which he turned into a strategic decision for the company to build its own in-house international talent pool with over 10 nationalities. When Indonesia and the Asia Pacific market thrived, it came to the stage when Company D needed to develop its business there. First it was with the media partner for the marketing part of the business, next came the physical office in Indonesia. Besides the requirement from the business in the region, the

decision of having an office also sounded to make much sense since Company D had already got an Indonesian employee. Consequently, the decision became much smoother by just relocating the employee to the Indonesian office.

5.2. Conclusions from cross-case analysis

The above cross-case analysis was to compare all the cases studied and establish the generalization for Finnish high-tech startups in their internationalization and their choices of entry mode. Thereon I continued exploring the influence of cultural distance and the CEOs' global mindset on entry mode choice. This sub-section is reserved to summarizing all the arguments presented and adjusting the theoretical framework proposed in the literature review part of the study.

First, the case companies employed both equity and non-equity entry modes in their internationalization. To be exact, the combination of contractual agreement mode and own physical office mode was observed throughout almost all of the cases. This could be attributed to the lack of established relatioships with customers in the local markets (leading to using middle men) while still in need of direct and frequent communication with customers. This argument receives support from Burgel and Murray (2000), Ojala (2007) and Perks (2009).

In 2012, the international orientation rate of the early-stage entrepreneurial activity in Finland was 21% which was higher than many other European countries', including Norway, Spain, the Netherlands, Italy and so on (Global Entrepreneurship Monitor Data 2012). The strong motivation to internationalize could be one of the reasons that make Finnish startups go global with higher commitment to foreign markets, especially for those with limited domestic market size like in high-tech industries. This number could also partially explain the internationalization pattern and entry mode choices of the case companies in this research.

The case companies' internationalization was an intertwinement of the incremental and accelerated internationalization approach. The accelerated approach was used due to the special structures of the industries that require the companies to reach their customers from other countries. It could probably also because of the limited market size in Finland. On

the other hand, the incremental approach was also recognized by the companies. This appears to be the result of startups' scarce resources and the companies' more developed strategies in their business. This point is in line with previous findings by Perks (2009).

Second, cultural distance with language difference, the problem of trust and replationship appear to force the companies to work with local partners, i.e. using the entry mode of contractual agreement. These partners were sales agents or marketing promoters that helped the companies overcome the language barrier or the issue of trust or relationship. However, the influence of cultural distance was not recognized by the entrepreneurs, which could probably due to their long international working experience that led to the formation of their global mindset. This argument supports previous researches by Marcella, Davies and Williams (2002), Dwyer, Mesak and Hsu (2005), and Ojala and Tyrväinen (2009). However, it should be highlighted that large cultural distance did not necessarily lead to choosing export as an entry mode in the case companies. Instead, export mode was employed because of the product specifics or the characteristics of the industry, e.g. cyber security service or translation.

Third, the CEOs' global mindset was observed to make them opt for high control entry mode decisions. This influence could be either direct or indirect, in that the global mindset either directly led to the entry mode decision as it was the case of Company E, or facilitated the decision as in the case of Company D. Again, the CEOs perceived their decisions as a natural process due to the nature of the products or the industries' requirements, which is also true in these cases. This finding is in line with the conclusions of Ojala and Tyrväinen (2009). It is also interesting to note that the CEOs' global mindset did not lead to the choice of wholly owned subsidiary, but facilitated the decision. Instead, the subsidiary is formed due to the requirements of customer service or product specifics.

Fourth, the empirical findings and cross-case analysis also indicate that the matter of cultural distance is not necessarily the commonly known differences between countries, i.e. at the macro level. Instead it should be seen as the manager's cognition, or their perception of the cultures at the individual level in the light of their global mindset. In other words, manager's global mindset could have more influence on the internationalization and entry

mode decisions than do national cultures. In this finding, my research shares the view with Sousa and Bradley (2006), Brewer (2007) and Ojala (2007).

Fifth, there is one important pattern emerging that needs emphasizing. It is the fact that despite culturally distant markets, direct or equity modes were still favored by Finnish high-tech startups. This was explained by the informants of my study as because of their products' intensive knowledge nature that requires close customer interaction and support. Also, some special features of the industry with regard to market size or the way the industry runs have driven startups' internationalization and entry mode choice. This argument is also supported by Ojala (2009) and Sharma and Blomstermo (2003).

After concluding the cross-case analysis, I revise the original theoretical framework (Figure 5) according to the empirical findings and present the revised theoretical framework in Figure 6.
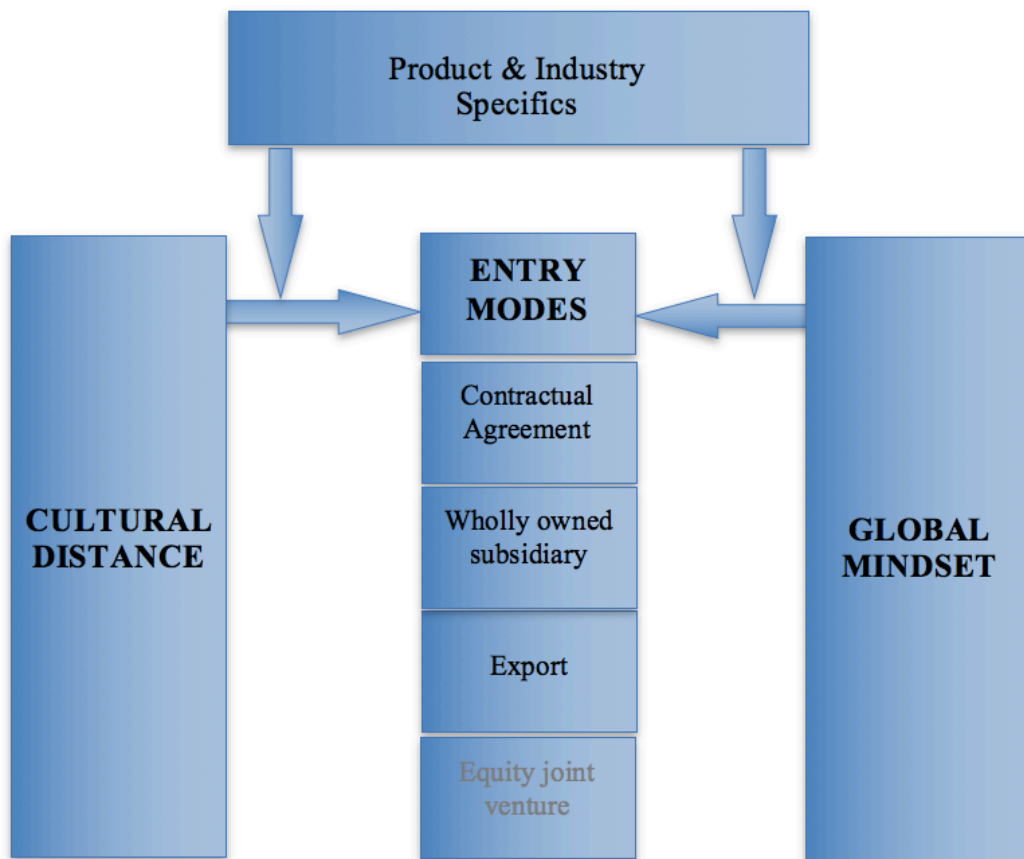

Figure 6. Findings of the study

The original theoretical framework (Figure 5) is partially supported with the empirical findings, in that cultural distance leads to the choice of contractual agreement (in all 5

cases), and the global mindset facilitates the choice of wholly owned subsidiary (in 4 out of 5 cases). Moreover, 3 particular aspects of cultures, i.e. language, relationship and trust, repeatedly emerged as the reasons for employing contractual agreement. At the same time, the global mindset was observed in all the CEOs, which was fully developed through their international work experience. The mindset either raised their confidence in their knowledge and abilities to self-run business overseas or resulted in their strategic decision for their business (like building international team or business leads). This finally resulted in the wholly owned subsidiary establishment.

However, although cultural distance and the global mindset do have certain influence on the entry mode choice in Finnish high-tech startups, export mode and equity joint venture appear to be less relevant. To be specific, joint venture was not chosen for entering foreign markets by any of the case companies in my research. Export was used by 2 out of 5 companies. However, this decision came from the companies' industry and product specifics that allow them either to meet their customers easily or to operate without the need of face-to-face meeting. My research has come up with a finding about Finnish high-tech startups' product and industry specifics that partially influence the entry mode decision. This is also supported by previous research (Ojala 2009, Sharma and Blomstermo 2003).

6. CONCLUSIONS AND LIMITATIONS

This chapter is dedicated to summarize the study findings and provide a picture of this thesis as a whole. The sudy's theoretical and managerial implications are also discussed. In addition, a critical lens is used to reflect on the study's limitations, thus suggesting research path for future researchers.

6.1. Summary of the study

The purpose of this study is twofold. First, this thesis is dedicated to identify the aspects of national cultures and the global mindset that influence Finnish high-tech startups' international entry mode choice. Second, it is to understand the dynamics behind these infuences and describe them in detail through 5 cases.

In order to accomplish these two purposes, I have started my research with a review of existing theories and concepts that are relevant to the research problem. Using the lens of the multiple cultures perspective, I have kept cultural distance and the global mindset at an individual level and studied the perception and knowledge of Finnish high-tech startups' CEOs about this. Due to a rather limited amount of researches regarding Finnish high-tech startups, I have extended my review to a wider range, for example researches on traditional and small and medium sized firms' internationalization and entry modes. According to many researches, cultural distance between countries poses more risks to foreign market entry, thus drives firms' CEOs to low resource committed and low control entry modes. On the other hand, the global mindset increases CEOs' confidence in their abilities, thus makes them commit to high control modes. From this review, I have developed a preliminary theoretical framework for my study. The purpose of this framework, however, is not to provide a rigid anticipation of the study results. Instead, it is more like a summary of the literature review, which I tried to keep flexible and subject to changes after the interviews with the CEOs.

After that, I explained in detail the methodology and method of my study, which is a multiple case study research conducted in 5 Finnish high-tech startups. The empirical data of this study were collected partially through the case companies' websites and blogs and mostly by semi-structured thematic interviews. The interviewees were the CEOs of the case companies. Totally 5 interviews were conducted, 3 face-to-face and 2 via video conferencing. The interviews were all recorded with the interviewees' permission, listened

to twice and transcribed verbatim without using any software. All the transcriptions were treated confidential, with only the interviewer's access. The collected information was interpreted through a systematic process, using 2 different analysis techniques of within-case and cross-case analysis.

The study's empirical findings illustrated many similarities with previous literature (Ojala 2007, Ojala and Tyrväinen 2009, Perks 2009). The data show that Finnish high-tech startups start internationalizing very early in their businesses and tend to employ high control entry modes overseas like wholly owned subsidiary. Moreover, they usually employ 2 to 3 entry modes, even at the same time. This study findings indicate that Finnish high-tech startups' entry mode choice is also subject to the influence of cultural distance as traditional small and medium sized companies are (Freeman and Cavusgil 2007, López-Duarte and Vidal-Suárez 2010). Particularly, cultural differences regarding language, relationship and trust issue have led Finnish high-tech startups to opt for agent contractual agreement as a solution. However, this influence is partially countered by the presence of the global mindset of the entrepreneurs, which enables them to establish wholly owned subsidiary in perceived culturally distant markets. This finding in Finnish high-tech startups' entrepreneurs shares the view with normal small firms' managers with international experiences (Nielsen and Nielsen 2011; Kyvik et al. 2013; Hsu, Chen and Cheng 2013).

However, a few differences with previous research were also discussed. Contrary to what prior literature might suggest when it comes to a culturally distant market (Kogut and Singh 1988, Brouthers 2002), Finnish high-tech startups seem not prefer joint venture but go for a higher control level mode – wholly onwed subsidiary – in their international operations. This might be explained by the knowledge intensity of the products. Usually, high-tech startups develop their business in a niche market with leading edge products, which requires a certain degree of confidentiality. Therefore, joint venture might not be appropriate. In addition, two new factors were mentioned as of great importance to Finnish high-tech startups' internationalization, i.e. product and industry specific. Industry specific requires firms to go to a certain market for the market's size and development, for example, telecommunications in Japan. Product specific requires firms to be present to deliver high-quality service, thus leads to the choice of own representative office with own employees.

However, these factors' influences on startups' entry mode choice still need further research and elaborations.

6.2. Theoretical and managerial implications

This study has contributed to the existing theories in two ways. Firstly, by using extant researches on firms' internationalization and entry modes as a guideline, my study has evaluated the literature's applicability in explaining the entry mode decision in the context of Finnish high-tech startups. Although very few pieces of research on Finnish high-tech startups was found, I have built up my own theoretical framework basing on relevant previous literature. The study results show that theories and concepts on traditional firms' internationalization and entry modes have laid profound grounds for investigating and understanding Finnish high-tech startups'. Despite some differences identified, my study proves that Finnish high-tech startups' internationalization and mode choices still follow certain patterns that were found in traditional small firms before. Secondly, this study contributes to creating a base for future research on the phenomenon of high-tech startup's entry modes in foreign markets. This study findings have shown that the nature of high-tech startups' products and industries plays very important roles in their internationalization. This study thus opens up a few topics for further studies related to Finnish high-tech startups' international operations.

The managerial implications of this study are fourfold. Firstly, this study shows that high-tech startups are still subject to the influence of cultural distance. The study findings indicate that such factors as language, local working customs and local preferences of relationships are of great importance to the success in firm's operation in foreign markets. Understanding and evaluating own firms' capabilities regarding these factors can also help managers make better-informed decisions on entry in the markets. Secondly, CEO's or management team's global mindset can be of great benefit for high-tech startups in countering the influence of cultural distance on firm's entry mode decision. Beyond that, CEO with the global mindset can have strategic decisions that will facilitate firm's international operation in the long run. Thirdly, although this study does not suggest that all startups use contractual agreements and wholly-owned subsidiaries for foreign entries, there are some implications to be realized. As regards startups' limited resources, especially financially, contractual agreement with agent can be helpful to save resources and to enter

foreign market effectively. Finally, the findings suggest that even though high-tech startups are forced to go international due to market size, product specifics, etc., it is still essential that a careful implementation plan is developed. This plan is regarding not only how to enter foreign markets but also which markets to choose, which entry mode for each market, and so on. This is to avoid scattering all the limited resources that startup companies possess.

6.3. Limitations

Despite careful design and execution, this study still has three limitations. Firstly, the generalizability of the study is rather limited. The research and analysis are only conducted on Finnish high-tech startups. It implies that within the context of similar Finnish high-tech startups the study findings are generalizable. The review of previous literature and the results indicate that some patterns in small and medium sized firms are also shared by Finnish high-tech startups. However, in other context than this, for example startups in other sectors or in other countries, the conclusions from this study should be evaluated with caution. Secondly, this study is conducted by a researcher who is not Finnish. All the reviewed researches and the interviews can only be in English. This means that the researcher may not be able to access a number of researches on the research problem that are in Finnish. The interviews in English which is not the interviewees' native language might also influence the collected data. Finally, potential biases are inevitable since the researcher designed, conducted the study and analyzed the data herself. This should be taken into consideration in using this study results.

6.4. Suggestions for future research

As introduced at the beginning of this thesis, very few researches on high-tech startups' internationalization and entry mode choice is found. Therefore, along with its contributions to this area, this study also opens up some directions for future research. Firstly, it is illustrated in this study that Finnish high-tech startups' mode choice is not only influenced by cultural distance and the global mindset. Two very important factors that are mentioned are industry specific and product specific. The limited scope of this study has not allowed lengthy data collection and elaborations on these two factors. However, this can be a propective area for future studies. Secondly, this study is a qualitative research which leans more towards theory building and exploring new patterns in Finnish high-tech startups' foreign entries. Further research can therefore be designed as quantitative research so as to verify the validity of this study findings. Finally, researchers can conduct future studies on

the same problem in different contexts, for example startups' entry mode choice in the context of other industries or in other countries. After that they can compare their results with this study in order to provide a better picture of startups' business operations.

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8. APPENDICES

Appendix 1: Interview guide

Theme 1: Background information of the interviewee

- Title, working history, current position

Theme 2: Development of the company

- Establishment time, first market

- Development process

Theme 3: Internationalization

- Current markets

- Entry modes, reasons

Theme 4: National culture differences between markets

- Differences, problems

- Entry modes' effect

Theme 5: The entrepreneur's global mindset

- International working experience

- Current employees, partners/subcontractors

Theme 6: Other issues

Appendix 2: Recording consent form and statements

<p align="center">Recording consent form</p>

Thank you for participating in my research of factors influencing Finnish high-tech start-ups' international entry modes.

I will be recording our interview session to write my research report. Please read the statement below and sign where indicated. Your participation in this interview is voluntary, and you may discontinue the interview at any time. The interview will take about 40-60 minutes.

The information that you provide during the interview will be treated confidentially. Findings of the interviews will be included in my research report and will be sent to you and submitted to Professor Lu Wei only.

If you have any questions regarding the informed consent or the research project, please do not hesitate to contact me:

Researcher's name: Hang Pham

Email: hang.pham@aalto.fi   Telephone: +358 46 5245136

In advance many thanks for your help!

With best wishes,

(Signed)

Hang Pham

<p align="center">Participant's statement</p>

I have read the above explanation and I agree to participate in the interview. I understand that my participation is voluntary, and that I may discontinue my participation at any time.

[   ]   I give permission that the findings of this interview can be included in Ms. Hang Pham's research report. This report will be submitted to Professor Lu Wei only.

[   ]   I give permission to Ms. Hang Pham to provide a summary of their findings in class. This summary will include no information that would make it possible to identify me.

[   ]   I give permission to Ms. Hang Pham to record the interview, with the understanding that the recording will not be passed on to or otherwise shared with third parties.

If you would like to receive a copy of the report, please indicate that here:

[   ]   I would like to receive a copy of the report. Please send it to me as digital/paper copy to this address (email or postal):

Participant's name: _____

Participant's signature: _____ Date: _____

Researcher's statement

I have explained the purpose of this interview to Mr./Ms. _____, and he/she has consented to participate.

Researcher's name: _____

Researcher's signature: _____ Date: _____