

MASTER
MANAGEMENT AND INDUSTRIAL STRATEGY

MASTER'S FINAL WORK
DISSERTATION

**THE IMPACT OF THE WORLD BANK EASE OF DOING BUSINESS
PROJECT ON THE INTERNATIONALISATION OF PORTUGUESE SMES**

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Acknowledgements

Completing this thesis in the same year while working in consulting, and being involved in international projects, demanded a great deal of motivation. This motivation wasn't solely generated by me, it was also fuelled by the unwavering support of many individuals who accompanied me on this journey.

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Abstract

This study investigates the Impact of the World Bank Ease of Doing Business (EDB) Project on the Internationalisation of Portuguese Small and Medium-sized Enterprises (SMEs). Employing a quantitative methodology involving the administration of a questionnaire to SMEs, the research aims to understand the role of the EDB in facilitating internationalisation efforts.

The primary findings of this study confirm all research hypotheses, revealing that SMEs with extensive internationalisation experience, those establishing international subsidiaries, and those dedicating more time to market analysis are more likely to actively utilise the EDB as an assessment tool. These results provide valuable insights for future research, suggesting the need to delve deeper into the underlying mechanisms of these relationships and explore how SMEs effectively incorporate the EDB into their global expansion strategies.

This study also demonstrates that companies that use the World Bank Ease of Doing Business project as an assessment tool are more likely to achieve a higher level of success in their internationalisation activities. These results suggest that the EDB remains a valuable resource for companies seeking to enhance their internationalisation success.

In conclusion, this research contributes to the understanding of the EDB's significance in the internationalisation of Portuguese SMEs, shedding light on the factors influencing its adoption as an assessment tool.

Keywords: Ease of Doing Business, Internationalisation, Small and Medium-sized Enterprises, Market Analysis, Regulation.

1. INTRODUCTION	1
2. LITERATURE REVIEW	3
2.1. World Bank's Ease of Doing Business Project	3
2.2. EDB Dimensions	5
2.2.1 Starting a Business	5
2.2.2. Trading Across Borders	6
2.2.3. Getting Credit	7
2.2.4 Paying Taxes	8
2.2.5 Registering Property and Dealing with Construction Permits	9
2.2.6 Remaining Dimensions	9
2.3. Internationalisation Theories and Models	10
2.3.1 Market Imperfections Theory	10
2.3.2 The Uppsala Model	11
2.3.3. The Eclectic Paradigm	12
2.3.4 The Network Theory	12
2.3.5 Institutional Theory	13
2.4. Research Hypotheses and Conceptual Model	14
3. METHODOLOGY	17
3.1 Sample	18
3.2 Development and Despatch of the Questionnaire	18
3.3 Measures	20
4. ANALYSIS AND DISCUSSION OF RESULTS	23
4.1. Descriptive Analysis	23
4.2. Multivariate Analysis	25

4.3. Discussion of Results	28
5. CONCLUSIONS	31
REFERENCES	33
APPENDICES	39
Appendix 1: Survey	39
Appendix 2: Email First Invitation Letter	49
Appendix 3: Email Reminder Letter	50
Appendix 4: Results Tables	51

List of Tables

Table I: Company Sector Activity Distribution.....	51
Table II: Year of Incorporation Distribution.....	51
Table III: Current Employee Count Distribution	52
Table IV: Annual Turnover Distribution.....	52
Table V: Sales Volume by Customer Profile	52
Table VI: Internationalisation Year	53
Table VII: First Form of International Activity	54
Table VIII: Year of Commencing Regular International Business	54
Table IX: Primary International Activity Mode	55
Table X: Turnover by Geographical Area.....	55
Table XI: International Alliances	57
Table XII: Importance of EDB Dimensions in Internationalisation Destination Selection	57
Table XIII: Significance of Important Dimensions.....	59
Table XIV: Influence on Financial Success After Internationalisation	59
Table XV: Utilization of EDB in Internationalisation	59
Table XVI: Potential Use of EDB with Project Knowledge	60
Table XVII: Importance of Literature Dimensions in Internationalisation Destination Selection	60
Table XVIII: Significance of Other Dimensions in Internationalisation.....	61
Table XIX: Company Performance in International Markets.....	61
Table XX: Gender	63
Table XXI: Educational Qualifications	64
Table XXII: Founder.....	64
Table XXIII: Normality Test	64
Table XXIV: Mann-Whitney Comparative Test	64
Table XXV: Cross-Tabulation: International Alliances vs. Use of EDB in Internationalisation	65
Table XXVI: Chi-square tests.....	65

Table XXVII: Symmetrical Measurements	65
Table XXVIII: Normality Test	66
Table XXIX: Mann-Whitney Comparative Test	66
Table XXX: Mann-Whitney Comparative Test	66
Table XXXII: Mann-Whitney Comparative Test	67
Table XXXII: Mann-Whitney Comparative Test	68

List of Figures

Figure 1: Conceptual model.....	15
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List of Abbreviations

EDB – Ease of Doing Business

EDBI – Ease of Doing Business Index

FDI – Foreign Direct Investment

SME – Small Medium Enterprise

WB – World Bank

WBDB – World Bank Doing Business

1. Introduction

The internationalisation of Small and Medium-sized Enterprises (SMEs) plays a crucial role in a nation's economic growth and competitiveness (Gherghina et al., 2020). In Portugal, SMEs represent a significant part of the business fabric and have been identified as a key engine for boosting the country's economy (Tavares et al., 2015). In this context, this dissertation aims to analyse the impact of the World Bank's Doing Business (WBDB) Project on the internationalisation of Portuguese SMEs, an issue of paramount importance in the global economic scenario.

The Ease of Doing Business, an annual World Bank project that assessed the business environment in various countries, has received considerable attention in academic and business literature. This project offered a comprehensive assessment of the procedures and regulations that affect the establishment and operation of businesses in different nations, providing valuable insights into the ease and efficiency of doing business in a given environment (World Bank, 2020). However, the specific impact of this project on Portuguese SMEs has not yet been sufficiently explored, which opens space for an in-depth investigation into this intricate relationship.

In this research, the central concepts that will be thoroughly explored include the Ease of Doing Business, SME internationalisation and the international business environment. The internationalisation of SMEs is a business strategy that involves expanding operations into international markets, whether through exporting, establishing subsidiaries or strategic alliances. The decision to internationalise is complex and involves several factors, including the perceived challenges and opportunities of the business environment in the country of origin (Dunning, 2000).

The aim is to address the following knowledge gap: What is the impact of the World Bank's Ease of Doing Business on Portuguese SMEs' choice of target markets for internationalisation? This crucial question raises the need for an in-depth, empirical analysis to understand how Ease of Doing Business assessments can influence the perspectives and strategies of Portuguese SMEs.

The research questions that will guide this study are as follows: 1) How does the World Bank's Ease of Doing Business project affect Portuguese SMEs' perceptions of the business environment from an international perspective? 2) To what extent do the Ease of Doing Business project influence the decision of Portuguese SMEs to expand their activities internationally?

The objectives of this study are multifaceted. Firstly, it seeks to understand how the Ease of Doing Business ratings influence Portuguese SMEs' perceptions of the international business environment. Furthermore, this study aims to analyse the degree to which the Ease of Doing Business project may influence the decision of Portuguese SMEs to expand internationally, choosing target markets, and identifying the factors that may be associated with this relationship. This study is relevant to academics, policy-makers, and practitioners, as it can provide valuable insights into how to evaluate and improve the business environment and facilitate the internationalisation of SMEs. In addition, the research can contribute to the development of more effective ways to support the internationalisation of SMEs in the country, promoting economic growth and global competitiveness.

The research methodology adopted is predominantly quantitative, involving the application of a questionnaire to a sample of Portuguese SMEs. The data collected will be analysed using statistical techniques, such as regression analysis, to identify significant relationships and trends in the context of the variables under study.

This document is structured as follows: the next section is devoted to reviewing the relevant literature on the Ease of Doing Business and internationalisation theories. Next, we will present the detailed research methodology, including the sample, the design of the questionnaire and the data collection procedures. Subsequently, we will discuss the results of the data analysis, providing a detailed analysis of the findings. Finally, we will conclude with a discussion of the main findings of this study, their practical implications, and suggestions for future research in the area.

2. Literature Review

This literature review aims to provide the reader with a theoretical framework on the subject. In the first part, the World Bank's Ease of Doing Business Project will be addressed, and subsequently the most relevant dimensions considered of the project to the study the author intends to conduct. In this master's final work, data triangulation is employed, incorporating information from various sources, including the World Bank's Doing Business reports for 2020 and other relevant reports. This holistic approach enhances the study's reliability and enables a more comprehensive analysis.

2.1. World Bank's Ease of Doing Business Project

The Ease of Doing Business project, which aimed to quantify and monitor the ease of doing business within countries, was initiated by the World Bank in 2003 (World Bank, 2020). The project gathered quantitative data to compare the regulations faced by small and medium-sized enterprises across economies and over time, making it an invaluable tool for identifying areas where improvements could be made (Besley, 2015). Up until its completion in 2020, the project was ongoing for more than ten years (World Bank, 2020). The World Bank's Ease of Doing Business Index (EDBI), which was developed through the project, is still well-known for its value in identifying areas where the business climate could be improved (Rogge & Archer, 2021).

Policy-makers, investors, business owners, and multinationals looking to invest overseas utilise the EDBI as an asset and tool to assist themselves (Nave & Rodrigues, 2023). The EDBI aggregates a range of multidimensional cost-related factors associated with the functioning of the labour market, the tax system, and credit policy, among others, to offer a thorough assessment of the corporate environment of a jurisdiction (Pinheiro-Alves & Zambujal-Oliveira, 2012). The EDBI, therefore, plays an important role in assisting managers in identifying different areas for cost-minimization and informing investment location decisions.

The EDBI comprises a set of indicators that measure business regulations across ten dimensions, including Starting a Business, Dealing with Construction Permits,

Getting Electricity, Registering Property, Getting Credit, Protecting Minority Investors, Paying Taxes, Trading Across Borders, Enforcing Contracts, and Resolving Insolvency (World Bank, 2020). The reports also provide relevant information for the governments to gauge the 'health' of their regulatory regime, providing a starting point for reform and policymaking (World Bank, 2020). Recently, Kelley, Simmons, and Doshi (2019) analysed the EDBI as a form of social pressure, investigating how nations react to their rankings and the influence of these rankings on policymaking. They discovered that governments frequently perceive better rankings as advantageous for attracting foreign investment and boosting their international reputation, which might prompt reforms targeted at raising their EDB scores. The study does, however, point out that these rankings are susceptible to manipulation and can distort policy priorities, having harmful effects like weakening labour laws and protection, and environmental rules. Overall, their research demonstrates the importance of the EDB rankings' influence on policies as well as the necessity for careful assessment of just about any unintended consequences.

Political leaders have acknowledged the value of the Doing Business rankings as a barometer for economic progress (Besley, 2015). For instance, when Narendra Modi was elected as India's Prime Minister in 2014, he set a target of placing fiftieth in the ranking, which would mean moving up over 100 places from India's previous situation (Buerkle, 2015). Practically similar goals were set by Russian President Vladimir Putin in 2012, two years before, to get Russia up to the twentieth position by 2018 (Adelaja, 2012). These two cases demonstrate well how the Doing Business report has become a crucial resource for policy-makers throughout the world as countries establish objectives for their economies.

The EDB project's methodology was examined by Chua, Cho, and Liew (2018), who discovered that it might not truly reflect the realities of doing business in some nations. The project's methodology, according to the authors, is based on several assumptions that could not be valid in specific situations, such as those in nations with poor institutional frameworks.

De Haan, Sterken, and Sturm (2015), in turn, examined how the EDB initiative affected economic growth and discovered that it had a favourable influence on Foreign Direct Investment (FDI) and the expansion of small and medium-sized businesses. The initiative, according to the authors, may be utilised as a vehicle for policy reform and to draw in outside investment. Nevertheless, other academics have criticised the initiative for advocating a limited vision of development that only emphasises business-related issues rather than more significant concerns like social and environmental sustainability (see, for example, Aturupane, Djankov, & Hoekman, 2015).

Overall, the EDB initiative has generated significant discussions regarding the nature of economic growth and development, and the role of government in encouraging an environment that is favourable to business. Although it has both advantages and disadvantages, it is nonetheless a widely used instrument for evaluating the business climate in various nations.

2.2. EDB Dimensions

In this chapter four of the EDB dimensions, those most related to companies' choice of target markets, the most relevant for the present study, will be further elaborated, these being: Starting a Business, Trading Across Borders, Getting Credit and Paying Taxes.

2.2.1 Starting a Business

One of the ten indicators used by the World Bank's EDB project to assess the regulatory environment for companies is the "Starting a Business" component. This dimension evaluates the processes, time, cost, and necessary minimum capital to start and formally operate a firm in a particular economy. It specifically examines the time and minimum capital involved in completing multiple procedures required to lawfully operate a business, such as registering the firm, getting relevant permissions, and completing any required post-registration procedures (World Bank, 2020).

There is evidence that nations that score better on the EDB's Starting a Business dimension also tend to score higher overall on the index. Dheer and Lenartowicz (2018) discovered a favourable association between the Starting a Business factor and the total EDB score in their investigation. Over a 10-year period, the research studied data from 190 nations and discovered that the Starting a Business component was one of the most important determinants in determining a country's total EDB score. According to the authors, this is because a favourable regulatory environment for beginning a firm is symptomatic of a more business-friendly general climate, which is appealing to both local and foreign investors.

Furthermore, laws for starting businesses have been demonstrated to have a favourable link with economic growth. Ayyagari et al. (2007) and Djankov et al. (2002) found that economies with fewer corporate rules have greater economic growth rates. This emphasises the significance of the EDB's beginning a company factor since it could positively affect a country's total economic growth. While governments play an important role in improving the Starting a Business dimension of the EDB, businesses also play a significant role in contributing to the ease of doing business by complying with regulations and providing feedback to governments to help identify areas for improvement, potentially contributing to the country's economic growth by cultivating a more favourable business environment for entrepreneurs and businesses.

2.2.2. Trading Across Borders

One of the crucial indicators of the EDB project is the "Trading Across Borders" dimension, which evaluates the time and cost of exporting and importing goods across international borders. This dimension deals with issues such as document compliance, border compliance, and domestic transportation, among others. By increasing exports and imports, a more efficient and less expensive international commerce process can improve a country's economic growth. Countries that do better on the Trading Across Borders dimension tended to have better overall EDB ratings, according to the World Bank's 2020 report (World Bank, 2020).

Okazaki (2018) underlined the relevance of customs-related concerns in the Trading Across Borders component in his study. The study investigated how customs difficulties affect the ease of doing business, namely the import and export of goods. It identified three key customs-related indicators that are critical for improving the Trading across Borders dimension: (1) customs transparency and predictability, (2) automation and use of technology in customs procedures, and (3) customs cooperation and coordination among different agencies. Still, according to Okazaki (2018), nations with effective and transparent customs processes have a stronger business climate, which is appealing to investors and besides increasing FDI, can also contribute to total economic growth.

In addition, studies have shown a clear link between easier cross-border trade rules and economic development. Aitken and Harrison (1999), for example, demonstrated that a 10% reduction in transaction costs might result in a 25% increase in trade flows, which could boost the economy. This emphasises the significance of the EDB's Trading Across Borders EDB's dimension, which can help a country's economic progress.

2.2.3. Getting Credit

The Getting Credit dimension analyses the legal framework for secured transactions, credit information systems, and the magnitude of accessible credit information. It assesses the strength of legal rights under collateral and bankruptcy laws, credit reporting systems, and credit information registries' coverage, extent, and accessibility. The indicator tries to examine how simple it is for firms to obtain credit and funding, which is crucial to a company's development and sustainability. In short, the Getting Credit dimension investigates the level that the legal and institutional structures encourage lending and borrowing (World Bank, 2020).

According to previous research, obtaining credit is a critical component for the success of any firm. Credit availability, according to La Porta et al. (1998), is crucial for organisations trying to finance their operations and develop their businesses. Similarly, Beck and Demirgüç-Kunt (2007) argue that enterprises must have access to credit

markets in order to invest and develop. These authors discovered a high association between financial sector development, loan availability, and economic growth in their research.

Access to finance, in the words of Kathleen and Stulz (2013), is vital for enterprises' investment decisions and overall success. According to these authors, many enterprises encountered considerable difficulty in securing financing during the financial crisis, resulting in a fall in investment and, eventually, a slowing of economic development. They also discovered that enterprises with more access to financing were better equipped to weather the crisis and make more investments in the aftermath. This emphasises the significance of loan availability for enterprises' capacity to innovate, grow, and remain competitive in the market.

These results illustrate the significance of the WBDB project in the "Getting Credit" section, a positive credit climate, as assessed, to attract foreign investment, and boosts an economy's development and competitiveness. As a result, governments and business leaders should emphasise enhancing company access to finance since it is critical to their performance and adds to the overall growth of the economy.

2.2.4 Paying Taxes

The EDB project's Paying Taxes component analyses the ease of complying with tax legislation as well as a country's overall tax burden. It assesses the amount of taxes that must be paid by a firm, the time required to prepare and file tax returns, and the total tax rate as a proportion of commercial earnings (World Bank, 2020). The component considers both the administrative and financial elements of taxation, as well as the compliance burden placed on firms.

According to Pomeranz (2015), the tax climate may have a major influence on business growth, development, and success. Pomeranz (2015) discovered that in nations with a high tax burden, corporations are less likely to develop, less likely to invest in their enterprises, and more likely to participate in informal or criminal activities to avoid paying taxes. Similarly, Alm and Torgler (2006) found that excessive tax complexity and

burden might reduce tax morale, resulting in reduced tax compliance rates and income for the government. Consequently, a simpler and effective tax system may benefit both enterprises and the government by increasing tax income.

Pomeranz (2015) and Alm and Toggler (2006) identified that nations with simpler and more efficient tax systems have higher levels of entrepreneurship and better rates of economic growth. As a result, streamlining and simplifying tax compliance processes can create a more favourable business climate, attract FDI, and contribute to a country's economic growth.

2.2.5 Registering Property and Dealing with Construction Permits

In addition, two other EDB dimensions: Registering Property and Dealing with Construction Permits, have been identified by the World Bank as important for businesses that would like to use the EDB as a tool to assist in the stage of internationalisation. The construction industry and property sector are significant drivers of economic growth in many countries, and therefore, the processes involved in registering property and dealing with permits can have a major impact on a country's business environment. Inefficient procedures or long delays in registering property and obtaining necessary permits can increase costs for businesses and hinder investment. For example, a streamlined and efficient construction permitting process can attract more investment in real estate development (World Bank, 2020).

2.2.6 Remaining Dimensions

While the EDB contains the ten dimensions mentioned above, below is the World Bank's (World Bank, 2020, p.19) official description of the remaining four that are not exhaustively covered.

- “Getting Electricity – Measures the procedures, time, and cost to get connected to the electrical grid; the reliability of the electricity supply; and the transparency of tariffs.

- Enforcing Contracts – Measures the time and cost to resolve a commercial dispute and the quality of judicial processes for men and women,
- Resolving Insolvency – Measures the time, cost, outcome, and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency.
- Protecting Minority Investors – Measures the minority shareholders’ rights in related-party transactions and in corporate governance. “

2.3. Internationalisation Theories and Models

Following a thorough evaluation of the EDB dimensions and considering the focus of this study on EDB’s impact on internationalisation, it is critical to conduct a literature review of the main theories and models of internationalisation. This theoretical overview provides a critical framework for assessing and interpreting the results of this investigation. The starting point is the definition of internationalisation as “the process by which firms expand their operations beyond national borders to leverage new opportunities and enhance their competitive advantage in the global marketplace” (Johanson & Vahlne, 2009, p. 23).

2.3.1 Market Imperfections Theory

Scholars have been interested in internationalisation since the 1960s. The market imperfection hypothesis, introduced by Hymer (1960) and Kindleberger (1969), was one of the first ideas of internationalisation. According to this idea, corporations may opt to internationalise in order to capitalize on market imperfections such as disparities in labour prices or taxation regulations, which may give a competitive advantage in specific foreign markets.

Building upon this foundation, Dunning (1977) developed the economic competitive disadvantages hypothesis. This theory shows how companies may be encouraged to internationalise with the goal of overcoming competitive disadvantages in their domestic market. Companies can decide to internationalise in order to get access to resources or markets that they would not be able to access in their native

country owing to a variety of obstacles such as high labour costs or small market size. These early ideas emphasise the relevance of external variables such as market circumstances in influencing corporate internationalisation choices.

2.3.2 The Uppsala Model

The Uppsala model of internationalisation, suggested by Wiedersheim-Paul (1975) and Johanson and Vahlne (1977), proposes that enterprises gradually enhance their internationalisation operations as they gain knowledge and experience in foreign markets. The model posits that enterprises would first focus on exporting to culturally and geographically comparable nations before expanding to more distant and dissimilar markets. This method is founded on the notion that corporations desire to reduce the risks involved with internationalisation, thus they establish their foreign operations in small increments. The Uppsala model emphasises the relevance of practical learning and market knowledge in advancing the process of internationalisation. It also highlights the impact of mental distance in driving corporations' internationalisation efforts, which relates to cultural, linguistic, and institutional differences across nations. The Uppsala model questioned prior models of internationalisation that highlighted the role of firm-specific advantages or market flaws in influencing businesses' internationalisation decisions by emphasising the progressive and experienced nature of the internationalisation process. The premise implies a four-stage internationalisation process, beginning with irregular export activity, then export via independent agents, then sales subsidiaries, and ultimately manufacturing in the foreign market.

Buckley et al. (2016) have recently added to the standard Uppsala model by emphasising the role of dynamic capacities in the internationalisation process. To thrive in international markets, organisations must be able to adapt and respond to changing market circumstances and opportunities. Still, according to Buckley et al. (2016), this is consistent with the Uppsala model's emphasis on experiential learning since businesses must constantly accumulate and use knowledge in order to manage the complex nature of international marketplaces.

2.3.3. The Eclectic Paradigm

Dunning's eclectic paradigm, also known as the OLI paradigm, is a prevalent hypothesis in international business that explains why companies choose to engage in FDI. According to this paradigm, enterprises must have ownership advantages, location advantages, and internalisation advantages to succeed in international markets (Dunning, 1981). The term "ownership advantages" refers to a company's distinct assets or skills, such as technological competence or strong brand awareness and product differentiation. The benefits of operating in a certain nation, like access to resources or a favourable regulatory environment, are referred to as location advantages. Internalization benefits relate to the advantages of managing the manufacturing process within the business rather than through contracts with other parties.

Dunning's later writings emphasised the relevance of networks and alliances in promoting international economic activity (Dunning, 1989; 2000). While the eclectic paradigm has been criticised and debated, it is still a useful tool for understanding the motivations and tactics of multinational corporations. Building on Dunning's foundation, Bhaumik (2010), focuses on the relevance of location advantages to the OLI paradigm and provides emphasis on how the benefits of operating in certain countries play a critical role in influencing FDI decisions. Access to critical resources, a favourable regulatory environment, and accessibility to key markets are all examples of location benefits.

2.3.4 The Network Theory

According to the network theory of internationalisation, enterprises expand internationally by forming social interactions with other players in their environment, such as suppliers, consumers, and rivals (Johanson & Mattsson, 1988; Johanson & Vahlne, 2009). This approach highlights the significance of network connections in assisting enterprises in overcoming internationalisation hurdles such as a lack of knowledge about foreign markets and restricted access to resources (Andersson & Forsgren, 1996; Johanson & Vahlne, 1977). Firms having strong contacts with other

actors in their network, according to this hypothesis, are better positioned to detect and exploit international commercial possibilities. This can result in the formation of international commercial connections based on trust and mutual benefit rather than the pursuit of short-term financial gain (Håkansson & Snehota, 1995).

Håkansson and Kappen (2017) provided an important recent addition to the network theory of internationalisation. They investigate the importance of networks and connections in driving organisations' worldwide expansion and emphasise the importance, during the internationalisation process, of social relationships and collaboration linkages in improving market knowledge acquisition, resource access, and risk reduction. Their findings highlight the network theory's continuous significance in explaining how corporations traverse overseas markets through partnerships and alliances, allowing them to capture international economic opportunities while cultivating long-term collaboration.

2.3.5 Institutional Theory

Firms are impacted by the norms, values, and rules of the institutional context in which they operate, according to institutional theory. This point of view stresses that enterprises' decisions and actions are impacted not just by economic concerns but also by the institutional structure in which they operate. According to DiMaggio and Powell (1983), institutionalisation is the process by which organisations adapt to the demands of their institutional context.

According to Scott (2001), institutions are not just limiting forces, but they may also give possibilities for enterprises to achieve legitimacy and access resources. Firms may thus adjust their methods to fit to institutional norms and regulations, or they may try to alter them through institutional entrepreneurship. The institutional theory argues that enterprises may modify their internationalisation strategies to conform to the institutional framework of foreign markets or strive to alter it through institutional entrepreneurship in the context of internationalisation (Korsakiane, 2015). The

institutional theory perspective relates internationalisation to the regulatory context of different countries and is therefore close to the dimensions studied by the EDB.

When selecting countries to target for international expansion, many factors come into play, as examined in the broader context of internationalisation studies. Cultural and geographical proximity (Johanson & Vahlne, 1977) are significant concerns, as is the capacity to take advantage of the country's regulatory system (Dunning, 2000). Despite the relevance of the institutional theory, the benefits of location (Bhaumik, 2010) and the strategic value of business networks (Hkansson and Kappen, 2017) must be considered. Understanding and implementing findings from the research of these renowned authors may greatly aid informed decision-making during international growth efforts.

With these perspectives analysed, it becomes important to analyse if the dimensions studied by the EDB are effectively relevant for companies in the internationalisation decision-making process.

2.4. Research Hypotheses and Conceptual Model

The research question is the guiding thread of the entire study, and it is also its reason for being, thus motivating the effort and time of those carrying out the studies. Although there are many reasons for carrying out a particular study, it is the research question that acts as the driving force behind the research, leading to the study being recognised by the scientific community as a good and credible study (Nicola, 2008). As we proceed, one of the two research questions will emerge as the primary focus: To what extent do Portuguese SMEs use the World Bank Ease of Doing Business project and its dimensions in their internationalisation process?

The formulation of hypotheses is an essential process in the development of a research project since all the results obtained will depend directly on how they are drawn up. Hypotheses are assumptions that are seen as possible and provisional answers to the research problem. Hypotheses are provisional because they can be confirmed or refuted as the research develops. The same problem can have many

hypotheses, which are possible solutions for solving it (Quivy & Campenhoudt, 2018). The research model and hypotheses developed are depicted in Figure 1. The section proceeds with the arguments supporting each of the research hypotheses.

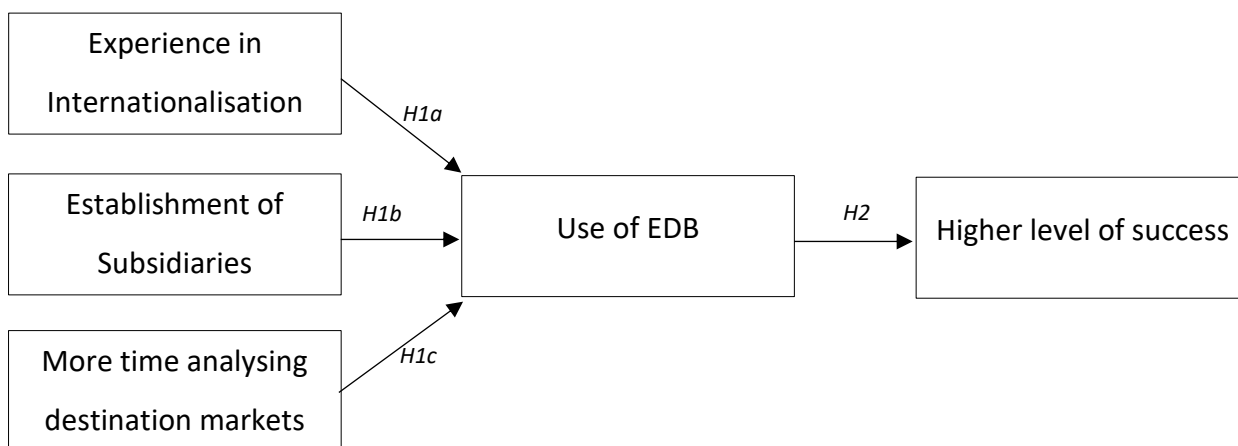


Figure 1: Conceptual model

H1a. Companies with more experience in internationalisation are more likely to use information from the World Bank Ease of Doing Business project to evaluate potential international markets.

Companies with extensive internationalisation experience are more inclined to rely on data from the World Bank's Ease of Doing Business project to assess potential global markets since their previous exposure to diverse international environments equips them with a deeper understanding of the project's relevance and usefulness (Ghemawat & Reiche, 2011; Root, 1998). Their familiarity with international complexities allows for a more nuanced interpretation of the project's results, thus enabling better-informed market assessments. On the other hand, companies with little experience of internationalisation may not fully understand the significance of this source of information due to their limited exposure to global business dynamics.

H1b. Companies that establish international subsidiaries are more likely to use the World Bank Ease of Doing Business project as an evaluation tool.

Companies with international subsidiaries are more likely to utilise the World Bank Ease of Doing Business project for assessment purposes than those lacking subsidiaries. Subsidiaries demand a more in-depth understanding of host countries, making the project's data valuable (Rugman & Verbeke, 1998; Tihanyi et al., 2005).

H1c. Companies that dedicate a longer period of study to analysing the markets in which they wish to internationalise are more likely to use the World Bank Ease of Doing Business project as part of this process.

The hypothesis posits that an extended period of market analysis increases the likelihood of using the World Bank's Ease of Doing Business project for internationalisation. This is supported by research indicating that thorough market assessments enhance decision-making (Ruggieri et al., 2014). Moreover, the Ease of Doing Business project offers valuable insights into regulatory environments (World Bank, 2020). Thus, a longer study duration can enhance its relevance in internationalisation strategies.

H2. Companies that actively use the World Bank Ease of Doing Business project as an assessment tool are more likely to achieve a higher level of success in their internationalisation activities.

Companies that actively utilise the World Bank's Ease of Doing Business project as an assessment tool are more likely to attain greater internationalisation success. This tool provides valuable insights into the business climate of various countries, aiding firms in making informed expansion decisions and mitigating risks (World Bank, 2023). Consequently, it enhances their ability to navigate complex global markets effectively.

3. Methodology

Fortin (2009) defines methodology as the "set of methods and techniques that guide the development of the scientific research process", going on to say that "it is a plan created by the researcher with a view to obtaining valid answers to the research questions posed or the hypotheses formulated". As mentioned, the aim of this study is to understand to what extent companies use the EDB and/or value the type of information that this project provides when internationalising and selecting destination markets. In this chapter, the main objective is to present how the information collection process was carried out in detail.

The aim of this research is explanatory, seeking to establish correlations between the dimensions explored in the EDB project and the internationalisation process of Portuguese SMEs. The study adopts a deductive approach and a quantitative research perspective, focusing on understanding the perceptions and decision-making behaviours of companies (Creswell et al., 2014).

Quantitative methodology admits that everything can be quantified, i.e., that the opinions and information obtained through data collection can be translated into numerical data so that they can then be categorised and analysed. Thus, a quantitative study aims to present and manipulate observations numerically in order to describe and explain the phenomenon on which the observations are based (Vielas, 2009).

According to Almeida and Freire (2000), the primary objectives of quantitative methodology are to explain, predict and verify the phenomena to be studied, looking for laws, regularities, and standardisations through the application of research procedures characterised by being objective, rational, and quantifying measures.

Fortin (2009) believes that the aim of this methodological paradigm is to develop knowledge by describing and interpreting data objectively. In other words, rather than evaluating the phenomenon itself, the researcher aims to make sense of the phenomenon under study in its entirety. This chapter is divided into three parts, the selection and obtaining of the sample, the development and sending of the

questionnaire to the respondents, ending with an explanation of the questionnaire and its composition.

3.1 Sample

This study's sample consists of Portuguese SMEs from the industrial sector that have recently experienced internationalisation as the EDB project began in 2003. The emphasis on SMEs is justifiable due to their considerable presence in the business environment, making them an important component of the economy. Furthermore, the World Bank's EDB initiative, which serves as the foundation for this study, targets SMEs as well (World Bank, 2020), assuring congruence between the research topic and the data source. By focusing on SMEs, the study gains a more diverse and representative sample, providing for deeper insights into the internationalisation process and its implications for these companies.

The Orbis All Companies database was used to acquire the sample of companies for this investigation. Orbis is a comprehensive and well-known database that enables global access to a wide range of corporate information. We were able to locate and pick suitable SMEs from Portugal's industrial sector that had experienced internationalisation in recent years by using Orbis. The database's vast coverage and dependable data enabled the rapid and correct identification of the target organisations, assuring the sample's robustness for this research.

3.2 Development and Despatch of the Questionnaire

To collect data, a questionnaire was developed, which is frequently used in research (Hulland et al., 2018). This questionnaire was made available online, using the Qualtrics platform and sent by e-mail, via a link, to all companies in the above-mentioned database. The questionnaire is a tool widely used by researchers to transform data provided by the subjects participating in the sample into information. The questionnaire allows access to the different internal dimensions of the individual

being surveyed, in order to gauge the knowledge and information about a particular subject (Fortin, 2009).

According to Gil (2008), the questionnaire has the following advantages: it makes it possible to reach a large number of individuals, even if they are dispersed over a very large geographical area since the questionnaire can be applied online; it involves lower costs in terms of human resources since this instrument does not require specific training for the researcher; it guarantees the anonymity of the responses; it allows individuals to respond at the time they deem most appropriate and, finally, it does not expose researchers to the influence of the opinions and subjectivity of the participants.

The questionnaire used in this study was designed using well-established scales and measuring techniques from the available literature. We picked appropriate and validated measurements for the variables in our conceptual model after conducting a thorough analysis of past research on internationalisation, regulation, and strategy. The method used was influenced by Churchill (1979), who used a systematic examination of dimensions, indicators, and variables to build the questionnaire. We secured the acquisition of high-quality data that will address our research problem and help the achievement of our research objectives by aligning our study with known techniques.

To obtain the correct data requested and the most accurate answers, it was asked that the person who answered was someone related to the international business management team. The questionnaire (Appendix 1) was divided into 6 sections:

- 1) Company characterisation
- 2) Internationalisation of the company
- 3) Ease of Doing Business
- 4) Dimensions of internationalisation
- 5) Company international performance
- 6) Respondent characterisation

The questionnaire was live from 11 June 2023 until 31 July 2023, and the invitation to participate in the questionnaire was sent via email on the first day the questionnaire was launched (Appendix 2), where the purpose of the study was explained to the respondents, the estimated response time, and the confidentiality of the data was ensured. To increase the responses, a second email, as a reminder, was sent on the 28th of June (Appendix 3).

The questionnaires and the emails attached are in the English language. However, with the goal of increasing the number of responses and avoiding interpretation issues, since it was sent to companies in Portugal, it was translated and sent in Portuguese.

Invitations to participate in the questionnaire were sent to 4,242 firms, of which 56 were removed from the database due to lack of interest or possibility to participate in the questionnaire, e.g., companies that are not international.

A total of 398 responses were registered, however, after an in-depth analysis of each of the responses, 144 responses were eliminated from the questionnaire because they were incomplete, or through control measures, such as: the turnover or the number of employees of the company does not fit the definition of SME, the year of internationalisation of the company was before the year of foundation of the company, the turnover at international level being below 10%, among others. In this sense, the total number of valid responses was 254, which represents a response rate of 6.07% ($398-144/4242-56$).

3.3 Measures

In Section 2, which is about the company's internationalisation, the questions on the mode of internationalisation were inspired by Chetty et al. (2014). These authors also investigate how long organisations spend researching foreign markets before internationalising and how long it takes them to finish the internationalisation process which is very important for this study as it can relate to how in-depth the analysis of the companies is, which is in line with what they study before they internationalise. We

carefully developed questions influenced by the study of Zhang et al. (2016) to acquire insights into the firm's foreign operations. These questions investigate the number of nations with which the firm engages on a regular basis, offering significant information about the company's worldwide reach. In addition, we aimed to comprehend the strategic importance of foreign alliances for the organisation, building on the research of Contractor et al. (2010). Moreover, based on Lu and Beamish (2001), the questionnaire wonders about the company's worldwide sales involvement in total turnover. This enables us to assess the impact of overseas operations on overall business success.

Comprehensive descriptions were extracted from the WBDB in the part focused on the EDB and its dimensions. Furthermore, to supplement the research, the questionnaire included questions related to decision-making on internationalisation derived from Pinheiro-Alves & Zambujal-Oliveira (2012) and Govindan (2019).

Until section 3 the questionnaire had mostly closed-ended questions or single-number indicators, such as the company's founding year or the percentage of sales by location and client type. Following that, the questionnaire moved to include Likert scale questions assessing the importance attributed to each internationalisation feature, embracing both the EDB framework and traditional literature.

In Section 4, the dimensions for the internationalisation study were carefully chosen. Five significant ideas of internationalisation were chosen based on a comprehensive literature assessment undertaken for this study. These five theories were carefully studied to ensure that the dimensions chosen were closely connected with the scope of this study. The study aims to give a thorough and appropriate analysis of the internationalisation process for the investigated SMEs by combining the features generated from these selected theories. Notably, the dimensions were selected to include a wide variety of traits; as this approach allowed for a thorough analysis of these SMEs' internationalisation journey, considering many factors that contribute to their development into foreign markets.

A Likert type scale of 10 items was used in Section 5 to analyse the company's international performance and connect it with the valued characteristics and selected way of internationalisation of the firms. This scale, adapted from Ahammad et al. (2021), includes financial as well as operational indicators. The research attempted to acquire a full insight into the company's worldwide performance and alignment with the selected dimensions and strategies.

4. Analysis and Discussion of Results

4.1. Descriptive Analysis

In this study, an analysis was conducted on a sample of 254 companies representing various sectors of activity. The diversity within this sample was notable, with no particular sector dominating the composition (Table I, Appendix 4). These companies exhibited a wide range of incorporation dates, with 45.3% originating in the first decade of the present century and 37.4% in the second decade (Table II, Appendix 4).

In terms of workforce size, nearly half of the companies employed between 51 and 249 individuals (49.6%, N=126), followed closely by those with 11 to 50 employees (46.1%, N=117), while a smaller proportion had 1 to 10 employees (4.3%, N=11) (Table III, Appendix 4). Although the data indicates that a large fraction of the surveyed enterprises had employee sizes ranging from 11 to 249 people, it is important to highlight that this distribution may not fully represent the actual population. The significantly smaller number of organisations with 1 to 10 employees (4.3%, N=11) could be attributed to their administrative capacity to engage in research studies like this one. Regarding turnover, a significant number of companies fell within the € 10,000,000 to € 49,999,999 range (49.2%, N= 125), with others reporting turnovers of up to € 1,999,999 (30.3%, N = 77) or between € 2,000,000 and € 9,999,999 (20.5%, N = 52) (Table IV, Appendix 4).

The study explored the customer profile for these companies' sales activities. Findings indicated that for 24% of the companies, the final consumer constituted 100% of sales, with varying percentages between 0% and 100% and an average of 69.97% (Table V, Appendix 4). Conversely, 27.2% of the companies reported 0% sales to governments, with an average of 4.06% (standard deviation = 10.06%) for those where governments did make up a portion of sales. Similarly, other customers represented 0% of sales for 97.2% of companies, with a mean of 0.47% (standard deviation = 3.41%) for those companies where other customers played a role (Table V, Appendix 4).

The study also examined the internationalisation patterns of these companies. The majority initiated their first internationalisation efforts in the second decade of this century (69.7%, N=177), followed by the first decade (18.9%; N=48) and the third decade (6.7%, N=17) (Table VI, Appendix 4). The primary mode of international activity was through wholly owned subsidiaries (46.9%, N=119), followed by exports (21.3%, N=54) (Table VII, Appendix 4). Regular international business activities primarily commenced in the second decade of this century (81.1%, N=206), with lesser proportions in the first and third decades (Table VII, Appendix 4). Subsidiaries wholly owned by the company were the most common method of international engagement (46.9%, N=119) (Table IX, Appendix 4).

The study delved into turnover by geographical area. In the domestic market, the average turnover was 57.20% (standard deviation = 19.94%), with the majority indicating percentages of 70% (20.1%, N=51) or 80% (18.5%, N=47) (Table X, Appendix 4). European markets accounted for an average turnover of 32.15% (standard deviation = 19.22%), with 20% (24.4%, N=62) being the most frequently reported figure (Table X, Appendix 4). The South American market represented an average turnover of 5.39% (standard deviation = 11.17%), with a majority reporting 0% (71.7%, N=182) (Table X, Appendix 4). Similar patterns were observed in North America, Africa, Asia, and Oceania (Table X, Appendix 4).

Companies in the study typically exported to multiple countries, with an average of 3.24 countries (standard deviation = 2.99). Most companies also had international partners (55.9%, N=142) (Table XI, Appendix 4).

The study further inquired about aspects related to internationalisation, including the number of employees allocated to international activities, the number of subsidiaries abroad, and the duration of market analysis before internationalisation. On average, companies had 8.31 employees (standard deviation = 6.71) involved in international activities, and the majority had 2 subsidiaries abroad (Table XI, Appendix 4).

In assessing the importance of various factors in the internationalisation process, the study found that certain elements were highly emphasised. For instance, "Starting a Business" in the destination country was deemed very important by 50.0% of respondents, followed by "Trading Across Borders" (43.3%) and "Getting Credit" (53.5%) (Table XII, Appendix 4). "Trading Across Borders" was also identified as the most crucial dimension by a substantial proportion of companies (35.4%) in terms of financial success after internationalisation (Table XIII, Appendix 4).

Regarding the Ease of Doing Business, most companies did not use it in their internationalisation process (72.0%, N=183). However, after being informed about the EDB, a considerable portion of companies indicated a likelihood of using it (41% probably yes, 34.5% certainly yes) (Table XV, Appendix 4).

The study also explored factors influencing the selection of destination markets, with cultural proximity (43.3%) and geographical proximity (55.1%) being the most frequently cited as important considerations. The regulatory environment and natural resources were also rated as moderately important by a significant proportion of respondents (Table XVII, Appendix 4).

Lastly, respondents' demographics indicated that the majority were male (52.0%), held bachelor's degrees (27.6%), and were not company founders (67.3%) (Table XX, XXI, and XXII, Appendix 4).

4.2. Multivariate Analysis

Following the present study, we intend to test the hypotheses under study. To test whether companies with greater experience in internationalisation are more likely to value more the information of the World Bank Ease of Doing Business project to evaluate potential international markets we made use of two types of statistical analysis with a significance level of 5%, a comparative analysis for scalar data and an associative analysis for nominal categorical data.

Having as a grouping variable the use of EDB in the internationalisation process, we intend to verify the existence of significant differences in the year in which the

company went international for the first time, in which year the company began to have regular international business, number of countries to which the company exports regularly, how many employees were allocated to international activities and how many subsidiaries the company has abroad.

To perform the comparison, we initially checked if the variables presented data with normal distribution. By applying the Kolmogorov-Smirnov normality test, with a significance level of 5%, the existence of normality was not verified, so we cannot use a parametric T-Student test for the present comparison (Table XXIII, Appendix 4).

Thus, using the nonparametric Mann-Whitney test, with the same significance level of 5%, it was verified the existence of significant differences in the number of employees allocated to international activities ($U=4294,500$; $p=0.000$), where the companies that used the EDB had more employees allocated to international activities (Table XXIV). There were also significant differences in the number of subsidiaries they had abroad ($U=4685,000$; $p=0.003$), where the companies that used the EDB had more subsidiaries (Table XXIV, Appendix 4).

Another fact that we intend to analyse, based on the use, or not, of the EDB was the existence of international alliances. For this analysis, we used an associative Chi-Square test with a significance level of 5%. It was found that the two questions were associated ($\chi^2=8.659$; d.f. =1; $p=0.003$), and the association was weak, because the contingency coefficient is weak (Tables XXVI and XXVII, Appendix 4). In table XXV, Appendix 4 we can see that companies with international alliances used the EDB more than companies that did not resort to the use of the EDB.

Considering as grouping variable the use of EDB in the internationalisation process, we intend to verify the existence of significant differences in the time, in months, that the company dedicated to the study and analysis of a new market before considering internationalisation for this market and the time that the company, after completing the study, took in months to enter this new market.

To perform the comparison, we initially checked if the variables presented data with normal distribution. By applying the Kolmogorov-Smirnov normality test, with a

significance level of 5%, the existence of normality was not verified, so we cannot use a parametric T-Student test for the present comparison (Table XXVIII, Appendix 4).

Using the non-parametric Mann-Whitney test, with the same significance level of 5%, it was verified the existence of significant differences in the time, in months, that the company dedicated to the study and analysis of a new market before considering internationalisation for this market ($U=4546,500$; $p=0.000$), where the companies that used the EDB took longer (Table XXIX). It was also verified the existence of significant differences in the time that the company, after completing the study, took in months to enter this new market ($U=4546,500$; $p=0.000$), where the companies that resorted to the EDB also took longer in this process (Table XXIX, Appendix 4).

Having with grouping variable the use of EDB in the internationalisation process, we intend to verify the existence of significant differences in the importance of the different dimensions of the EDB by companies in the process of choosing destination countries. As it was a Likert scale, the non-parametric Mann-Whitney test was used, with the same significance level of 5%, verifying the existence of significant differences in the dimensions "Starting a Business" ($U=3643,500$; $p=0.000$), "Trading across Borders" ($U=2731,500$; $p=0.000$) and "Enforcing Contracts" ($U=5401,500$; $p=0.023$) (Table XXX, Appendix 4). Consulting the same table, we can see that those who used the EDB gave more importance to the dimensions "Starting a Business", and "Trading across Borders", attributing less importance to the "Enforcing Contracts" dimension than the companies that did not resort to the EDB in the internationalisation process.

Shifting our focus to a comparison between EDB and the classic literature of internationalisation, we aim to identify significant differences in how companies, when selecting destination countries, prioritize various dimensions. Using the non-parametric Mann-Whitney test, with the same significance level of 5%, it was verified the existence of significant differences in the dimensions "cultural proximity" ($U=5094,000$; $p=0.004$), where those who used the EDB gave more importance to the dimensions "cultural proximity" (Table XXXI, Appendix 4).

Lastly, considering EDB as the grouping variable related to the internationalisation process, we intend to verify the existence of significant differences in the company's performance in international markets. Using the non-parametric Mann-Whitney test, with the same significance level of 5%, it was verified the existence of significant differences in the "global reach" ($U=5090.500$; $p=0.005$) and "international reputation" ($U= 5382.000$; $p=0.020$) where those who used the EDB presented better performance in the two aspects indicated (Table XXXII, Appendix 4).

4.3. Discussion of Results

Based on the results of the analysis, the hypothesis that companies with more experience in internationalisation tend to use information from the World Bank's Ease of Doing Business project to evaluate international markets (H1a) is supported. The results indicate that companies with more experience in internationalisation based on the years in which they began internationalisation on a regular basis and the number of countries to which they export regularly adopt the EDB as an assessment tool. These companies also have a larger number of employees allocated to international activities, as well as having a larger number of subsidiaries abroad. These empirical findings strongly align with and validate the theory put forth by scholars such as Ghemawat (2011) and Root (1998) with the results presented suggest that organisations with a larger international footprint see advantages in interpreting and using the detailed information provided by the EDB project to make careful market assessments of foreign markets.

Also relevant, is the time invested by these companies in analysing new markets, it was found that the ones with more experience in internationalisation and which adopted the EDB as an assessment tool spent a longer period at this stage. This indicates that these companies recognize the importance of informed decisions and incorporate information from the EDB as a critical component in this process.

Considering the results derived from the analysis conducted, one of the goals is to verify the validity of the hypothesis that companies that establish international

subsidiaries are more likely to use the World Bank's Ease of Doing Business project as an evaluation tool, compared to those that do not have subsidiaries abroad (H1b). The analysis of the results confirms the theory proposed by Rugman and Verbeke (1998) and Tihanyi et al. (2005) that companies establishing international subsidiaries are more likely to incorporate projects such as the World Bank Ease of Doing Business project into their assessment processes, aligning with their hypothesis of in-depth analysis. This is attributed to the heightened complexity of managing international subsidiaries, where the project's data becomes exceptionally valuable. Our findings align with these theories, as companies with international subsidiaries not only show a stronger inclination to adopt the EDB but also maintain a larger workforce dedicated to international activities. This empirical validation underscores that companies with intricate international operations, such as subsidiary establishment, are more likely to leverage the comprehensive insights provided by the EDB for their market assessments.

Furthermore, the analysis revealed a statistically weak association between the use of the EDB and the existence of international alliances. Although the correlation is weak, this observation suggests that companies that establish international subsidiaries and use the EDB tend to be more prone to international collaborations.

The results of the analysis also indicate that companies that dedicate a longer period to analysing markets before starting the internationalisation process are more likely to use the EDB (H1c). More specifically, companies that opt for a more comprehensive and detailed study tend to use the EDB as an integral part of this analysis. This finding suggests a positive relationship between the search for detailed information and the adoption of the EDB in the evaluation process as well as validates that comprehensive market assessments contribute to improved decision-making (Ruggieri et al., 2014).

Regarding the time invested in studying new markets, companies that spend a longer period analysing them show a preference for using the EDB. This observation reinforces the idea that these companies realise the value of the information provided by the EDB to guide informed decisions during the expansion phase.

The results obtained from the statistical analyses indicate that companies that actively use the EDB as an assessment tool during the internationalisation process are more likely to achieve a higher level of success in their activities on the international market (H2). Specifically, the active use of the EDB showed a significant correlation with various aspects that influence the success of companies' internationalisation.

The positive relationship between the active use of the EDB and the importance attached to different dimensions of the internationalisation process, such as "Starting a Business", "Trading Across Borders", "Getting Credit" and "Paying Taxes" further reinforces the idea that companies that incorporate the EDB into their assessment strategies have a more comprehensive and informed perspective on business conditions in different markets.

Finally, the international performance of companies was analysed. Companies with more experience and which make use of the EDB showed better performance in terms of "global reach" and "international reputation". These findings emphasise that the use of EDB information can effectively contribute to the development of successful global expansion strategies and the consolidation of presence in foreign markets (World Bank, 2023).

5. Conclusions

As this MFW reaches its conclusion, it becomes clear that the use of the WBDB project plays a crucial role in the internationalisation process of companies. The core of this study was to explore how the EDB may influence the decision of Portuguese SMEs to pursue international expansion, select target markets, and identify how factors such as internationalisation experience and the presence of subsidiaries can influence this relationship.

While the available literature has provided insights into the importance of the regulatory and business environment for successful international operations, this study presents an innovative approach by directly examining the association between the use of EDB and company performance on a global scale. The results obtained support the hypothesis that companies actively using the EDB are more likely to achieve a higher level of success in their internationalisation activities.

It is important to recognise that, despite the strength of the results, this research also faced its limitations. One notable limitation is the lack of previous research that would allow direct comparisons to be made with the results obtained here. However, this gap in the research highlights the innovation and uniqueness of this study, which explored a field that has been little explored in the literature on internationalisation.

Although the lack of previous research is a limitation, it also emphasises the importance of this study in filling this gap and establishing a basis for future research. The originality of this work lies in its approach that directly links the use of EDB with success in internationalisation, providing valuable insights for companies, researchers, and policy-makers.

In the context of future studies, this research offers several opportunities to expand understanding of the role of EDB in the internationalisation of companies. The proposed research question: "To what extent do Portuguese SMEs use the World Bank's Ease of Doing Business project and its dimensions in their internationalisation process?" sets a clear direction for subsequent research. This would involve analysing the specific

practices of Portuguese SMEs in relation to the EDB, considering their motivations, challenges, and perceived benefits.

This study also confirmed all the hypotheses formulated, indicating that companies with greater internationalisation experience, those that establish international subsidiaries, as well as those that devote more time to analysing new markets, are more likely to actively use the EDB as an assessment tool and that companies which use it achieve higher levels of success. These findings can guide future research to further explore the mechanisms underlying these relationships and to investigate how companies incorporate the EDB into their global expansion strategies.

The practical and political implications of this MFW could be the recommendation for companies to continue using the EDB as an auxiliary tool in internationalisation decisions. The relationship established between the active use of the EDB and success in international activities may suggest the relevance of promoting and facilitating access to this information by companies.

In this sense, another recommendation becomes the continuation of the World Bank to produce reports with this type of information. Regarding the continuity of the EDB, it is crucial that the World Bank maintains and even strengthens the credibility and rigour of the project. Future research could focus on assessing the impact of the changes made by the World Bank to the EDB methodology and its rankings on the decision-making processes of SMEs. In addition, exploring how the EDB can be adapted to the changing global business landscape and the new needs of SMEs would be a valuable avenue for further research.

In summary, this dissertation contributes to understanding the role of the EDB in the internationalisation process of companies. The results obtained highlight the importance of this tool in making informed decisions, in line with companies' objectives of achieving a higher level of success in challenging and competitive international markets. As future research advances in this area, it is hoped that the knowledge will continue to enrich the literature and provide valuable insights for the global business scenario.

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Appendices

Appendix 1: Survey

Dear Participant

I am a student of the Master's Degree in Management and Industrial Strategy at the Lisbon School of Economics and Management. As part of my master's dissertation, I am conducting a study on instruments to support the internationalisation of companies and the dimensions that they study and value when internationalising.

This survey is intended for a wide range of Portuguese SMEs that have internationalised in recent years. Please keep in mind that this survey was created to cover different economic sectors and types of companies, so some questions may not directly apply to your specific situation.

There are no right or wrong answers in this questionnaire. What matters is your specific case. Please select the option that best represents your opinion or situation.

This survey has been designed to be mostly closed-ended so that it can be completed as quickly as possible. Experience shows that on average it has been completed in less than 10 minutes.

Your answers are treated confidentially.

Your participation is very important for this study.

Thank you very much in advance for your attention and availability.

Please do not hesitate to contact me with any questions or requests for information at: firoz_gulamo@aln.iseg.ulisboa.pt.

Section 1 – Company Characterisation

1) What is the sector of activity of the company?

▼ Agriculture, hunting, forestry, and fishing ... Activities of international organisations and other extra-territorial institutions (20)

2) What was the year the company was established? _____

3) How many employees does the company currently have?

- 1-10
- 11-50
- 51-249
- 250 or more

4) What is the company's annual turnover?

- Up to 1.999.999€
- 2.000.000€ a 9.999.999€
- 10.00.000€ a 49.999.999€
- 50.000.000€ or more

5) What is the sales volume by profile of the company's customers?

B2C: _____ B2B: _____ State: _____. Others: _____ Total: _____

Section 2 – Internationalisation of the Company

6) In which year did the company first internationalise (i.e. had revenues from its international activities - export of products, provision of services abroad, revenues from other contractual forms, etc)?

7) What was the first form of international activity used by the company?

- Export
- Licence agreements
- Franchising contracts
- Sub-contracting of production abroad
- International agreements for product or service development
- Commercial offices
- Subsidiaries held in partnership (Joint ventures)
- Subsidiaries wholly owned by the company.

8) In which year did the company start to have regular international business (e.g. export regularly)? _____

9) Currently, which mode of international activity is most used (highest turnover) by the company?

- Export
- Licence agreements
- Franchising contracts
- Sub-contracting of production abroad
- International agreements for product or service development
- Commercial offices
- Subsidiaries held in partnership (Joint ventures)
- Subsidiaries wholly owned by the company

10) What is the company's turnover by geographical area?

- Internal Market: _____%
- Other European Countries: _____%
- South America: _____%
- North America: _____%
- Africa: _____%
- Asia: _____%
- Oceania: _____%
- Total: _____%

11) How many countries does the company regularly export to? _____

12) Does the company currently have any international alliances?

Yes

No

13) Approximately how many employees of the company are allocated to international activities? _____

14) How many subsidiaries does the company have abroad? (If applicable) _____

15) On average, how much time does your company spend studying and analysing a new market before considering internationalisation to that market? _____ Months

16) After concluding the market research, on average, how long does it take the company to actually break into the identified new market? _____ Months

Section 3 – Ease of Doing Business

The Ease of Doing Business was a project developed by the World Bank with the aim of assessing and comparing the business environment in different countries. Launched in 2003 and concluded in 2020, the project aimed to quantify the regulations faced by businesses, in particular small and medium-sized enterprises, during the internationalisation process. By gathering quantitative data on regulatory practices in different economies, the project provided a valuable tool to identify areas where improvements could be implemented to enhance the business climate globally.

17) In the company's internationalisation process, how important were each of the following dimensions in choosing the destination country?

	1 - Not at all important	2 - Slightly important	3 - Somewhat important	4 - Moderately important	5 - Important	6 - Very important	7 - Extremely important
Starting a Business – Measures the procedures, time, cost, and paid-in minimum capital to start a limited liability company for men and women.							
Trading across borders- Measures time and cost to export the product of comparative advantage and to import auto parts.							
Getting Credit – Measures the movable collateral laws and credit information systems							
Paying Taxes – Measures payments, time, and total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling Processes.							
Registering property– Measures the Procedures, time, and cost to transfer a property and the quality of the land administration system for men and women							
Dealing with construction permits- Measures the procedures, time, and cost to complete all							

formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system							
Getting electricity – Measures the procedures, time, and cost to get connected to the electrical grid; the reliability of the electricity supply; and the transparency of tariffs							
Enforcing contracts – Measures the time and cost to resolve a commercial dispute and the quality of judicial processes for men and women							
Resolving insolvency- Measures the time, cost, outcome, and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency.							
Protecting minority investors- Measures the minority shareholders’ rights in related-party transactions and in corporate governance.							

18) Which of these dimensions do you consider most important?

Starting a Business

- Trading across borders
- Getting credit
- Paying taxes
- Registering property
- Dealing with construction permits
- Getting Electricity
- Enforcing contracts
- Resolving Insolvency
- Protecting minority investors

19) Which of these dimensions had the most significant impact on the company's financial success after internationalisation?

- Starting a Business
- Trading across borders
- Getting credit
- Paying taxes
- Registering property
- Dealing with construction permits
- Getting Electricity
- Enforcing contracts
- Resolving Insolvency
- Protecting minority investors

20) Have you used the Ease of Doing Business in your internationalisation process?

Yes

No

Present the following question:

If 20) Did you use the Ease of Doing Business in your internationalisation process = No

20.1) Now that you are familiar with the Ease of Doing Business, what would be the chances that you have used it?

	1 - Certainly no	2 - Probably no	3 - Neutral	4 - Probably yes	5 - Certainly yes
Would you use the EDB?					

Section 4 – Dimensions of Internationalisation

21) In the company's internationalisation process, how important were each of these dimensions in choosing the destination country?

	1 - Not at all important	2 - Slightly important	3 - Somewhat important	4 - Moderately important	5 - Important	6 - Very important	7 - Extremely important
a) Cultural proximity							
b) Geographical proximity							
c) Taking Advantage of the Regulatory Environment							
d) Utilisation of Natural Resources							
e) Location of Customers							
f) Location of network							
Other. Which?							

Section 5 – Company International Performance

22) How did the company perform in each of the aspects mentioned below in international markets?

	1 - Extremely bad	2 - Relatively bad	3 - Slightly bad	4 - Neither good nor bad	5 - Slightly good	6 - Relatively good	7 - Extremely good
a) Sales growth							
b) Sales Volume							
c) Return on investment							
d) Product launch							
e) Market share							
f) Improvement in time to market products/services							
g) Launch success vis-` a-vis competition							
h) Global reach							
i) International reputation							
j) Entrenched position in international markets							

Section 6 Respondent Characterization

23) Please indicate your age. _____

24) Please indicate your gender.

Male

Female

Other

25) Please indicate how you would rate your highest completed level of education:

4th Grade

9th Grade

12th Grade

Professional course

Bachelor's degree

Postgraduate or specialized course

Master's degree

PhD

26) Were you one of the founders of the company?

Yes

No

27) How do you currently define your position in the company? _____

Appendix 2: Email First Invitation Letter

Subject:

Invitation to participate in the Survey: Instruments to support the internationalisation of SMEs.

Dear Sir or Madam,

I hereby request your contribution to a research project carried out within the scope of the Master's Degree in Management and Industrial Strategy of the Lisbon School of Economics and Management, University of Lisbon.

This questionnaire aims to analyse **instruments to support the internationalisation of companies and the dimensions they study and value when internationalising.**

Considering the type of questions that are placed in this questionnaire, we ask that, if possible, it be answered by one of the team members related to the selection of target markets.

Please note that the questionnaire is anonymous and that the estimated time to complete it is **less than 10 minutes.**

The data collected is anonymous and confidential and will be used exclusively for academic purposes and always in an integrated manner.

Follow this link to the survey:

`{!://SurveyLink?d=Take the Survey}`

Or copy and paste the URL below into your internet browser:

`{!://SurveyURL}`

If you have any questions, please do not hesitate to contact me at:
firoz_gulamo@aln.iseg.ulisboa.pt.

Best regards,

Firoz Gulamo

Appendix 3: Email Reminder Letter

Subject:

New request to participate in the Survey: Instruments to support the internationalisation of SMEs.

Dear Sir or Madam,

Last week you were sent an invitation for your company to participate in a research project carried out within the scope of the Master's Degree in Management and Industrial Strategy of the Lisbon School of Economics and Management, University of Lisbon.

Once again, please help us to fill in a questionnaire that aims to analyse **instruments to support the internationalisation of companies and the dimensions that they study and value when internationalising.**

Considering the type of questions that are placed in this questionnaire, we ask that, if possible, it be answered by one of the team members related to the selection of target markets.

Please note that the questionnaire is anonymous and that the estimated time to complete it is **less than 10 minutes.**

The data collected is anonymous and confidential and will be used exclusively for academic purposes and always in an integrated manner.

Follow this link to the survey:

`{!://SurveyLink?d=Take the Survey}`

Or copy and paste the URL below into your internet browser:

`{!://SurveyURL}`

If you have any questions, please do not hesitate to contact me at:

firoz_gulamo@aln.iseg.ulisboa.pt.

Best regards,

Firoz Gulamo

Appendix 4: Results Tables

Table I: Company Sector Activity Distribution

	F	%
Agriculture, animal production, hunting, forestry and fishing	22	8,7
Manufacturing	3	1,2
Electricity, gas, steam, hot and cold water and cold air	14	5,5
Water collection, treatment and distribution; sanitation, waste management and depollution;	6	2,4
Construction	23	9,1
Wholesale and retail trade; repair of motor vehicles and motorcycles	21	8,3
Transport and storage	25	9,8
Accommodation, catering and the like	23	9,1
Information and communication activities	11	4,3
Financial and insurance activities	16	6,3
Real Estate Activities	21	8,3
Consulting, scientific, technical, and similar activities	17	6,7
Administrative and support services activities	4	1,6
Public Administration and Defense; Compulsory Social Security	1	,4
Education	18	7,1
Human health and social support activities	6	2,4
Artistic, spectacle, sports and recreational activities	13	5,1
Other Service Activities	10	3,9
Total	254	100,0

Table II: Year of Incorporation Distribution

Year	F	%	Decade	
1970	1	,4	70	1,4
1980	1	,4		
1981	1	,4	80	1,6
1984	1	,4		
1989	1	,4		
1990	2	,8		
1992	1	,4		
1996	2	,8	90	13,0
1997	7	2,8		
1998	13	5,1		
1999	8	3,1		
2000	14	5,5		
2001	10	3,9		
2002	7	2,8	00	45,3
2003	12	4,7		
2004	9	3,5		
2005	12	4,7		

2006	8	3,1			
2007	15	5,9			
2008	6	2,4			
2009	22	8,7			
2010	4	1,6			
2011	9	3,5			
2012	23	9,1			
2013	20	7,9			
2014	13	5,1			
2015	10	3,9	10	95	37,4
2016	6	2,4			
2017	3	1,2			
2018	3	1,2			
2019	4	1,6			
2020	5	2,0			
2021	1	,4	20	6	2,4
Total	254	100,0	Total	254	100,0

Table III: Current Employee Count Distribution

	F	%
1-10	11	4,3
11-50	117	46,1
51-249	126	49,6
Total	254	100,0

Table IV: Annual Turnover Distribution

	F	%
Up to 1.999.999€	77	30,3
2.000.000€ a 9.999.999€	52	20,5
10.00.000€ a 49.999.999€	125	49,2
Total	254	100,0

Table V: Sales Volume by Customer Profile

	Final Consumer		Enterprises		Government		Other	
	F	%	F	%	F	%	F	%
,00	17	6,7	69	27,2	203	79,9	247	97,2
1,00	1	,4			2	,8	1	,4
2,00					1	,4		
3,00					1	,4		
4,00					1	,4		
5,00	2	,8	5	2,0	2	,8	1	,4

10,00	2	,8	33	13,0	15	5,9	1	,4
15,00	1	,4	3	1,2				
18,00			1	,4				
20,00	6	2,4	45	17,7	12	4,7	2	,8
23,00			1	,4				
25,00			1	,4				
28,00			1	,4				
29,00							1	,4
30,00	3	1,2	24	9,4	8	3,1		
33,00	1	,4						
35,00							1	,4
40,00	10	3,9	36	14,2	7	2,8		
50,00	13	5,1	6	2,4	2	,8		
54,00	1	,4						
60,00	31	12,2	4	1,6				
70,00	27	10,6	1	,4				
75,00	1	,4	1	,4				
80,00	48	18,9	1	,4				
85,00	3	1,2	1	,4				
90,00	22	8,7	2	,8				
95,00	4	1,6	1	,4				
98,00			1	,4				
99,00			1	,4				
100,00	61	24,0	16	6,3				
Total	254	100,0	254	100,0	254	100,0	254	100,0

Table VI: Internationalisation Year

Year	F	%	Decade	F	%
1981	1	,4			
1985	1	,4	80	2	,8
2000	1	,4			
2001	2	,8			
2002	3	1,2			
2003	4	1,6			
2004	2	,8			
2005	8	3,1	00	48	18,9
2006	6	2,4			
2007	3	1,2			
2008	7	2,8			
2009	12	4,7			
2010	20	7,9			
2011	6	2,4	10	177	69,7
2012	20	7,9			
2013	14	5,5			

2014	15	5,9			
2015	17	6,7			
2016	32	12,6			
2017	21	8,3			
2018	24	9,4			
2019	18	7,1			
2020	10	3,9			
2021	5	2,0	20	17	6,7
2022	2	,8			
Total	254	100,0	Total	254	100,0

Table VII: First Form of International Activity

	F	%
Export	54	21,3
License agreements	7	2,8
Franchising agreements	7	2,8
Subcontracting of production abroad	17	6,7
International agreements for the development of products or services	19	7,5
Commercial Offices	12	4,7
Subsidiaries held in partnership (Joint ventures)	19	7,5
Wholly owned subsidiaries of the company	119	46,9
Total	254	100,0

Table VIII: Year of Commencing Regular International Business

Year	F	%	Decade	F	%
1981	1	,4	80	1	,4
2000	2	,8			
2001	2	,8			
2002	2	,8			
2003	3	1,2			
2004	2	,8			
2005	6	2,4	00	46	18,1
2006	6	2,4			
2007	2	,8			
2008	10	3,9			
2009	11	4,3			
2010	19	7,5			
2011	7	2,8			
2012	18	7,1			
2013	11	4,3	10	206	81,1
2014	18	7,1			
2015	17	6,7			
2016	29	11,4			

2017	20	7,9			
2018	29	11,4			
2019	22	8,7			
2020	8	3,1			
2021	5	2,0	20	17	6,7
2022	4	1,6			
Total	254	100,0	Total	254	100,0

Table IX: Primary International Activity Mode

	F	%
Export	52	20,5
License agreements	7	2,8
Franchising agreements	9	3,5
Subcontracting of production abroad	18	7,1
International agreements for the development of products or services	18	7,1
Commercial Offices	14	5,5
Subsidiaries held in partnership (Joint ventures)	17	6,7
Wholly owned subsidiaries of the company	119	46,9
Total	254	100,0

Table X: Turnover by Geographical Area

	F	%
Internal Market	3	1,2
	10,00	,4
	20,00	4,3
	25,00	,4
	30,00	8,3
	35,00	,4
	40,00	16,5
	45,00	,4
	50,00	9,8
	60,00	13,4
	65,00	1,6
	69,00	,4
	70,00	20,1
	75,00	,8
	76,00	,4
	80,00	18,5
	85,00	,8
	90,00	2,4
Total	254	100,0
Other European Countries	26	10,2
	5,00	,4

	10,00	4	1,6
	15,00	3	1,2
	20,00	62	24,4
	24,00	2	,8
	25,00	3	1,2
	29,00	1	,4
	30,00	59	23,2
	35,00	5	2,0
	40,00	23	9,1
	50,00	25	9,8
	60,00	30	11,8
	70,00	4	1,6
	74,00	1	,4
	75,00	1	,4
	80,00	2	,8
	90,00	2	,8
	Total	254	100,0
South America	,00	182	71,7
	3,00	1	,4
	10,00	36	14,2
	15,00	1	,4
	20,00	19	7,5
	30,00	8	3,1
	40,00	2	,8
	50,00	2	,8
	60,00	2	,8
	70,00	1	,4
	Total	254	100,0
North America	,00	236	92,9
	1,00	1	,4
	7,00	1	,4
	10,00	8	3,1
	20,00	6	2,4
	30,00	1	,4
	40,00	1	,4
	Total	254	100,0
Africa	,00	227	89,4
	5,00	1	,4
	10,00	6	2,4
	15,00	1	,4
	20,00	7	2,8
	30,00	4	1,6
	40,00	3	1,2
	50,00	2	,8
	60,00	3	1,2

	Total	254	100,0
Asia	,00	243	95,7
	5,00	2	,8
	6,00	1	,4
	20,00	3	1,2
	30,00	2	,8
	40,00	1	,4
	50,00	1	,4
	60,00	1	,4
	Total	254	100,0
Oceania	,00	250	98,4
	3,00	1	,4
	4,00	1	,4
	5,00	1	,4
	20,00	1	,4
	Total	254	100,0

Table XI: International Alliances

	F	%
Yes	142	55,9
No	112	44,1
Total	254	100,0

Table XII: Importance of EDB Dimensions in Internationalisation Destination Selection

		F	%
Starting a Business	1 - Nothing important	3	1,2
	2 - Little important	2	,8
	3 - Something important	3	1,2
	4 - Moderately important	18	7,1
	5 - Important	33	13,0
	6 - Very important	127	50,0
	7 - Extremely important	68	26,8
	Total	254	100,0
Trading across borders	2 - Little important	1	,4
	3 - Something important	5	2,0
	4 - Moderately important	9	3,5
	5 - Important	36	14,2
	6 - Very important	93	36,6
	7 - Extremely important	110	43,3
	Total	254	100,0
Getting Credit	1 - Nothing important	4	1,6
	2 - Little important	4	1,6
	3 - Something important	1	,4
	4 - Moderately important	28	11,0

	5 - Important	21	8,3
	6 - Very important	136	53,5
	7 - Extremely important	60	23,6
	Total	254	100,0
Paying Taxes	1 - Nothing important	3	1,2
	2 - Little important	1	,4
	3 - Something important	6	2,4
	4 - Moderately important	10	3,9
	5 - Important	49	19,3
	6 - Very important	121	47,6
	7 - Extremely important	64	25,2
	Total	254	100,0
Registering property	1 - Nothing important	17	6,7
	2 - Little important	12	4,7
	3 - Something important	12	4,7
	4 - Moderately important	64	25,2
	5 - Important	115	45,3
	6 - Very important	26	10,2
	7 - Extremely important	8	3,1
	Total	254	100,0
Dealing with construction permits	1 - Nothing important	22	8,7
	2 - Little important	12	4,7
	3 - Something important	19	7,5
	4 - Moderately important	136	53,5
	5 - Important	54	21,3
	6 - Very important	8	3,1
	7 - Extremely important	3	1,2
	Total	254	100,0
Getting electricity	1 - Nothing important	26	10,2
	2 - Little important	18	7,1
	3 - Something important	35	13,8
	4 - Moderately important	101	39,8
	5 - Important	49	19,3
	6 - Very important	22	8,7
	7 - Extremely important	3	1,2
	Total	254	100,0
Enforcing contracts	1 - Nothing important	18	7,1
	2 - Little important	20	7,9
	3 - Something important	27	10,6
	4 - Moderately important	119	46,9
	5 - Important	43	16,9
	6 - Very important	21	8,3
	7 - Extremely important	6	2,4
	Total	254	100,0
Resolving insolvency	1 - Nothing important	20	7,9
	2 - Little important	19	7,5
	3 - Something important	127	50,0
	4 - Moderately important	71	28,0
	5 - Important	11	4,3
	6 - Very important	3	1,2
	7 - Extremely important	3	1,2
	Total	254	100,0

Protecting minority investors	1 - Nothing important	27	10,6
	2 - Little important	26	10,2
	3 - Something important	142	55,9
	4 - Moderately important	44	17,3
	5 - Important	10	3,9
	6 - Very important	4	1,6
	7 - Extremely important	1	,4
	Total	254	100,0

Table XIII: Significance of Important Dimensions

	F	%
Starting a Business	33	13,0
Trading across borders	90	35,4
Getting Credit	47	18,5
Paying Taxes	49	19,3
Registering property	11	4,3
Getting electricity	7	2,8
Dealing with construction permits	16	6,3
Resolving insolvency	1	,4
Total	254	100,0

Table XIV: Influence on Financial Success After Internationalisation

	F	%
Starting a Business	32	12,6
Trading across borders	88	34,6
Getting Credit	49	19,3
Paying Taxes	50	19,7
Registering property	10	3,9
Getting electricity	7	2,8
Dealing with construction permits	17	6,7
Resolving insolvency	1	,4
Total	254	100,0

Table XV: Utilization of EDB in Internationalisation

	F	%
Yes	71	28,0
No	183	72,0
Total	254	100,0

Table XVI: Potential Use of EDB with Project Knowledge

	F	%
1 - Certainly not	6	3,2
2 - Probably not	27	14,8
3 - Neutral	11	6,0
4 - Probably yes	75	41,0
5 - Certainly yes	64	34,5
Total	183	100,0

Table XVII: Importance of Literature Dimensions in Internationalisation Destination Selection

		F	%
Cultural proximity	1 - Nothing important	3	1,2
	2 - Little important	12	4,7
	3 - Something important	36	14,2
	4 - Moderately important	68	26,8
	5 - Important	110	43,3
	6 - Very important	18	7,1
	7 - Extremely important	7	2,8
	Total	254	100,0
Geographical Proximity	1 - Nothing important	2	,8
	2 - Little important	5	2,0
	3 - Something important	14	5,5
	4 - Moderately important	54	21,3
	5 - Important	140	55,1
	6 - Very important	33	13,0
	7 - Extremely important	6	2,4
	Total	254	100,0
Taking advantage of the Regulatory Environment	1 - Nothing important	1	,4
	2 - Little important	6	2,4
	3 - Something important	16	6,3
	4 - Moderately important	90	35,4
	5 - Important	88	34,6
	6 - Very important	24	9,4
	7 - Extremely important	29	11,4
	Total	254	100,0
Utilisation of Natural Resources	1 - Nothing important	7	2,8
	2 - Little important	12	4,7
	3 - Something important	28	11,0
	4 - Moderately important	119	46,9
	5 - Important	55	21,7
	6 - Very important	30	11,8
	7 - Extremely important	3	1,2
	Total	254	100,0
Location of Customers	1 - Nothing important	1	,4

	2 - Little important	6	2,4
	3 - Something important	10	3,9
	4 - Moderately important	46	18,1
	5 - Important	143	56,3
	6 - Very important	41	16,1
	7 - Extremely important	7	2,8
	Total	254	100,0
Location of network	1 - Nothing important	1	,4
	2 - Little important	6	2,4
	3 - Something important	17	6,7
	4 - Moderately important	138	54,3
	5 - Important	70	27,6
	6 - Very important	19	7,5
	7 - Extremely important	3	1,2
	Total	254	100,0
Other. Which?	1 - Nothing important	214	84,3
	2 - Little important	2	,8
	3 - Something important	3	1,2
	4 - Moderately important	8	3,1
	5 - Important	15	5,9
	6 - Very important	8	3,1
	7 - Extremely important	4	1,6
	Total	254	100,0

Table XVIII: Significance of Other Dimensions in Internationalisation

	F	%
Tax benefits for new companies	1	10,0
Competition	1	10,0
Industry	1	10,0
Language	3	30,0
Logistics	1	10,0
Transactional methods	1	10,0
Partnerships	1	10,0
Population	1	10,0
Total	10	100,0

Table XIX: Company Performance in International Markets

	F	%	
Sales growth	1- Extremely bad	1	,4
	2- Relatively bad	21	8,3
	3- Slightly bad	7	2,8
	4- Neither good nor bad	70	27,6

	5- Slightly good	100	39,4
	6- Relatively good	45	17,7
	7- Extremely good	10	3,9
	Total	254	100,0
Sales Volume	1- Extremely bad	1	,4
	2- Relatively bad	20	7,9
	3- Slightly bad	11	4,3
	4- Neither good nor bad	58	22,8
	5- Slightly good	114	44,9
	6- Relatively good	35	13,8
	7- Extremely good	15	5,9
	Total	254	100,0
Return on investment	1- Extremely bad	1	,4
	2- Relatively bad	14	5,5
	3- Slightly bad	18	7,1
	4- Neither good nor bad	96	37,8
	5- Slightly good	87	34,3
	6- Relatively good	27	10,6
	7- Extremely good	11	4,3
	Total	254	100,0
Product Launch	1- Extremely bad	1	,4
	2- Relatively bad	14	5,5
	3- Slightly bad	20	7,9
	4- Neither good nor bad	75	29,5
	5- Slightly good	95	37,4
	6- Relatively good	41	16,1
	7- Extremely good	8	3,1
	Total	254	100,0
Market share	2- Relatively bad	23	9,1
	3- Slightly bad	33	13,0
	4- Neither good nor bad	117	46,1
	5- Slightly good	56	22,0
	6- Relatively good	23	9,1
	7- Extremely good	2	,8
	Total	254	100,0
Improvement in time to market of products/services	2- Relatively bad	19	7,5
	3- Slightly bad	15	5,9
	4- Neither good nor bad	83	32,7
	5- Slightly good	98	38,6
	6- Relatively good	30	11,8

	7- Extremely good	9	3,5
	Total	254	100,0
Launch success vis-à-vis competition	1- Extremely bad	3	1,2
	2- Relatively bad	20	7,9
	3- Slightly bad	25	9,8
	4- Neither good nor bad	73	28,7
	5- Slightly good	102	40,2
	6- Relatively good	28	11,0
	7- Extremely good	3	1,2
	Total	254	100,0
Global reach	1- Extremely bad	13	5,1
	2- Relatively bad	14	5,5
	3- Slightly bad	58	22,8
	4- Neither good nor bad	80	31,5
	5- Slightly good	55	21,7
	6- Relatively good	28	11,0
	7- Extremely good	6	2,4
	Total	254	100,0
International reputation	1- Extremely bad	1	,4
	2- Relatively bad	20	7,9
	3- Slightly bad	10	3,9
	4- Neither good nor bad	69	27,2
	5- Slightly good	117	46,1
	6- Relatively good	36	14,2
	7- Extremely good	1	,4
	Total	254	100,0
Entrenched position in international markets	2- Relatively bad	19	7,5
	3- Slightly bad	21	8,3
	4- Neither good nor bad	97	38,2
	5- Slightly good	85	33,5
	6- Relatively good	28	11,0
	7- Extremely good	4	1,6
	Total	254	100,0

Table XX: Gender

Gender	F	%
Male	132	52,0
Female	122	48,0
Total	254	100,0

Table XXI: Educational Qualifications

Qualifications	F	%
12 th grade	13	5,1
Professional Course	42	16,5
Bachelor's Degree	70	27,6
Post-Graduation or Specialized Course	47	18,5
Masters Degree	63	24,8
Doctorate	19	7,5
Total	254	100,0

Table XXII: Founder

Founder	F	%
Yes	83	32,7
No	171	67,3
Total	254	100,0

Table XXIII: Normality Test

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistics	d.f.	p	Statistics	d.f.	p
In what year did the company first go international?	,124	255	,000	,886	255	,000
In what year did the company start to have regular international business	,128	255	,000	,905	255	,000
What is the number of countries to which the company exports regularly?	,265	255	,000	,615	255	,000
Approximately, how many employees of the company are allocated to international activities?	,179	255	,000	,752	255	,000
How many subsidiaries does the company have abroad?	,332	244	,000	,419	244	,000

Legend: *d.f.* – degrees of freedom; *p* – probability of significance

Table XXIV: Mann-Whitney Comparative Test

	Used the EDB in its internationalisation process	N	Middle Rank	Sum of Ratings	U p	
					U	p
In what year did the company first go international?	Yes	71	130,53	9267,50	6352,500	,733
	No	184	127,02	23372,50		
	Total	255				
In what year did the company start to have	Yes	71	133,46	9476,00	6144,000	,461
	No	184	125,89	23164,00		

regular business?	international	Total			
			255		
What is the number of countries to which the company exports regularly?	Yes		71	136,72	9707,00
	No		184	124,64	22933,00
	Total		255		
Approximately, how many employees of the company are allocated to international activities?	Yes		71	159,51	11325,50
	No		184	115,84	21314,50
	Total		255		
How many subsidiaries does the company have abroad?	Yes		71	143,01	10154,00
	No		173	114,08	19736,00
	Total		244		

Legend: *U* – Mann-Whitney value; *p* – probability of significance.

Table XXV: Cross-Tabulation: International Alliances vs. Use of EDB in Internationalisation

		Used the EDB in its internationalisation process		
		Yes	No	Total
Does the company currently have any international alliances?	Yes	50	92	142
	No	21	92	113
Total		71	184	255

Table XXVI: Chi-square tests

	Value	d.f.	p
Pearson's chi-square	8,659a	1	,003
Continuity correction	7,851	1	,005
Likelihood ratio	8,893	1	,003
Linear by Linear Association	8,625	1	,003
Number of Valid Cases	255		

Legend: *d.f.* – degrees of freedom; *p* – probability of significance.

Table XXVII: Symmetrical Measurements

		Value	p
Nominal by Nominal	Be	,184	,003
	V of Cramer	,184	,003
	Contingency coefficient	,181	,003
Number of Valid Cases		255	

Legend: *p* – probability of significance.

Table XXVIII: Normality Test

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistics	d.f.	p	Statistics	d.f.	p
On average, how much time does your company devote to the study and analysis of a new market before considering internationalisation for that market? -Months	,109	255	,000	,965	255	,000
After completing the market study, on average, how long does it take the company to effectively enter the newly identified market? -Months	,202	255	,000	,919	255	,000

Legend: d.f. – degrees of freedom; p – probability of significance.

Table XXIX: Mann-Whitney Comparative Test

	Used the EDB in its internationalisation process	N	Middle Rank	Sum of Ratings	U	p
On average, how much time does your company devote to the study and analysis of a new market before considering internationalisation for that market? -Months	Yes	71	155,96	11073,50	4546,500	,000
	No	184	117,21	21566,50		
	Total	255				
After completing the market study, on average, how long does it take the company to effectively enter the newly identified market? -Months	Yes	71	153,85	10923,50	4546,500	,000
	No	184	118,02	21716,50		
	Total	255				

Legend: U – Mann-Whitney value; p – probability of significance.

Table XXX: Mann-Whitney Comparative Test

	Used the EDB in its internationalisation process	N	Middle Rank	Sum of Ratings	U	p
In the process of internationalisation of your company, what was the importance of each of the following dimensions in choosing the destination country?	Starting a Business	Yes	71	168,68	3643,500	,000
		No	184	112,30		
		Total	255			
Trading across borders	Yes	71	181,53	12888,50	2731,500	,000
	No	184	107,35	19751,50		
	Total	255				
Getting credit	Yes	71	136,20	9670,50	5949,500	,227
	No	184	124,83	22969,50		

	Total	255					
Paying taxes	Yes	71	133,49	9477,50	6142,500		,429
	No	184	125,88	23162,50			
	Total	255					
Registering property	Yes	71	126,77	9000,50	6444,500		,861
	No	184	128,48	23639,50			
	Total	255					
Dealing with Construction Permits	Yes	71	129,61	9202,00	6418,000		,813
	No	184	127,38	23438,00			
	Total	255					
Getting Electricity	Yes	71	119,93	8515,00	5959,000		,259
	No	184	131,11	24125,00			
	Total	255					
Enforcing Contracts	Yes	71	112,08	7957,50	5401,500		,023
	No	184	134,14	24682,50			
	Total	255					
Resolving Insolvency	Yes	71	124,54	8842,00	6286,000		,614
	No	184	129,34	23798,00			
	Total	255					
Protecting Minority Investors	Yes	71	128,30	9109,00	6511,000		,965
	No	184	127,89	23531,00			
	Total	255					

Legend: U – Mann-Whitney value; p – probability of significance.

Table XXXI: Mann-Whitney Comparative Test

In the process of internationalisation of the company, what was the importance of each of these dimensions in choosing the country of destination?		Used	the	EDB	in	its	U	p
	process	N	Middle Rank	Sum of Ratings				
a) Cultural proximity	Yes	71	148,25	10526,00	5094,000			,004
	No	184	120,18	22114,00				
	Total	255						
b) Geographical Proximity	Yes	71	136,05	9659,50	5960,500			,233
	No	184	124,89	22980,50				
	Total	255						
c) Taking advantage of the Regulatory Environment	Yes	71	125,11	8882,50	6326,500			,683
	No	184	129,12	23757,50				
	Total	255						
d) Utilization of Natural Resources	Yes	71	128,09	9094,50	6525,500			,990
	No	184	127,96	23545,50				
	Total	255						
e) Location of Customers	Yes	71	129,20	9173,50	6446,500			,857
	No	184	127,54	23466,50				
	Total	255						

f) Location of network	Yes	71	131,37	9327,50	6292,500	,616
	No	184	126,70	23312,50		
	Total	255				

Legend: U – Mann-Whitney value; p – probability of significance.

Table XXXII: Mann-Whitney Comparative Test

					U	p
What was the company's performance in each of the aspects mentioned below in international markets?	Used the EDB in its internationalisation process	N	Middle Rank	Sum of Ratings		
a) Sales growth	Yes	71	140,87	10002,00	5618,000	,070
	No	184	123,03	22638,00		
	Total	255				
b) Sales volume	Yes	71	141,44	10042,00	5578,000	,056
	No	184	122,82	22598,00		
	Total	255				
c) Return on investment	Yes	71	137,13	9736,00	5884,000	,197
	No	184	124,48	22904,00		
	Total	255				
d) Product launch	Yes	71	137,60	9769,50	5850,500	,178
	No	184	124,30	22870,50		
	Total	255				
(e) Market share	Yes	71	131,11	9309,00	6311,000	,657
	No	184	126,80	23331,00		
	Total	255				
f) Improvement in time to market of products/services	Yes	71	134,63	9558,50	6061,500	,349
	No	184	125,44	23081,50		
	Total	255				
g) Launch success vis-à-vis competition	Yes	71	140,80	9997,00	5623,000	,071
	No	184	123,06	22643,00		
	Total	255				
h) Global reach	Yes	71	148,30	10529,50	5090,500	,005
	No	184	120,17	22110,50		
	Total	255				
i) International Reputation	Yes	71	144,20	10238,00	5382,000	,020
	No	184	121,75	22402,00		
	Total	255				
(j) Entrenched position in international markets	Yes	71	139,79	9925,00	5695,000	,095
	No	184	123,45	22715,00		
	Total	255				

Legend: U – Mann-Whitney value; p – probability of significance.