



Kaunas University of Technology
School of Economics and Business

**Role of Entrepreneurial Orientation in Innovative SMEs
Entry Mode Choice**

Master's Final Degree Project

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Kaunas, 2020



Kaunas University of Technology
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International Business (code 6211LX029)

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Declaration of Academic Integrity

I confirm that the final project of mine, Lina Sakalauskaitė, on the topic „Role of Entrepreneurial Orientation in Innovative SMEs Entry Mode Choice“ is written completely by myself; all the provided data and research results are correct and have been obtained honestly. None of the parts of this thesis have been plagiarised from any printed, Internet-based or otherwise recorded sources. All direct and indirect quotations from external resources are indicated in the list of references. No monetary funds (unless required by Law) have been paid to anyone for any contribution to this project.

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Summary

Relevance of the topic. Nowadays, when the world's economy is recovering from the financial crisis and stagnation, the international company's expansion is significantly relevant again. According to the positive aspects of internationalization, it is important to identify, what factors determine expanding abroad approach. It is relevant to identify what entry mode justifies in one or another situation. According to the different scholars it was estimated that companies which are proactive, innovative, and not afraid to take risks expand their activity scope internationally more often and more successfully. It can be observed that all the mentioned characteristics (proactiveness, innovativeness, risk-taking) have their own naming – entrepreneurial orientation (EO). It is crucial to explore more about EO and its role in entry mode choices. Moreover, it can be observed that a bigger part of all companies belongs to small and medium-sized enterprises (SME), and innovativeness can be considered as one of the company's internationalization driving force. There is a lack of research about Lithuanian companies. Because of this reason, the aim of empirical research is to find out what EO means for Lithuanian innovative SMEs and how it reveals in foreign market entry mode choice.

Object of the research. Entrepreneurial orientation in foreign market entry mode choice.

Aim of the research. To reveal the entrepreneurial orientation relevance in innovative Lithuanian SMEs' entry mode choice.

Research objectives:

1. Discover and represent the importance of entrepreneurial orientation in Lithuanian innovative SMEs' foreign market entry mode choice context.
2. Perform a theoretical analysis of entrepreneurial orientation, foreign market entry modes, and assess the entrepreneurial orientation role in entry mode choice.
3. Substantiate the methodology for the role of entrepreneurial orientation in entry mode choice.
4. Conduct empirical research of entrepreneurial orientation role in Lithuanian capital innovative SMEs' entry mode choice.

Results of the research. After the case study and qualitative interviews analysis, it was estimated, what entrepreneurial orientation dimensions are recognized according to the Lithuanian innovative SMEs representatives' point of view. There were identified several more dimensions comparing to the theoretical part findings. After identification of entrepreneurial orientation, there was estimated that entrepreneurial orientation reveals in entry mode choice through creative ideas, fast decisions, taking opportunities mindset, and not afraid of taking risky decisions which leads to choosing equity entry modes in order to keep the managerial disposal in its own hands.

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Santrauka

Temos aktualumas: Šiuo metu, kai pasaulis atsigauna po ekonominės finansinės krizės ir stagnacijos, įmonių internacionalizacijos klausimas ir vėl yra ypač aktualus. Dėl teigiamos internacionalizacijos įtakos yra svarbu identifikuoti, kokie faktoriai lemia skverbimąsi į užsienio rinkas būdus. Svarbu identifikuoti, kokie skverbimosi į užsienio rinkas būdai pasitvirtina vienoje ar kitoje situacijoje. Pasak skirtingų mokslininkų, įmonės, kurios pasižymi proaktyvumu, inovatyvumu ir nebijo rizikuoti, dažniau priima sprendimą pradėti tarptautinį verslą ir tai vykdo sėkmingai. Mokslinėje literatūroje galima pastebėti, kad visos išvardintos savybės turi apibrėžimą, tai – antrepreneriška orientacija. Dėl pastorojo fenomeno yra svarbu analizuoti išsamiau antreprenerišką orientaciją ir jos pasireiškimą renkantis skverbimosi į užsienio rinkas būdus. Didžioji įmonių dalis pagal savo klasifikaciją priklauso MVĮ tipui. Būtent dėl šios priežasties buvo atliktas tyrimas siekiant išsiaiškinti kokį vaidmenį antrepreneriška orientacija lemia lietuviškoms inovatyvioms MVĮ renkantis skverbimosi į užsienio rinkas būdus.

Baigiamojo darbo tyrimo objektas: antrepreneriška orientacija renkantis skverbimosi į užsienio rinkas būdus.

Baigiamojo darbo tyrimo tikslas: atskleisti antrepreneriškos orientacijos svarbą lietuviškoms inovatyvioms MVĮ renkantis skverbimosi į užsienio rinkas būdus.

Baigiamojo darbo tyrimo uždaviniai:

1. Remiantis problemos analize atskleisti antrepreneriškos orientacijos svarbą lietuviškoms inovatyvioms MVĮ renkantis skverbimosi į užsienio rinkas būdus.
2. Atliekant teorinę analizę identifikuoti antrepreneriškos orientacijos sąvoką, dimensijas, skirtingus skverbimosi į užsienio rinkas būdus bei atskleisti antrepreneriškos orientacijos vaidmenį renkantis skverbimosi į užsienio rinkas būdą.
3. Pagrįsti metodologiją siekiant atlikti antrepreneriškos orientacijos vaidmens renkantis skverbimosi į užsienio rinkas būdą tyrimą.
4. Atlikti empirinį tyrimą apie antrepreneriškos orientacijos vaidmenį lietuviško kapitalo inovatyviose MVĮ renkantis skverbimosi į užsienio rinkas būdą.

Baigiamojo darbo tyrimo rezultatai: po atliktos atvejo analizės ir kokybinio interviu analizės buvo nustatyta, kokios antrepreneriškos orientacijos dimensijos yra pastebimos lietuviškų inovatyvių MVĮ atstovų. Taip pat buvo nustatyta, kad antrepreneriška orientacija atsiskleidžia renkantis skverbimosi į užsienio rinkas būdus per kūrybingas idėjas, greitus sprendimus, priimant atsiradusias galimybes bei iššūkius, nebijant priimti rizikingus sprendimus. Vadovai, pasižymintys antrepreneriška orientacija, yra linkę rinktis rizikingesnius kapitalo skverbimosi į užsienio rinkas būdus.

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Introduction

Relevance of the topic. According to the previous studies and history, it can be noticed that companies are trying to expand their impact zone to gain a higher demand, achieve better financial results, reach economies of scale, have access to various resources, etc. Usually, expansion is implemented by going abroad or in other words, by doing internationalization (Hitt, Bierman, Uhlenbruck & Shimizu, 2006; Reiner, Demeter, Poiger & Jenei, 2008). Internationalization can give significant advantages to the company. By making company's activities international, a company can reach a higher demand of the products or services; have a possibility to generate higher income and get higher earnings; reach economy of scale; get benefits from the favourable institutional environment; use the unique competitive advantages; get profit from foreign currency exchange; be a part of international organizations like NAFTA, BRICS; increase the company brand name at the same time increasing company's prestige and other benefits which can be easily noticeable for the management of the company (Coviello & Martin, 1999; Yip, Biscarri & Monti, 2000; Contractor, 2007). Nevertheless, internationalization also leads to some disadvantages like following the foreign rules and regulations; miscommunication regarding language and other cultural differences; making the management system more difficult regarding different time zones, product or services distribution, fluctuations of the currencies, following foreign political news and making analysis, etc.

Nowadays, when the world economy recovering from the financial crisis and stagnation, the international company's expansion has again become relevant. According to the positive aspects of internationalization, it is important to identify, what factors determine the expanding abroad approach. Companies and entrepreneurs are looking for new opportunities for business expansion not only in developed countries but also in developing countries (Lee, Kim, Seo & Hight, 2015). Going deeper through the scientific literature it can be noticed that scholars have been analysing various countries' entry modes (Laufs & Schwens, 2014; Gjengset & Lindelien, 2019; Haile-Mariam, 2008; Hakala, Sirén & Wincent, 2016; Kruesi & Záborský, 2016). It can be frequently noticed analysis about China, India, Korea, Vietnam entry mode choice. Nevertheless, there is a lack of studies about Lithuanian companies' entry mode choice. In this context, the questions occur, how Lithuanian companies choose their foreign market entry mode.

While going abroad, companies are choosing different entry modes (Nakatsu & Iacovou, 2009; McFarlin & Sweeney, 2011). The reasons for choosing one or another entry mode are different. It is relevant to identify what entry mode justifies in one or another situation. According to the different scholars it was estimated that companies which are proactive, innovative, and not afraid to take risks expand their activity scope internationally more often and more successfully (Acosta, Crespo & Agudo, 2018; Andersén, Ljungkvist & Svensson, 2015). It can be observed that all the mentioned characteristics like proactiveness, innovativeness, and risk-taking have their own naming – entrepreneurial orientation (EO). Because of these insights, it is crucial to explore more about entrepreneurial orientation and its role in entry mode choices.

In the early studies, it was not significantly emphasized what personal characteristics or company features impact the going abroad approach. It can be observed that a bigger part of all companies belongs to small and medium-sized enterprises (SME), and innovativeness can be considered as one of the company's internationalization driving force. In the 20th century, the 9th decade, scholars have focused more attention on personal characteristics of managers or other people, who inspire companies to start internationalization processes (Laufs, Bembom & Schwens, 2016). During this

period, it was determined that entrepreneurship, entrepreneurial orientation is relevant while making internationalization and choosing different entry modes (Brouthers, Nakos & Dimitratos, 2015; Acosta et al., 2018). Even so, there is also a lack of scientific studies about Lithuanian companies and entrepreneurial orientation relations. Because of this reason, the analysis of Lithuanian companies and entrepreneurial orientation is noticeably relevant and will be implemented in the empirical part of the final master thesis. There is going to be deeply analysed several Lithuanian capital companies and their representatives which do not show the whole Lithuanian companies' position. The results will be applied for those companies, which are going to be analysed more broadly, not for all Lithuanian population and business. It can be considered as a limitation for this research.

Object of the research. Entrepreneurial orientation in foreign market entry mode choice.

Aim of the research. To reveal the entrepreneurial orientation relevance in innovative Lithuanian SMEs' entry mode choice.

Research objectives:

1. Discover and represent the importance of entrepreneurial orientation in Lithuanian innovative SMEs' foreign market entry mode choice context.
2. Perform a theoretical analysis of entrepreneurial orientation, foreign market entry modes, and assess the entrepreneurial orientation role in entry mode choice.
3. Substantiate the methodology for the role of entrepreneurial orientation in entry mode choice.
4. Conduct empirical research of entrepreneurial orientation role in Lithuanian capital innovative SMEs entry mode choice.

Methods of the research. Analysis of scientific literature, comparative analysis, analysis of statistical data, case study, qualitative data survey using semi-structured interview method, and analysis of qualitative survey data using the MAXQDA program.

Results of the research. After the case study and qualitative interviews analysis, it was estimated, what entrepreneurial orientation dimensions are recognized according to the Lithuanian innovative SMEs representatives' point of view. There were identified several more dimensions comparing to the theoretical part findings. After identification of entrepreneurial orientation, there was estimated that entrepreneurial orientation reveals in entry mode choice through creative ideas, fast decisions, taking opportunities mindset, and not afraid of taking risky decisions which leads to choosing equity entry modes in order to keep the managerial disposal in its own hands.

Structure of the research. The research consists of 4 parts. First of all, there is implemented a problem analysis part. Secondly, the review of scientific literature is provided in the chapter - *Theoretical assumptions for entrepreneurial orientation and foreign market entry modes*. Thirdly, there is explained and provided research methodology part. Furthermore, the qualitative data analysis and recommendations for further research are provided in the chapter *The research of innovative Lithuanian SMEs' entry mode choice and entrepreneurial orientation role*. The paper continues with conclusions. The research has 74 pages, 23 tables, 22 figures, and 4 annexes.

1. Problem Analysis

1.1. Internationalization significance for SMEs

In the modern economy, companies have a wider spectrum of various choices for going into international markets. One of the most relevant and economy stimulating processes is company internationalization. According to the Cambridge Dictionary (2020), internationalization is described as an act of becoming or making something international. Looking through the company perspective, companies make themselves international while doing expansion into foreign markets. To do that, companies are choosing different foreign market entry modes. In this process, SMEs take a significant part. In table 1 there is provided a distribution of European Union (EU) enterprises.

Table 1. Number of SMEs and large enterprises in the EU, in 2018, their value-added, and employment (adopted by the author from the European Commission, 2019)

	Micro SMEs	Small SMEs	Medium-sized SMEs	All SMEs	Large enterprises	TOTAL - All enterprises
Enterprises number	23,323,938	1,472,402	235,67	25,032,008	47,30	25,079,312
Enterprises number, %	93.00	5.90	0.90	99.80	0.20	100,00
Value added, mln. Eur	1,610,134	1,358,496	1,388,416	4,357,046	3,367,321	7,723,625
Value added, %	20.80	17.60	18.00	56.40	43.60	100.00
Employment number	43,527,668	29,541,260	24,670,024	97,738,952	49,045,644	146,784,592
Employment number, %	29.70	20.10	16.80	66.60	33.40	100.00

According to the European Commission (2020), SMEs represent 99 % of all businesses in the European Union. This also affects that more than half of all value-added gains are generated from SMEs. Moreover, more than half of all EU employees are working in SMEs. Because of this reason SMEs are crucial for economic development. Furthermore, SMEs are relevant for collateral economy development because of their access to finance and EU support programs which are specially dedicated to SMEs. SMEs' importance for the whole economy growth is also grounded through the legislation system. Special attention is appointed to the integration of SMEs dimension into EU policies (European Commission, 2020).

It can be noticeable that the world becomes more global and more open for wider relationships between countries (Boisot & Meyer, 2008). European Commission is constantly providing an annual report on European SMEs' performance (2019). They have conducted a survey about SMEs' plans for internationalization. The results are provided in figure 1.

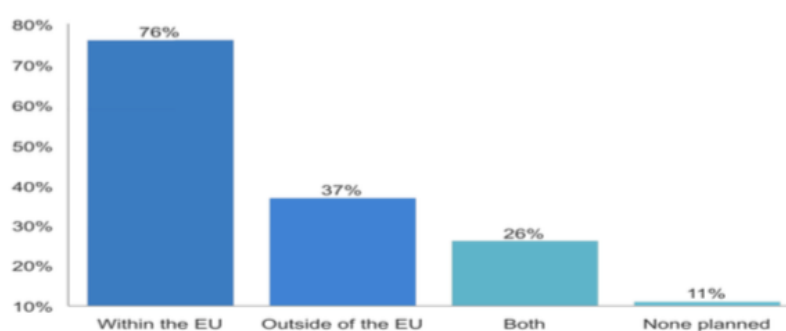


Figure 1. SMEs planned internationalization for the upcoming 12 months (adopted from European Commission, 2019)

Looking through SMEs' internationalization results it can be observed that most of the respondents had plans to expand internationally within the next 12 months. According to the SMEs which responded to the survey, 76% SMEs planned to expand within the EU and 37% outside of the EU. Only 11% of surveyed SMEs did not plan to expand internationally in the upcoming 12 months (European Commission, 2019). The implemented survey proves once again that SMEs' internationalization topic is significantly important to the whole economic development. At the current moment, there is a favourable economic situation for the companies which want to become international. According to Fidelity investments (2020), currently, the business or economic cycle is in the late phase. It means that the majority of target customers live well and can spend more on products or services. In this business cycle, steady and slow growth could extend.

Analysing the statistical data, it can be noticed that international relations between companies are growing. In figure 2 it is depicted the annual growth rate of trade in goods and services (export). The data is measured in million USD, as a percentage of GDP for net trade. All provided OECD countries have compiled their data according to the 2008 System of National Accounts (SNA) (OECD, 2020).

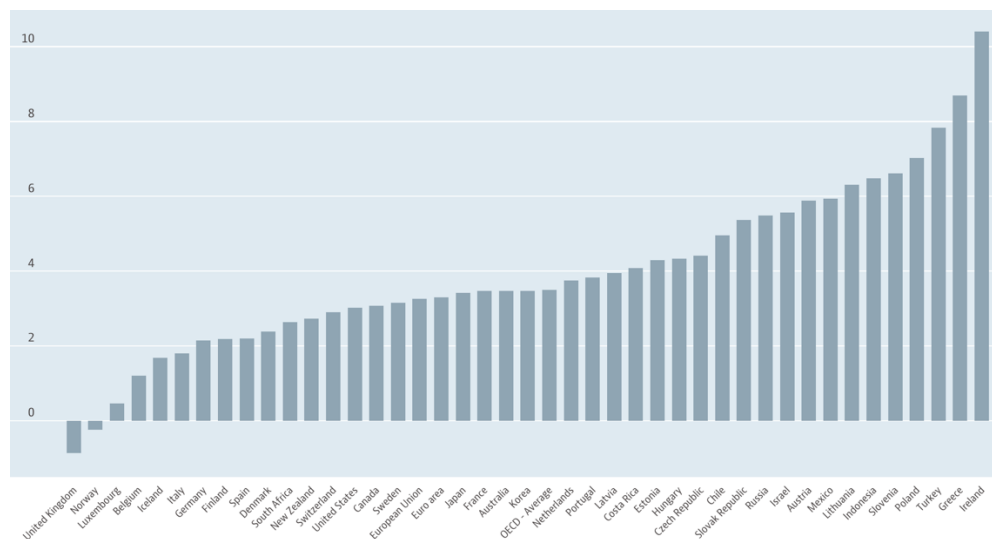


Figure 2. Exports annual growth rate (%) in 2018 (adopted from OECD National Accounts Statistics: National Accounts at a Glance, 2020)

Figure 2 shows that most of the countries or continents had a positive growth rate of exports in 2018. According to figure 2, the top three countries were Ireland, Greece, and Turkey. In these countries, export, as a percentage of GDP for net trade, grew respectively 10,4; 8,7 and 7,8 percentages. Looking into the data from the monetary side, the top three countries were the United States, Germany, and Russia, which had accordingly exported 2 416 053, 2 001 818 and 1 155 543 million in USD. In 2018, in total it was exported for 16 935 886 million USD. According to this data, it can be stated that internationalization is making a significant impact on the global economy. Companies, which do not

want to miss the opportunity, are trying to make its business international because of the main 5 reasons which are depicted in figure 3.

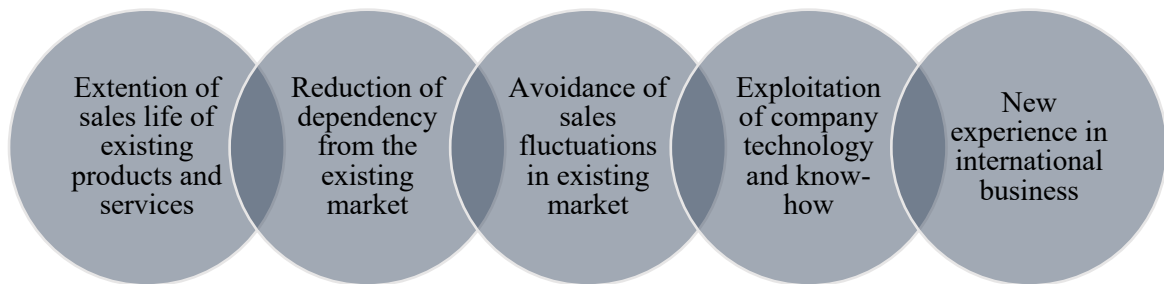


Figure 3. The main advantages of going globally (adopted by the author from Entrepreneur Media, 2005)

In figure 3, the first advantage emphasizes the benefit in a product or service life cycle. If the current market is already saturated from the products or services, internationalization helps to increase the demand. The second advantage underlines the independency from the market. Having activities in different markets help to diversify the risks. The third advantage manifests in the same way as the second advantage. The fourth advantage emphasizes the company’s competitive advantages in know-how and various resources. When a company has sufficient resources’, it can expand in foreign markets and increase its profit by reducing costs. In all circumstances, internationalization gives a high level of new experience which can be reused not only abroad, but also at the home market. Statistical data confirms that companies are looking into internationalization advantages and trying to be more global. In figure 4 there is provided a forecast of export market growth for 2021.

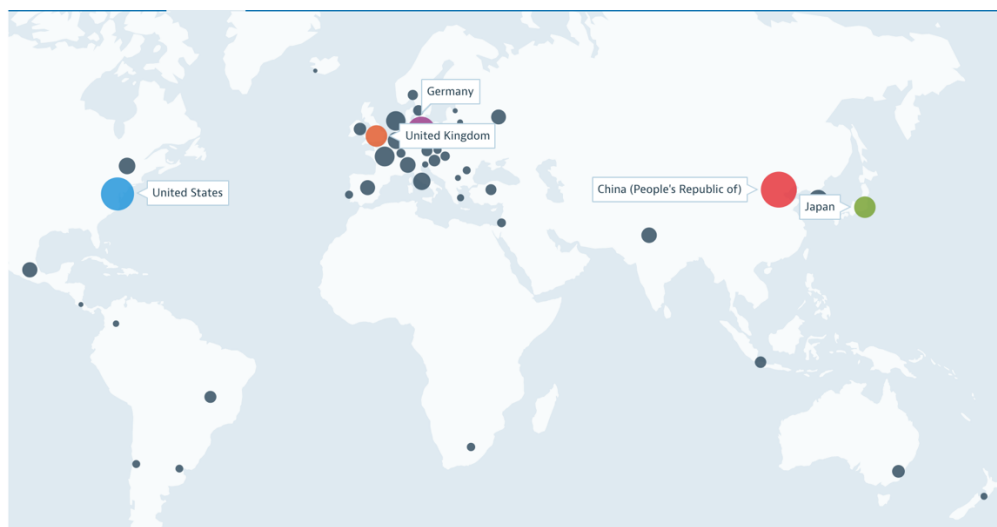


Figure 4. Export market growth forecast (USD) in 2021 (adopted from OECD.Stat: Data warehouse, 2020)

According to figure 4, it can be noticed that export should increase the most appreciably in China, the United States, Germany, the United Kingdom, and Japan. In all these countries there is predicted that export market growth would reach over at least one trillion USD (OECD, 2020). To reach this predicted result, new companies should go through domestic boundaries. Furthermore, existing international companies should rethink their strategy to increase their export value. Looking again at figure 4 it can be observed that in all continents there are predicted the growth of the export. It can be concluded that according to the OECD (2020) forecast, internationalization and different entry modes will be relevant and the question occurs, how companies will choose the entry mode.

1.2. The importance of Entrepreneurial orientation

In the first problem analysis chapter, it was grounded that internationalization and choice of different entry modes are currently perceptibly significant. Looking through scientific literature it was noticed that entrepreneurial orientation becoming a more significant part during the business expansion stage (Baker & Sinkula, 2009; Acosta et al., 2018; Brouters et al., 2015; Cho & Lee, 2018). Each year, *Global Entrepreneurship Development Institute* (2020) provides information about the Global Entrepreneurship Index (GEI) separately for each country. The Global Entrepreneurship Index is an annual index that gauges the status of the entrepreneurship criteria in each of 137 countries. It ranks the performance of different countries according to the set criteria. The index gives a common view of each country's performance according to the set criteria in both, domestic and international contexts (GEDI, 2020). The index evaluates different indicators like opportunity perception, start-up skills, risk acceptance, networking, cultural support, opportunity start-up, technology absorption, human capital, competition, product innovation, process innovation, high growth, internationalization, and risk capital (GEDI, 2020). According to the scientific literature, it was noticed that the majority of the listed indicators are important for companies that are willing to go abroad. As a consequence, it can be affirmed that entrepreneurial orientation highly relates to the choice of starting business internationally. For this reason, entrepreneurial orientation is a relevant topic for further analysis. In figure 5 there is depicted the top 10 countries according to the Global entrepreneurship index.

Rank	Country	GDP World Bank international\$ 2011	GEI
1	United States	52676	83.6
2	Switzerland	54933	80.4
3	Canada	42104	79.2
4	United Kingdom	37451	77.8
5	Australia	42149	75.5
6	Denmark	44005	74.3
7	Iceland	34541	74.2
8	Ireland	42012	73.7
9	Sweden	45533	73.1
10	France	37948	68.5

Figure 5. Top ten countries according to 2018 Global Entrepreneurship Index rankings (adopted from GEDI, 2020)

Countries, which are on top ten of the Global entrepreneurship index, are assigned to the strong economy countries. It is grounded according to the Gross domestic product (GDP). All countries, which are listed in figure 5, belong to the top 15 world countries according to GDP rate (OECD, 2020). It can be concluded that entrepreneurial orientation manifests the best in high economy countries. Moreover, the assumption can be made that entrepreneurial orientation makes an impact on the high country's rates and vice versa. Because of this reason, the government should encourage entrepreneurship (World Economic Forum, 2014). According to the *World Economic Forum* (2014), nine main factors determine a suitable entrepreneurial ecosystem. These factors are depicted in figure 6.



Figure 6. Elements that are important to the entrepreneurial ecosystem (adopted from the World Economic Forum, 2014)

Properly working ecosystem requires a lot of elements, which are depicted in figure 6. It can be stated that these factors also help to increase efficiency for the country and its economy. Because of these statements, it can be concluded that entrepreneurial orientation is significantly important to reach top ratios (Lyon, Lumpkin, & Dess, 2000). Permanent growth is important for all world economic development and sustainability. For this reason, entrepreneurship should be discussed and analysed more in each country separately (Aparicio, Urbano & Audretsch, 2016). Entrepreneurial orientation can be also viewed from the people’s mindset and education perspective. Entrepreneurial orientation makes an impact in a business’ people mindset while choosing different entry modes by going into foreign markets (Covin & Miller, 2014; Javalgi & Todd, 2011).

The importance of entrepreneurial orientation can also be noticed according to the scholars’ interest in it. Table 2 shows a dynamic of entrepreneurial orientation studies passing the years.

Table 2. The dynamic of Entrepreneurial orientation studies (created by author)

Time interval	Database			
	Science Direct	Springer Link	Emerald Publishing	Google Scholar
	Number of articles			
1970-1980	502	289	42	4130
1981-1990	1 397	948	230	10 500
1991-2000	2 433	2 496	864	25 800
2001-2010	3 800	5 260	3061	121 000
2011-2020	8 459	12 997	8 309	137 000

In table 2, there is depicted a result of the *Entrepreneurial orientation* concept search in various scholar databases. The results include books, articles, scientific scholarly publications, and other data sources. Looking through the Science Direct, Springer Link, Emerald Publishing, and Google Scholar databases, it can be noticed that the number of studies was significantly increasing while passing the years. It shows that passing the years, entrepreneurial orientation studies become even more relevant than in previous decades. New insights and new relevant subjects are being discovered from time to

time. The scholars are analysing entrepreneurial orientation from different points of view according to the different countries. Because of this reason, deeper entrepreneurial orientation studies are relevant and needed in nowadays world.

The relevance of entrepreneurial orientation is also noticed according to the universities and study programs which during the past years increased significantly. For instance, in the United States, the number of entrepreneurship study programs from 1990 until 2014 rose from 180 to 2 000+ (Entrepreneur Media, 2017). Higher education also shows the need for current moment specialists and global market requirements (Raposo & Do Paço, 2011). The growing number of new enterprise creations in scientific literature is also linked to entrepreneurial orientation (Li, Huang & Tsai, 2009). It can be concluded that entrepreneurial orientation is significantly important in business development.

1.3. Entry modes contribution to the growth of Lithuanian innovative SMEs

In business, innovation is described as the process of transforming an idea or invention into a service or good that creates value for the customer, and then a customer is willing to pay money for it. In order to be able to call an idea as innovation, an idea has to be related to economic cost and satisfy a specific customer need (Business Dictionary, 2020). In business, innovation usually gives results when ideas are applied by the enterprise in order to further fulfil the needs and expectations of the customers. Willing to find out, if a company can be named as an innovative one, scholars are giving questions to the enterprises' representatives. The questions are as follows: in the previous 12 months, have the company introduced a new or significantly improved service, product, production process. Moreover, have the company introduced a new organisation or management, or a new way of selling goods and services. According to the European Commission (2019), innovative enterprises in Europe may range between 0.1 to 10%. It can be generalized that innovative company characterizes in new ideas generation and after all, in new services and products creation which help companies to expand its customer scope and easier go abroad in other foreign markets. SMEs and innovation are significantly important and interacts with each other. In figure 7 there is depicted countries and a percentage of SMEs which have undertaken some innovation activity over the period 2014-2016.

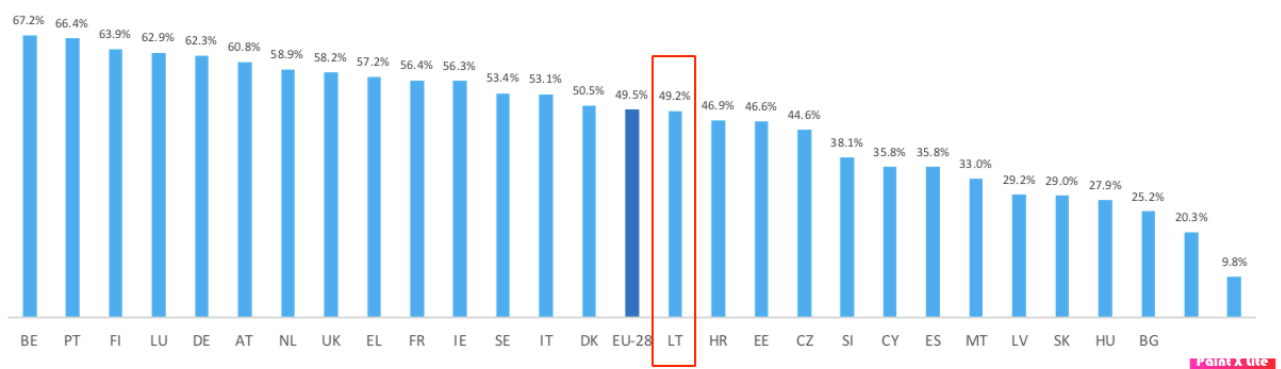


Figure 7. Share of the EU SMEs which undertaken innovation activity during 2014-2016 (adopted from European Commission, 2019)

Figure 7 shows that SMEs are taking innovative activities. Furthermore, comparing Lithuania with EU results it can be recognized that Lithuanian SMEs are close to EU indicators. Almost half of all Lithuanian SMEs have made some innovative activities during 2014-2016. In Lithuania, there are

more than 80 SMEs for 1000 inhabitants (European Commission, 2019). This statistical data supports the SMEs' importance to the Lithuania economy.

Innovative companies are highly related to entry modes. According to Andersson and Wictor (2003), ongoing globalisation has made an impact on going abroad easier. Nevertheless, the authors have revealed that an innovative attitude and entrepreneurs are crucial for foreign market entry mode implementation. Entrepreneurial behaviour and innovative companies challenge the traditional internationalisation models of slow and gradual development concerning market entry modes. According to the scholars, it can be stated that entry modes contribute to the growth of internationalization and at the same time, to the growth of companies' number.

Comparing Lithuania to other countries it can be noticed that Lithuania is a young independent country. The country counts its thirty years (LR Konstitucija, 2020). Currently, in Lithuania, there are 86 738 small and medium-sized enterprises (The Lithuanian Department of Statistics, 2020). The change of Lithuanian company enterprises number through 2016-2020 is depicted in figure 8.

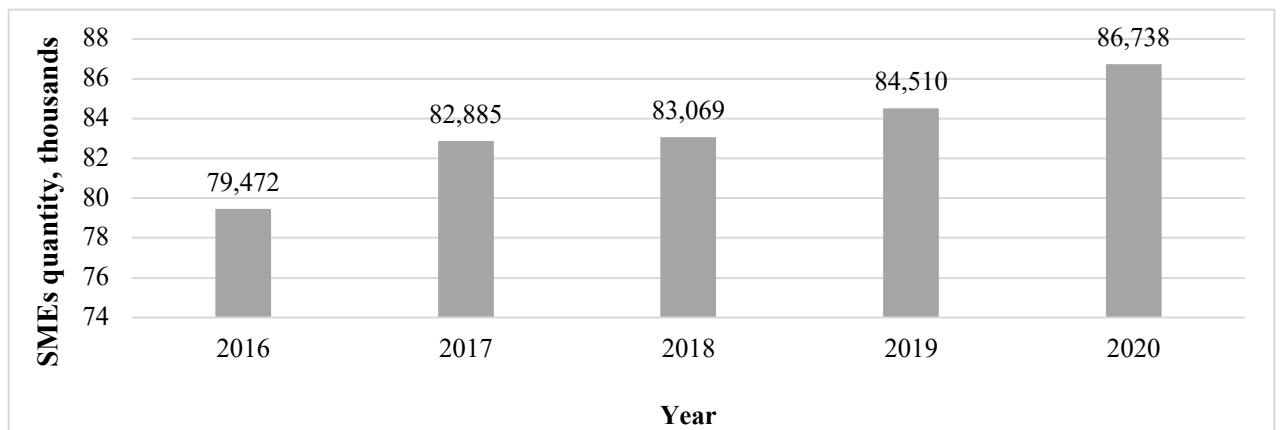


Figure 8. The change of Lithuanian company enterprises number (adopted by the author from the Lithuanian Department of Statistics, 2020)

Passing the years, from the independence restoration of Lithuania, the number of companies has significantly increased. According to figure 8, it can be noticed that during the last 5 years, the number of SMEs is still growing. It means that a company needs a sufficient number of demands. Nevertheless, Lithuania is a small country, which has 2,8 million citizens, whereas 1,82 million are between 15-64 years old (The Lithuanian Department of Statistics, 2020). Willing to expand the business, the higher demand is needed. Because of this reason, internationalization and foreign markets are crucial for small countries. Lithuanian companies' have noticed that there is an opportunity to expand their activity borders while going into foreign markets. Figure 9 shows the export map of Lithuanian goods and services in 2018.

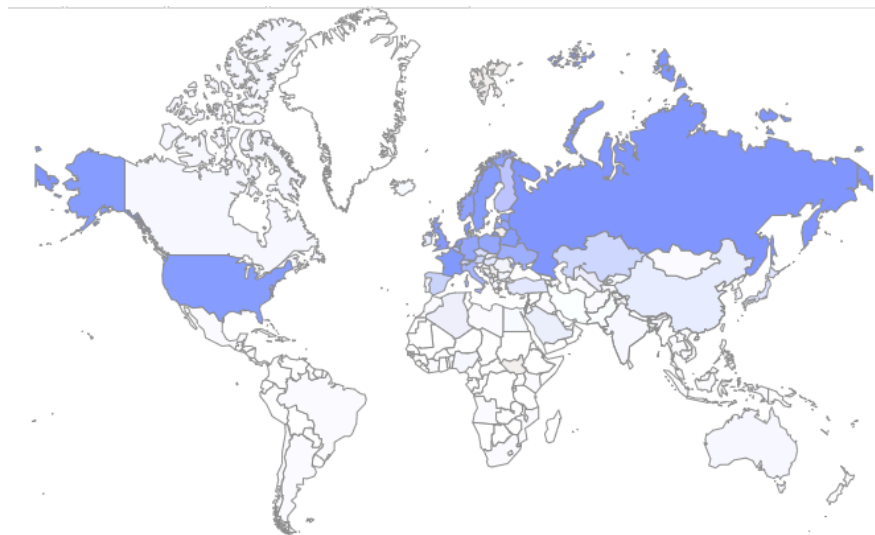


Figure 9. The export map of Lithuanian products and services in 2018 (adopted from Enterprise Lithuania, 2020)

Figure 9 shows the geographical expansion of Lithuanian exporting products and services. The blue background intensity means that Lithuania has exported a higher value of products and services in a specific country. According to the map, it can be noticed that mostly, Lithuania exports its products and services into Russia, Germany, Latvia, Poland, Sweden, United States, Estonia, United Kingdom, and other European Union countries. The export is also executed in other continents, but it occupies less part. In figure 10 there is provided a graph with actual exported products and services value in US Dollars.

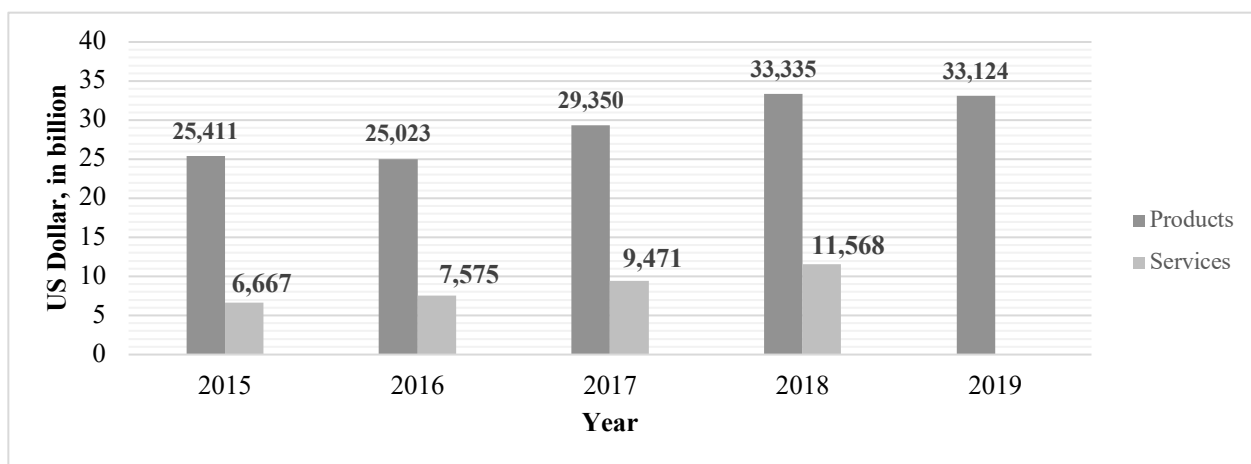


Figure 10. The value of exported products and services by Lithuania (adopted by the author from ITC, 2019)

According to figure 10, it can be noticed that Lithuania exports significantly higher value of products compared with services. In the 2019 column, there is no services column, because there were no provided data on ITC source. The total value of exported products and services was increasing each year. It means that international markets become more and more relevant to Lithuanian companies. According to Enterprise Lithuania (2019), the impact of export to the whole economic growth is estimated by dividing export value from GDP. From 2011 until 2018, the rate of the mentioned indicator was higher than 70 percent. It can be stated that export is evidently significant to the whole Lithuania economy.

Analysing scientific studies about Lithuanian companies and entrepreneurial orientation it was noticed a gap in the literature. According to the GEDI (2020), in 2018 Lithuania took 29th place of 137 rated countries in the Global Entrepreneurship Index. It means that in Lithuania there were rated indicators like opportunity perception, start-up skills, risk acceptance, networking, cultural support, opportunity start-up, technology absorption, human capital, competition, product innovation, process innovation, high growth, internationalization and risk capital pretty high. The 29th place grounds the statement that in Lithuania there is a favourable environment for growing entrepreneurial orientation and mindset. In the scientific literature, there are researchers who are analysing entry mode choice, entrepreneurial orientation, but there is a lack of information about entry modes choice and entrepreneurial orientation coherence in Lithuanian innovative companies. According to the scientific literature, the research problem can be described as a lack of knowledge regarding entrepreneurial orientation and different entry modes choice in Lithuanian SMEs' companies. The research problem was raised in order to notice coherence between entrepreneurial orientation and entry mode choice in Lithuanian capital companies. There is a willingness to find out more about Lithuanian business' people's thoughts and insights regarding the entry mode choice topic. Moreover, after the research, it will be aimed to make the generalized view of the innovative Lithuanian capital enterprises' entrepreneurial orientation and foreign market entry mode choice.

2. Theoretical assumptions for entrepreneurial orientation and foreign market entry modes

2.1. The concept of entrepreneurial orientation

In nowadays world, people can hear more frequently about entrepreneurial orientation (EO). The entrepreneurial orientation theoretical concept is not new in the scientific literature. The concept of entrepreneurial orientation is highly related to McGill University, where scholars like Mintzberg, Miller and Khandwalla were active in analysing entrepreneurship (Linton, 2019). Khandwalla (1977) has introduced and described the concept of entrepreneurial management style as the “operating set of beliefs and norms about management held by the organization’s key decision-makers when translated into action, constitute the organization’s strategy for survival and growth”. In Khandwalla’s (1977) words, it can be pointed out keywords like management, key decision-maker, strategy, and growth. Looking further at scientific investigations can be noticeable that interest in entrepreneurial orientations grew. Miller (1983) has introduced the concept of proactiveness to innovativeness and risk-taking. It can be highly set as ultimately forming three dimensions of entrepreneurial orientation and it can be considered that these dimensions can be significant strategic resources that help a firm to manage business strategy and be competitive in the market (Hughes & Morgan, 2007). Passing the years, entrepreneurial orientation becomes a more interesting subject for scholars. In 1983, Miller (1983) has described how a company should act to call it an entrepreneurial firm. It should be oriented in product–market innovation, undertake risky ventures, and be a leader in “proactive” innovations, easily beat competitors according to its products.

Some authors in order to explain entrepreneurial phenomena more clearly state that the opposite meaning for entrepreneurial orientation is conservatism (Semrau, Ambos & Kraus, 2016). According to Verreynne, Meyer, and Liesch (2016), entrepreneurial orientation is a ceaseless measure that also can be used to recognize and identify if a firm is entrepreneurial or conservative. This statement was also supported in 1991, by Covin. Results indicated that entrepreneurial companies vary from conservative companies taking into account the growth rates which can be identified in operating, financial, marketing performance. The results acknowledge that high performance is different for entrepreneurial and conservative firms (Covin, 1991). An entrepreneurial firm can be recognized by its actions. This type of companies is usually bringing new products or services into the market by creating and availing opportunities. Entrepreneurial companies are highly successful in the market. Examples could be Apple, eBay, Google, etc. These companies have recognized opportunities that were relevant and important to the customers (Definition, 2020). Meanwhile, a conservative company could be described as an institution that avoids changes, especially sudden changes that naturally affect company performance (Cambridge Dictionary, 2020). Scholars like Miller and Friesen (1982), Covin and Slevin (1989), Lumpkin and Dess (1996) also researched entrepreneurial orientation in a managerial view. They concluded that in innovative firms, innovations should be implemented bravely, regularly, and usually, risky. According to scholars, entrepreneurial orientation also can be described as a phenomenon of enterprise, it can be a key point for making a good and working company strategy (Covin & Slevin, 1991).

In the entrepreneurship literature, entrepreneurial orientation is the most popular construct (Linwei, Jiang, Yunlong & Jiang, 2017). Entrepreneurial orientation usually leads to keywords like company effectiveness, customer orientation, entrepreneurial behaviours, managerial attitudes towards risk, alliance success, business, economics, innovation speed, firm performance, new venture, risk-taking, innovativeness, proactiveness, etc. Furthermore, scholars have proved that there is a feasible suit

between entrepreneurial orientation and resource-based view. This statement was grounded by provided example that entrepreneurial orientation can be an intangible resource that is consolidated in the organizational regime and scattered between organization employees (Lisboa, Skarmas & Saridakis, 2016; Hughes & Morgan, 2007). According to the same authors, entrepreneurial orientation cannot be bought because it is related to the culture which should be grown, and which can become a sustainable competitive advantage for the company.

According to Anderson, Kreiser, Kuratko, Hornsby, and Eshima (2015), entrepreneurial orientation can be described as a company's strategic posture towards entrepreneurship. The same authors also raise the question if entrepreneurial orientation is a behavioural or attitudinal construct. Meanwhile, other authors also pay attention to the behaviour concept. Verreynne et al. (2016), explain that entrepreneurial orientation in a wide context can be explained through proactive behaviour, taking risky decisions, and a tendency to take innovative actions. Furthermore, these authors also mentioned dimensions like autonomy and competitive aggressiveness which can be recognized in entrepreneurial orientation. Furthermore, Verreynne et al. (2016), explain entrepreneurial orientation in several statements which are important in companies' point of view. Looking through the company's perspective, entrepreneurial orientation can be recognized on a meaningful emphasis on research and development (R&D), innovation implementation and getting deeper into technological leadership; a huge variety of different services and products; rapid changes in services and products; being first in the market by introducing new services and products; being over competitors inventions; taking risky projects with expect to get high returns; taking brave and important actions, and holding an aggressive posture against the competitors. Scholars like Wiklund and Shepherd (2005), Runyan, Droge, and Swinney (2008), have proved with their research that entrepreneurial orientation is especially beneficial to small companies. According to the authors, small companies with entrepreneurial orientation are more focused on opportunities and the creation of strong and well-built team relationships. Moreover, it can be easily noticed a higher employee's motivation. It can be stated that in entrepreneurial orientation concept are also included a seek for opportunities and strong team creation. Opportunities concept in entrepreneurial orientation is also supported by Deligianni, Dimitratos, Petrou, and Aharoni (2016).

Meanwhile, Rezaei and Ortt (2018) assert that entrepreneurial orientation is related to production, R&D, marketing, and sales. This explanation is based on managers' perspective, who can use various analyses and findings to control and make an impact on different company's functions to increase the overall performance. Despite several decades passed, the main ideas remain similar in which the entrepreneurial orientation construct is grounded. It can be concluded that entrepreneurial orientation concept is related to effectiveness, constant growth, risk-taking while accepting fast new challenges, support innovation speed, be innovative and proactive.

The entrepreneurial orientation concept is also related to entrepreneurial personality. Luca (2017) has stated that "there are aims, limited resources, few or even absent organisational coordinates, uncertainty as far as market and competition evolution is concerned, decision making in risky situations, etc. To successfully face these challenges, the entrepreneur has to have personal characteristics different from the ones of a manager, not only at the level of domain-specific competencies but also at the level of personality traits, probably.". According to the author's quotation, it can be noticeable that entrepreneurial personality should not be afraid of taking risks which usually appear while entering into the foreign market. Risk intense is considered as an important personality feature because some people who are afraid of taking the risk will postpone

decision making and taking action. Usually, these kinds of people are missing various opportunities and staying in their comfort zone (Luca, 2017). Risk propensity is positively related to entrepreneurial orientation and negatively related to business performance (Zhao, Seibert & Lumpkin, 2010). According to meta-analyses, which was conducted by Zhao and Seibert (2006), also by Brandstätter (2011), it was determined that entrepreneurs have a lower level of neuroticism, a high level of extraversion as well as display a higher level of consciousness and are more open towards experience. It was also mentioned as a negative part that entrepreneurs are less pleasant than usual managers. Through the Rauch and Frese (2007) research, entrepreneurs need achievement, they have an innovative spirit, characterized by proactivity, self-efficacy, tolerance to stress, autonomy, internal focus of control, risk propensity. Also, entrepreneurs are marked with a tolerance to ambiguity, which is one of the key differences between entrepreneurs and managers as well as non-entrepreneurs (Rauch & Frese, 2007). According to different sources, it can be summarized that usually entrepreneurial personality characterized by proactivity, creativity and innovativeness, emotional intelligence, and passion for entrepreneurship (Luca, 2017). According to the different scholars, the definition of entrepreneurial orientation is provided in table 3.

Table 3. The Concept of Entrepreneurial orientation (created by author)

Author	Definition	Basic features
Khandwalla (1977)	"<...>operating set of beliefs and norms about management held by the organization's key decision makers when translated into action, constitute the organization's strategy for survival and growth."	<ul style="list-style-type: none"> • Management; • Key decision maker; • Strategy; • Growth.
Miller (1983)	"An entrepreneurial firm is one that engages in product market innovation, undertakes somewhat risky ventures and is first to come up with proactive innovations, beating competitors to the punch"	<ul style="list-style-type: none"> • Proactiveness; • Innovativeness; • Risk-taking.
Rezaei and Ort, (2018)	"Entrepreneurial orientation is found to closely reflect actual entrepreneurial firm behaviour and is generally found to be positively related to firm performance."	<ul style="list-style-type: none"> • Performance; • Innovativeness; • Proactiveness.
Covin and Slevin, (1991)	"Entrepreneurship is described as a dimension of strategic posture represented by a firm's risk-taking propensity, tendency to act in competitively aggressive, proactive manners, and reliance on frequent and extensive product innovation." "Entrepreneurial orientation refers to the philosophy and decision-making processes that guide a firm's activities and encompasses values and behaviours such as innovativeness, proactiveness, and risk taking"	<ul style="list-style-type: none"> • Courage; • Risk; • Innovativeness; • Proactiveness.
Lisboa, Skarmeas and Saridakis, (2016)	"<...>firm can simultaneously present high levels of innovativeness and/or proactiveness and relatively low levels of risk taking; such variances between the components are essential for understanding the role of entrepreneurial orientation in explaining firm outcomes."	<ul style="list-style-type: none"> • Competitive advantage; • Innovativeness; • Proactiveness; • Risk-taking.

According to the scientific literature and results from table 3, it can be stated that entrepreneurial orientation is mainly related to proactiveness, innovativeness, risk-taking. It can be concluded that a bigger interest in entrepreneurial orientation started in the 20th century, in 8-9 decades. The topic of entrepreneurial orientation becomes more relevant than in the previous decade. It can be stated according to the number of scientific articles (table 2). Looking into the 21st century, scholars are

providing new insights and findings, how entrepreneurial orientation reveals, and why it is important. Over the years, entrepreneurial orientation in scientific literature gains various dimensions which can be used in order to recognize entrepreneurial orientation.

2.2. Dimensions of entrepreneurial orientation

Entrepreneurial orientation can be measured using different dimensions. One of the first scholars, who provided the dimensions of entrepreneurial orientation framework was Miller (1983). He offered elaborated dimensions for describing entrepreneurial orientation. According to Miller (1983), entrepreneurial orientation dimensions are related to innovations, risk-taking, difficulties for rivals. Meanwhile, Covin & Slevin (1989) have developed the scale of entrepreneurial orientation measurement. The scale consists of nine main items. First of all, three items are measuring proactiveness, innovativeness, and risk-taking. Different scholars agree on the main three entrepreneurial dimensions (Rauch, Wiklund, Lumpkin & Frese, 2009; Wales et al., 2013; Covin & Wales, 2018). According to Linton (2019), the sub-dimensions of entrepreneurial orientation like proactiveness, innovativeness, and risk-taking can be significantly divided between the indications of outcome and process. In order to understand it more clearly, the authors have depicted the scheme of proposed formative entrepreneurial orientation. The scheme is depicted in figure 11.

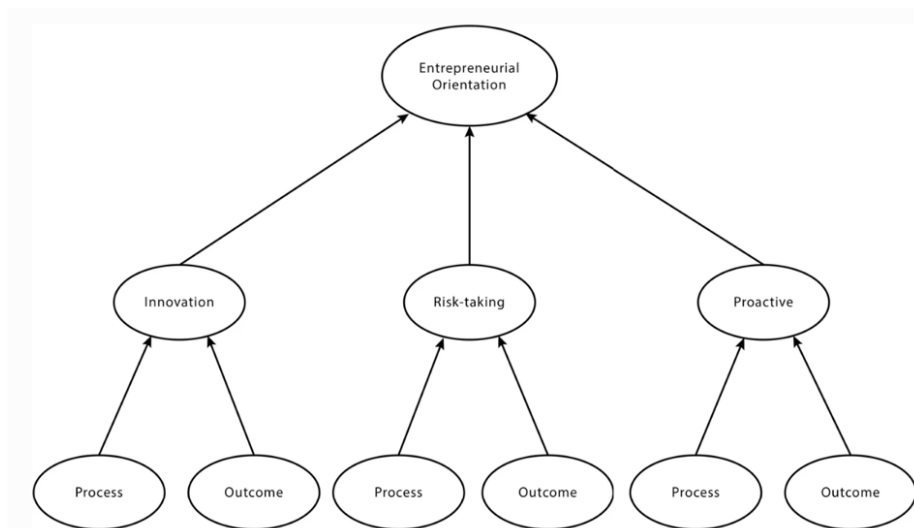


Figure 11. Proposed formative entrepreneurial orientation model (adopted from Linton, 2019)

Linton (2019) has suggested making a split of outcomes and processes in order to understand entrepreneurial orientation deeper. Grünh, Strese, Flatten, Jaeger, and Brettel, (2017), explained that the outcome can be named product and its features, while the process is assumed to be the behaviours and activities. In fact, the idea of splitting sub-dimensions into process and outcome appear earlier, during the innovativeness research (Covin & Miller, 2014). Because of this reason, there are more scholars who state that a firm can have innovative outcomes without innovative behaviour and processes (Garcia & Calantone, 2002). The sub-dimensions, which are provided in figure 11, according to the author should differ independently with each other. The proof for that can be given in the example like, a firm cannot necessarily have an innovative process, but it can dispose of innovative product and vice versa (Linton, 2019). The author also asserts that a company can have a profile with high proactiveness and high innovativeness level, but a low risk-taking level and this company still will be considered as relatively high for an entrepreneurial orientation point of view. After the research, Linton (2019) has provided conclusions that there can

be a variety of separate types of entrepreneurial outcomes and activities. In order to maintain entrepreneurial superiority, managers should analyse and bear in mind what operations and results are suitable for the specific firm, instead of accepting entrepreneurial orientation for the whole company mindset and processes.

In the further paragraphs, there are going to be explained different entrepreneurial dimensions like proactiveness, innovativeness, and risk-taking more informative. Moreover, other authors also mention autonomy and competitive aggressiveness as a dimension of entrepreneurial orientation (Verreynne et al., 2016). Nevertheless, these concepts were not widely applied (Wales, Gupta & Mousa, 2013).

Covin and Lumpkin (2011), have conceptualized 5 main dimensions of entrepreneurial orientation. These dimensions are provided in figure 12. Farsi, Rezazadeh, and Najmabadi, (2013), also point out the same dimensions and support Covin and Lumpkin (2011) asserted ideas of different entrepreneurial dimensions.

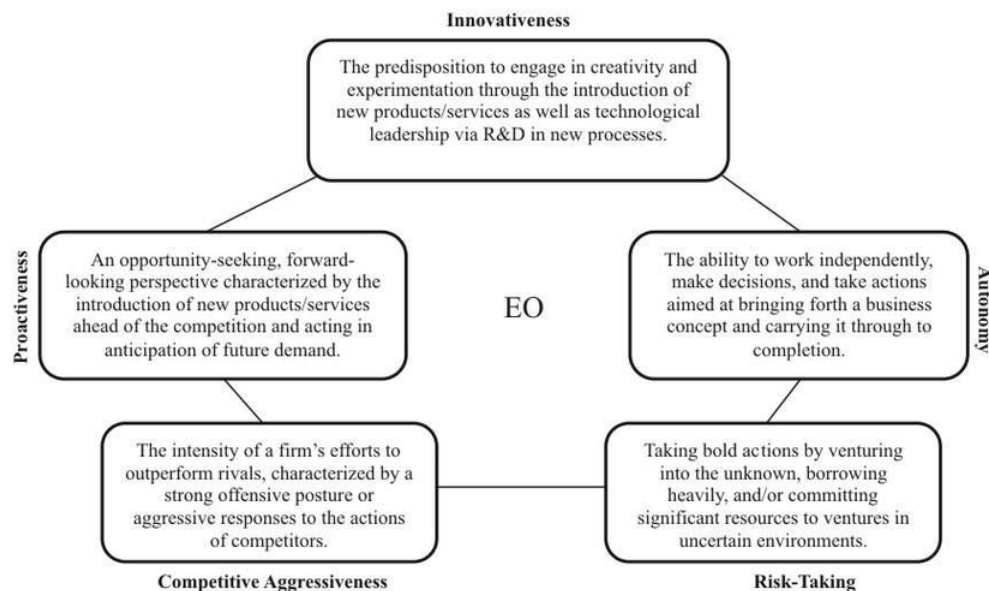


Figure 12. Dimensions of entrepreneurial orientation (adopted from Covin and Lumpkin, 2011)

In figure 12 there is provided different entrepreneurial orientation dimensions according to Covin and Lumpkin (2011). According to the authors, there are innovativeness, autonomy, risk-taking, competitive aggressiveness, and proactiveness. In the innovativeness dimension, there is highly emphasized creativity and experiments. In autonomy, there is emphasized independence characteristic. Looking through further, in the risk-taking dimension, there is highly emphasized unknown situations and uncertainty. In competitive aggressiveness dimension, there is highly underlined a strong and sometimes, offensive actions against the rivals. In the proactiveness dimension, there is stressed an opportunity-seeking mindset towards actions and future plans. Looking through the other scholars' research it can be noticed that usually, proactiveness, innovativeness, and risk-taking are mentioned as the main dimensions of entrepreneurial orientation. In below provided paragraphs, there is going to be presented other scholars' insights regarding entrepreneurial orientation dimensions.

Proactiveness can be defined as a commitment to opportunistic extension by availing market possibilities in the process of new market entry before the competitors (Linwei et al. 2017). According to Cho and Lee (2018), proactiveness is the capacity to implement strategic decisions into the progressive movement to monitor the market by recognizing and using market possibilities and perceiving alterations in the market sooner than competitors. The authors concluded that it is a relevant feature to build a competitive superiority and keep initiative by finding novel possibilities through future needs and creating and developing novel commodities and services in the market. Furthermore, Linton (2019) asserts that proactiveness is a key driver for innovativeness and risk-taking dimensions. According to Shan, Song, and Ju (2016), proactiveness inverts U-shaped effects on innovation pace. Furthermore, entrepreneurial orientation precursors (Miller & Friesen, 1978) state that proactiveness reveals through technology, new products, and administrative processes. Other scholars also supplement that proactive companies frequently have a forward-looking perspective, they are also able to foresee and be ready for the future (Dada & Fogg, 2014; Sciascia, 2006). There is also observed that proactive companies usually want to be noticed as initiators of innovations (Miller & Friesen, 1978). This insight is also relevant in nowadays business world because companies are focusing on the speed of innovations in order to launch new products and services faster than their competitors (Wiklund & Shepherd, 2005). Summarizing proactiveness it can be stated that according to the different scholars, proactiveness is one of the main dimensions in order to act entrepreneurially. Having proactiveness there is also going to be noticed *innovativeness* and risk-taking dimensions.

Specifically, innovativeness can be described as a propensity to produce and deliver new commodities, manufacturing processes, and organizational frames (Linwei et al., 2017). Furthermore, the innovativeness concept also can be grounded with a company's willingness to use new technologies and new management practices, by creating new and ingenious ideas while making experiments. In this case, experimentation can show new solutions and likely possibilities which can lead to new products, services, or technology creation (Dess & Lumpkin, 2005). Usually, innovativeness is led by challenges, provocation, new technologies, product development, the transformation of internal processes, and other actions, while the company is trying to adapt and introduce new things (Baker & Sinkula, 2009). It is important to mention that innovativeness can be analysed from a different perspective: technological and product market innovation. Technological innovation covers engineering and the R&D part. Meanwhile, product market innovation covers new markets, design of the product, promotion, and advertising parts. It can be stated that entrepreneurial orientation innovativeness dimension empowers diverse fields of innovativeness using service, products, and processes innovations (Linton, 2019).

In scientific literature, the risk is explored from a different perspective of view. There are different types of risks and the type depends on what context the risk is mentioned. In general, there are three main risk types: business risk, non-business risk, and financial risk (Elkhal, 2019). In literature, there can be also found types like social, psychological, personal risks. Wu and Knott (2006) assert according to their finding that in entrepreneurial orientation area there exists two types of different risks: ability uncertainty and demand uncertainty. Ability uncertainty risk means forming the capabilities and resources to realize an opportunity. Meanwhile, demand uncertainty shows the possible value of a specific opportunity. According to the pioneers of entrepreneurial orientation research, in EO point of view, there should be mostly taken into account the risk for the probability of a loss, risk can also be viewed as venture failure or missing a relevant opportunity (Miller &

Friesen, 1978; Dickson & Giglierano, 1986). In other words, risk in entrepreneurial context was allocated in two different types: missing-the-boat risk and sinking-the-boat risk. Missing-the-boat risk means that there was an opportunity, but it was missed, not noticed, or ignored. Meanwhile, sinking-the-boat risk means that the actions were taken but circumstances were unfavourable, and the plan failed (Dickson & Giglierano, 1986). Other scholars define risk-taking as the tendency to assume bigger levels of risk by daring into the unfamiliar area with significantly heavy commitments (Linwei et al., 2017). Furthermore, risk can be described as an opportunity, that can be missed and not turned into a good idea which leads to significant financial losses. This type of situation can be evaluated as a result of risky entrepreneurial decision nature which affects not only the financial side but also leaves emotional consequences (Tipu, 2017). Moreover, risk-taking decreases not enlarges innovation pace (Shan et al., 2016). Summarizing risk statement from the entrepreneurial orientation point of view it can be concluded that different scholars name the entrepreneurial risks differently, but the meaning is similar, related to missed opportunity or failure while taking the decision.

According to the literature, there is not very common to see *autonomy* and *competitive aggressiveness* as an entrepreneurial orientation dimension. Nevertheless, in the entrepreneurial orientation concept, autonomy manifests when a team member is acting and making decisions independently to generate new ideas and accomplish them. In other words, it can be described as a firm's members carry out self-control possibilities and autonomous movements, making essential solutions by themselves, and creating new ideas (Chang, Lin, Chang & Chen, 2007). Autonomy gives a challenge for firms' members to recognize opportunities and carry out them until they are launched to the market (Lumpkin et al., 2009). Moreover, it is determined that autonomy usually varies with company size. Furthermore, scholars ascertained that dense entrepreneurial movements are related to the most independent leaders who have acute central authority in small companies (Shan et al., 2016). This can be grounded from a company perspective if there is identified that companies with autonomous leaders surmount opposition on time, for instance, by giving commerce thoughts straight to top management and interacting with all parties essentially. It can be concluded that autonomy lightens innovation speed through centralization in small firms. Past studies have also examined the extent of autonomous behaviour in small firms by investigating the level of centralization (Shan et al., 2016).

One more entrepreneurial dimension is *competitive aggressiveness*, which according to scientific literature, might also mirror an intension to rival using unusual ways, for example, analysing and targeting rival's infirmity and adopting unusual tactics to provoke industry leaders (Stuart & Abetti, 1987; Cooper, Willard & Woo, 1986). Competitive aggressiveness appeals to a firm's trend to attend in difficult and indicative challenges with rivals to enrich its market position. Firms, which aggressively contest and take possibilities with power to reach profitability, may be able to better keep its competitive advantage in the lasting time frame and claiming that their goal is overtaking competitors and not striking them (Dess & Lumpkin, 2005). It can be summarized that competitive aggressiveness lightens innovation speed by leading firms to engage in activities aimed at defeating their competitors (Shan et al., 2016).

Another dimension of entrepreneurial orientation is mentioned as *effectiveness* (Smith & Jambulingam, 2018). This dimension is explained in a context that a company's managers can see a vision of how a company should behave to achieve better results. In this case, managers usually see that more efforts should be placed in specific routines to make the company more innovative. This leads to innovations that usually create value for businesses and customers. Effectiveness is noted frequently in entrepreneurial orientation studies. The researchers claim that autonomy of making

decisions and internal company structure are relevant conditions that can limit effectiveness which is important to entrepreneurial orientation. Moreover, the researchers also claim that autonomy is important while entering into foreign markets (Hakala, Sirén & Wincent, 2016). According to scholars (Wiklund & Shepherd, 2005; Covin & Lumpkin, 2011) new solutions, risk-taking are strongly grounded as entrepreneurial dimensions. Semrau, Ambos, and Kraus (2016), research approves previous researches that munificence and dynamism can also be described as dimensions for entrepreneurial orientation.

Summarizing different dimension part, it can be concluded that specifications of entrepreneurial orientation prolong to techniques of decision-making and movements of the firm’s members. Previously described dimensions, especially, proactiveness, innovativeness, risk-taking, autonomy, and competitive aggressiveness, are usually in interaction with each other to increase the entrepreneurial appearance in a firm. Furthermore, the majority of scholars agree that the main entrepreneurial dimensions are risk-taking, proactiveness, and innovativeness. Nevertheless, there are more different dimensions like autonomy, competitive aggressiveness, effectiveness, etc, which are less common and less applied.

2.3. Factors influencing entry mode choice

Foreign market entry mode choice rises an interest of scholars for several decades. Researchers were trying to find out what are the main factors which influence wider business abroad. One part of scholars asserts that factors which influencing entry mode choice can be divided into internal and external (Haile-Mariam, 2008; Kumar & Waheed, 2007). This type of division according to Allui and Alselaimi (2019) is provided in figure 13.

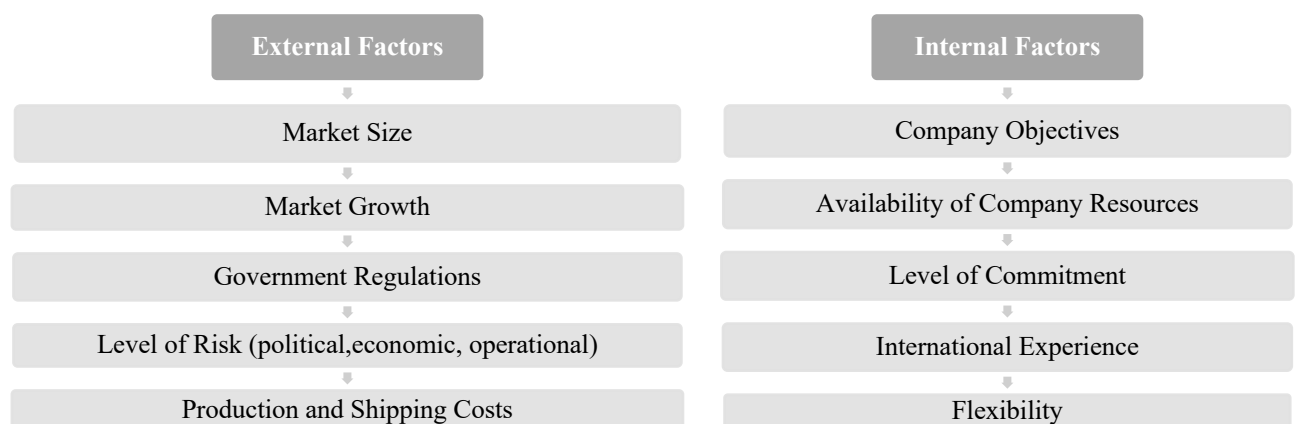


Figure 13. Internal and external factors which affect companies go into foreign markets (adopted by the author from Park, Allui and Alselaimi, 2019)

These authors also explain internal and external factors in smaller components. The components are provided in figure 13. In external factors, there is provided market size, market growth, government regulations, level of risk, production, and shipping costs. According to Horstmann and Markusen (1996), large market size is especially desirable if a company is considering foreign direct investment. Countries, which have a large market size, vindicate the modes of entry with lasting obligation claiming more investments, like wholly owned subsidiaries or other equity entry mode. Furthermore, if a company is willing to reach the economy of scales, have higher brand awareness between customers, willing to have a stronger bargaining position with suppliers, customers and distributors,

market size can be noticeable criteria for starting internationalization. The same reasons are suitable if a company chooses to go abroad because of market growth. If a company is going abroad in a market that is already saturated with goods and services, there would be slow growth. Because of this reason, from the perspective of lasting growth, companies invest more funds in markets of high growth potential (Leonidou, Katsikeas, Palihawadana & Spyropoulou, 2007). The legislative environment can make a high impact while selecting entry mode. Some governments have made a mandatory action to have a local associate. Nevertheless, some authors state that if there is difficult government regulation, there is better not to choose equity entry mode. Otherwise, a joint venture can be an option (Henisz, 2000). Political instability can affect firms to choose non-equity entry mode because of risk avoidance. The same reason is applicable while facing economic and operational risks (Quer, Claver & Rienda, 2007). Production and shipping costs can help to decide if a company should choose equity or non-equity entry mode. If the production costs are lower in the foreign market, probably, the company would consider choosing equity entry mode, for example, a wholly owned subsidiary. On the other hand, if the production costs are high but export costs are low, the company would probably choose non-equity entry modes like exporting, strategic alliances, or another mode (Lin & Ho, 2019).

According to Park, Allui, and Alselaimi (2019), there are not only external factors that influence a company to go abroad. A significant impact on the going abroad approach is also made by internal factors like company objectives, availability of company resources, level of commitment, international experience, and flexibility. To increase revenue, save money on costs, access wider markets, companies rise ambitious objectives. It depends on the objective, what type of entry mode to choose. The availability of company resources can highly affect the choice of entry mode. Going into the international market various resources, especially finance and human resources, are needed. Because of this reason, frequently, the choice of entry mode depends on financial power. If a company has sufficient strength of finance, it usually chooses wholly owned subsidiaries or equity-based entry mode (Akbar & McBride, 2004). Another internal factor is the level of commitment. If the level of commitment is high, the company would try to choose entry mode which gives more management power. In this case, a wholly owned subsidiary or joint venture can be chosen. The same entry modes are more often chosen if the company and its team have more international experience. Firms also think not about entrance but also about the exit difficulties of the chosen market. The foreign market can become unattractive if there appear changes regarding legal or political structure, changes in customers' needs, changes in rivalry environment, and many other reasons. If a company prefers a high level of flexibility, it probably will not choose equity entry mode (Khanna, Palepu & Sinha, 2005).

The components influencing entry mode choice differ according to the different authors. For external factors, there can be assigned international environment and attractiveness of products or its categories, government regulations, and its support in various processes, the potential of the chosen market, and other criteria. For internal factors, there can be assigned products, international experience, and company size (Hollensen, 2007). Firms, which are following a local strategy usually depend on the local company's resources, for example, local brand name, local technology, distribution, and networking channels. The most accurate destination for these companies is to react and satisfy the local market needs and demands, which can be reached by well-integrated local affiliates. According to other scholars, there are no different factors categories. Furthermore, there are just several main factors which encourage to expand business in foreign markets. Below there are

provided and explained different factors like size of the company and future potential; international experience; strategic company's goals and objectives; the value of specific organization resources; intense of technology; market growth in a specific industry; market size or demand of the product; cultural environment; a level of risk; legal terms, risk of contracts; willingness to start a joint research and development activity, global synergy and entrepreneurial orientation within details.

The *size of the company and future potential* can show the possible capacity, management knowledge, and other resources in the firm. The capacity for starting a business abroad can be revealed by different resources that are relevant and significant for foreign expansion (Knight & Cavusgil, 2004; Osano, 2019). Lin and Ho (2019) also support the idea of a sufficient amount of resources, looking through the small-medium enterprises' perspective, the international opportunities and the local country resource limitations can inspire a company to go abroad and invest in international markets. In this case, there can be noticed company international potential. The impact of the size of the company was also explored by Osano (2019). The author also supports the statement that company size is an important factor while starting plans for going abroad. In this case, SMEs usually have difficulties by competing with a local market competitor, they also encounter rivalry from imported merchandises, and lack of production capacity and technologies to meet the willingness of foreign markets. Moreover, for SMEs is difficult to get the public procurement possibility compared to large firms. As a result, for the previous studies, it can be concluded that bigger companies will have more resources which can lead to successful foreign expansion. Empirical studies show that the size of the company has a positive effect while choosing wholly own subsidiary entry mode (Lin & Ho, 2019).

Companies, which have *international experience*, can more easily decide about international decisions. International experience was explored and emphasized in early studies. Gatignon and Anderson (1988), asserted that when foreign firms have a lack of experience in the local market, they tend to get local knowledge from local joint venture associates. Contrary to the previous statement, the firms which have international experience are not strongly related to local partners and this leads to choosing full control of foreign market entry mode. In this situation, frequently wholly owned subsidiaries are chosen as an entry mode. Swoboda, Elsner, and Olejnik (2015) mentioned international experience as an important factor that reinforces the use of a preferred entry mode in subsequent entry decisions. International experience as an important factor was also mentioned by Laufs et al. (2016). According to these authors, accumulated international experience in foreign markets has a meaningful impact on managerial decisions, this type of experience also reduce risk and information demands that occur while thinking about entering into foreign markets. According to Swoboda et al. (2015), international experienced can be named as knowledge-generating internal capability. Furthermore, the scholars affirm that inexperienced companies are doubtful about foreign markets because they need more experience to develop a specific plan or framework for making decisions in new markets. Nevertheless, with growing international experience, companies may enhance their promoted modes. Usually, companies with high international experience are taking more risky decisions according to their experience and possible capacities. These companies know better how to split the risk compared with small companies (Harvard Business Review, 2012). Small companies usually would take less risky decisions while going abroad. For example, small companies usually prefer to choose export or licencing (International Entrepreneurship in Emerging Markets, 2020). It can be summarized that international experience makes an impact on taking riskier and more ambitious decisions while going abroad.

Strategic company's goals and objectives are also important while deciding on going abroad. According to the company strategy it can be clear if the company should stay in the local market or go abroad and expand the capacity. There can be variety of different strategic goals, which can encourage company to start the foreign expansion (Benito, Lunnan & Tomassen, 2011). For example, increase the demand, increase revenue, manage cost by hiring cheaper labour force, diversify and grow revenue streams, increase share of market, improve or focus research and development, acquire new customers from innovative offerings, reduce energy usage per unit of production, improve productivity with cross-functional teams, attract and retain the best people, build high-performing teams and many more (Queensland Government, 2020). These goals are related to people, experience, knowledge, resources, demand capacity which not necessary will be enough in a local market. Because of this reason, firms are looking other opportunities by expanding the activities in foreign markets.

Value of specific organization resources can encourage company not only do the activity in local market but also transfer these resources abroad. For example, it can be an innovative equipment which could create value not only in the local market. The same factor can be viewed oppositely. There can be noticed that other foreign market companies have a high value of some resources (Nieto & Rodríguez, 2010). Furthermore, other markets can have an *intense of technology*. Necessary resources or intense of technology can encourage local company to go abroad and find beneficial partners. If there is a high need of technologies in the company, there is a higher possibility that these types of companies will try to create joint venture agreement.

Market growth in specific industry usually shows how profitable is the specific market. The choice for going abroad according to specific market grow can be led in different perspectives. It can be looked through the specialists, raw materials or tendencies point of view. Unfortunately, the more profitable is the market, usually the more competitors exist which lead to a higher competition, higher entry barriers and more difficult foreign expansion process. Moreover, sometimes government policies cannot support the growth of specific industry. It can be done through macroeconomic policies, taxes, government purchase decisions, etc. (Wanjiku, 2019). *Market size or demand of the product* is one of the most important key factors while choosing foreign market entry mode (Park et al., 2019). Some scholars provide the main points which should be reviewed to notice the right market. For local companies which are seeking for expansion abroad, the market should be checked in two different perspectives. These models are consisted using secondary statistical data. Furthermore, first model is based on market similarity and another one is based on countries' market potential. The similarities are grouped according to economic, social, and political indicators and do not measure demand levels. Market size, growth rate, contain between customer priorities, merchandize and competitors screening criteria. Recognition phase also involves evaluation of industry attractiveness and forecasts of costs and revenues for the markets. The final assessment phase determines the country market which was evaluated the best for specific companies' needs (Sakarya, Eckman & Hyllegard, 2007).

The cultural environment is one more important factor that encourages or discourages companies to go abroad. According to Hofstede (2004), there exist 5 cultural differences between countries or regions: uncertainty avoidance, power distance, individualism-collectivism, masculinity-femininity, and orientation regarding the short-long-term of individuals. Nowadays, scholars list the main cultural environment features in a simpler way, for example, language, religion, level of education, cultural values, communication, lifestyle, rituals, symbols, norms, etc. If the cultural environment is similar

between countries, there is a higher chance of efficient cooperation together (García-Rodríguez, Gil-Soto, Ruiz-Rosa & Sene, 2015). Some scholars despite cultural difficulties assert that cultural differences are a positive mode for the company (Stahl & Tung, 2015).

One more factor, which makes an impact on entry mode, is a *level of risk* in the specific country. The risk can be split into three parts: political, economic, operational (Park et al., 2019). Political risk is a risk that can appear because of instability in a country or political change which leads to a smaller amount of investment's returns or even losses. In a wider view, the political risk could occur because of legislative bodies, changes in government, or military actions (Costa & Figueira, 2017). Economic risk is a possibility that investments will be affected negatively because of the economic downturn. Economic risk is tightly connected to political risk because government solutions affect the whole economy (European economy, 2009). Operational risk is a risk of loss appearing from insufficient or unsuccessful internal processes, human mistakes, or external events (Cambridge University Press, 2016). If there is a high level of risk in the specific country, usually contractual agreements are chosen for entry mode in order to reduce the possible risk consequences. The opposite actions are taken when a country has a low level of risk, which means that country is highly predictable, the political situation is stable. While existing these circumstances, more expensive and more risky entry modes can be chosen (Sekliuckienė, 2009).

The country's *legal terms* also take an important place while choosing foreign markets. Legal terms consist of various variables like a quota, customs tariffs, bankruptcy, capital offense, and many more conditions that are significantly relevant for the company (United States Court, 2020). For companies are important not only entrance laws and legal conditions but also bankruptcy legal terms and conditions. According to Sun, Peng, Lee, and Tan (2015), bigger institutional open access in a specific region at the home country leads to a wider internationalization of local firms' rate. Furthermore, a properly working legal system helps entrepreneurs use this situation and maximize profits by limiting liabilities. It also protects creditors and investors from unexpected conditions. One more factor for choosing entry mode is a *risk of contracts*. There can be a situation that for a company is significantly important to get a noticeable number of beneficial contacts. Sometimes, gaining a significant number of contacts means a huge investment for a company. Because of this reason, not all companies are able to start internationalization. Furthermore, these companies try to get a contact base in a low-risk way which leads to appropriate foreign market entry mode choice.

Willing to start a joint research and development activity usually leads to a joint venture entry mode. In this case, companies can share its resources like qualified specialists, technologies, equipment, know-how, necessary skills, information, etc. (Scaringella & Burtschell, 2017). Willingness to start a joint research and development activity factor also are useful while creating high-value and high-cost products or services. During the development process, companies can share costs and risks. Moreover, while working together, the competition level is reduced as well (Tukker, 2015). While working together, companies can feel *global synergy*, which in scholar literature is identified as one more foreign market entry mode factor. Seeking for global synergy means that the company is interested in general synergy with foreign subdivisions (Scaringella & Radziwon 2018). Furthermore, the company is willing to control and make important decisions together which leads to choosing a wholly owned subsidiary or joint venture entry mode. It can be stated that companies, which expect to control and accept strategical decisions would try to choose equity entry mode (Gjengset & Lindelien, 2019).

According to Brouthers et al. (2015), company-level *entrepreneurial orientation* is related to higher international performance together with attendance in foreign market research or marketing alliances. Fernández-Mesa and Alegrea (2015), also support the statement that entrepreneurial orientation increases the going abroad approach. The authors state that entrepreneurial orientation can be named as a managerial attitude which reinforces export. It was estimated that small and medium-sized companies have higher international accomplishment when entrepreneurial orientation is recognized in the company's management level. Furthermore, scholars have found that participation in alliances reinforces strong relations between entrepreneurial orientation and international performance.

Not only scholars are providing evidence of entrepreneurial orientation influence by going abroad but also case studies of well-known companies (Fletcher, 2004; Kuivalainen, Sundqvist, Puumalainen & Cadogan, 2004; Spence & Crick, 2006). According to these results and different authors (Autio, Sapienza & Almeida, 2000; Zucchella, Palamara & Denicolai, 2007), it can be concluded that entrepreneurial orientation is an important factor for seeking to improve international performance. Furthermore, early expansion of an entrepreneurial culture affirmatively impacts a company's international intentions, letting the company use and expand international possibilities. It can be generalized that entrepreneurial orientation is one more recognizable factor that influence companies to go abroad (Acosta et al., 2018).

Summarizing factors, which make an influence on entry mode choice, it can be stated that mainly exist external and internal factors. According to the different scholars, the most common external factors are market size, market growth, the demand of the product, government regulations and legal terms, level of risk, production and shipping costs, cultural environment. The most common internal factors are the size of the company, international experience, company's future potential, strategic company's goals and objectives, resources, a will to start a joint research and development activity, global synergy, entrepreneurial orientation. All these mentioned factors make influence while choosing a foreign market entry mode. However, it depends on which factor will affect stronger because different factors fate to choose different entry modes.

2.4. Variety of entry modes

In the literature, there are mentioned two types of foreign market entry modes: equity entry modes and non-equity entry modes. Despite that, some scholars argue and classify the types of entry modes differently. For instance, there can be a classification of entry modes into three different categories: foreign direct investment, exporting, and contractual agreements (Quer, Claver & Andreu, 2007). Some researchers do not classify entry modes at all, just list the different types of entry modes. For this master thesis, classification for different entry modes was chosen according to the equity perspective. In this case, it can be equity entry modes, for example, joint ventures, wholly owned subsidiaries, and non-equity entry modes, for instance, exporting, strategic alliances, licensing, franchising, and other contractual agreements like turnkey projects (Hollender, Zapkau & Schwens, 2017). In figure 14 there are provided the main entry modes types which are not changing for the decades.

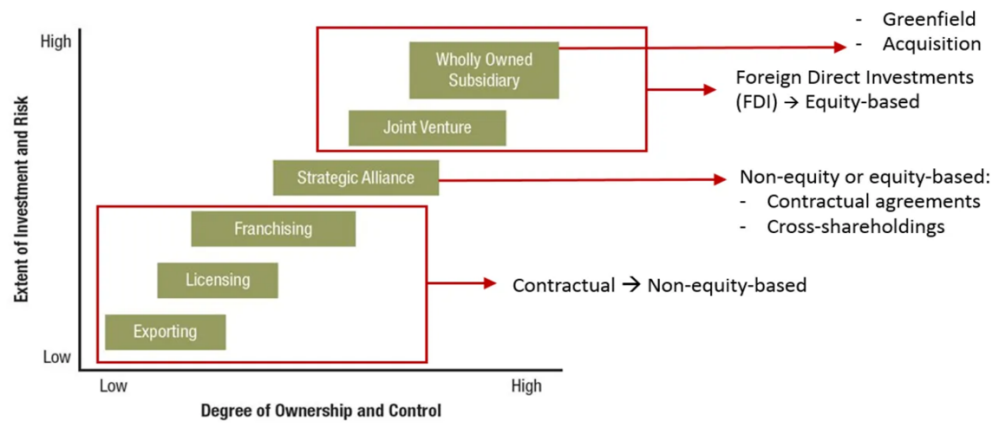


Figure 14. Different entry modes (adopted from Root, 1994)

There are advantages and disadvantages for choosing different entry modes. As it is depicted in figure 14, it can be noticeable that different entry mode has a different level of risk. Some companies can handle high risk and want to have full ownership by themselves, other companies are not able to tolerate high risk. In this case, these types of companies also have a choice to start a business abroad in a different, less risky way. A more suitable entry mode depends on a specific business. First of all, the equity entry mode type will be analysed.

Usually, host countries tend to attract foreign direct investments (FDI), because it is evaluated that FDI positively affects economic growth. The positive effect occurs through higher productivity which appears with investments in new technologies and skilled employees' education and training to the host countries (Pegkas, 2015). FDI gives the investing enterprise more direct control over the processes and operations, while a joint venture lets the investing enterprise to take advantage of its host partner's know-how and knowledge of government regulations, consumer behaviour and business culture. Equity entry modes give a chance to firms to feel a bigger closeness to foreign markets and clients but require higher financial and managerial resources (Hollender et al. 2017). Some scholars (Kedia, Gaffney & Clampit, 2012; Hitt, Dacin, Levitas, Arregle & Borza, 2000) also point out advantages of equity-based instead of non-equity entry mode choice in overcoming home market disadvantages through enhancing the asset or acquisition assets. Moreover, the same authors reveal that the basic nature of resources which are desirable for companies, such as knowledge, managerial know-how, and experience, are not lightly acquired through market change and transactions. According to Lee, Jaeh, Jang, and Yong Joon (2016), new entrants can incur an appreciable competitive reaction from the existing market players. Lee et al. (2016), emphasize that if new enterprises are going into a foreign market with small cultural differences, those enterprises gain a low level of country risk. Because of this reason, greenfield can be an attractive way while expanding business abroad. Oppositely, enterprises can feel cultural differences that raise the level of the risk. In this case, the authors suggested choosing acquisitions (Lee et al., 2016). Nevertheless, in the scientific literature, there is also mentioned drawbacks of the equity entry mode. One of the major negative aspects is a high rate of investments. This drawback is mentioned not only from the financial side but also from the time perspective. Equity mode type requires much more time to spend in establishing relationships with foreign partners. Furthermore, if a company chooses to enter into the foreign market by using joint ventures type, the company also has to give control to its local partners, which can lead to misunderstandings. Each of the different equity entry mode types is described in the further paragraph.

Wholly owned subsidiary (WOS) is an important entry mode method for companies that are willing to capitalise on foreign markets by using opportunities, especially by removing barriers of foreign ownership through the whole world (Colombage, Gunasekarage & Shams, 2014). According to Giacobbe, Matolcsy, and Wakefield, (2016), the headquarters of wholly owned subsidiaries need to manage and monitor foreign operations alone, usually, in unfamiliar markets. Furthermore, behavioural uncertainty is significant, in the context of headquarters' familiarity with different subsidiary processes and practices which are related to business networks, market development, local customs, and government regulations. It is expected that companies, which choose wholly owned subsidiary entry mode, try to minimise risks related to opportunism (Giacobbe et al., 2016).

Joint ventures are described as a separate entity formed of two or more partners who are willing to share dividends equally as a compensation using partial acquisition or greenfield investment (Larimo, Nguyen & Ali, 2016). Foreign enterprises choose to use joint ventures for the different motives, for example, economies of scale, technology exchange, risk reduction, blockade for competitors, avoidance of government investment barriers, easier expansion into foreign markets, resource exchange (Contractor & Lorange, 1988). According to Larimo et al. (2016), joint venture performance can be evaluated from different perspectives. The evaluation can be done through the local parents, foreign parents, shareholders, management team, politicians, and other related parties' perspective. Joint ventures are not always created in order to generate profit or significantly increase market share. The purpose of joint ventures is also for creating choice together, increase organizational learning, and block competition in the region. Part of the reasons was also mentioned by Contractor & Lorange (1988).

Non-equity entry modes need smaller amounts of not only financial resources but also human resources, and provide bigger flexibility, but lack foreign market closeness (Brouthers & Nakos, 2004). Moreover, it can be stated that non-equity entry modes require less control from the headquarters because investment rates are noticeably smaller which also resulting in a smaller risk than in equity entry modes (Kruesi & Záborský, 2016). Also, the time aspect should be mentioned because entering into foreign markets by using, for example, exporting or licensing are significantly faster than using equity modes. The time is saved because companies do not have to look for direct investment opportunities or prepare a partnership agreement. Nevertheless, there are some drawbacks that scholars emphasize. One of the noticeable aspects is that the host country usually looks differently into a company that is not willing to invest money, efforts, and time to a host country. Business partners and consumers can look in this type of company not so in favour as in companies that made foreign direct investments. Separate non-equity entry modes are described in the further paragraph.

Going abroad and starting with export is a common situation among the companies which are willing to start the internationalization processes. The export definition can be explained as sales of products and services, which are made or created in a native country but sold in a foreign market (Lin & Ho, 2019). Export is divisible into direct and indirect export. A direct export is when a company is controlling export processes by itself. In this case, a company is participating in all sales stages by having contact with a final consumer or closely cooperating with a native sales representative. This type of entry mode requires market research in order to set internationalization places for the product or service and its distribution for the customers. The feasibility of direct exporting depends on the firm's size, previous exporting experience, nature of the product or service, marketing ability, and business conditions in chosen countries (Navarro-García, Peris-Ortiz & Barrera-Barrera, 2016).

Summarizing direct exporting it can be stated that this type of entry mode requires higher management resources and more time. Nevertheless, it helps to maximize profit for the product or service producer. Meanwhile, indirect export is when a company is selling products or services to another exporting company which takes care of all other actions including documentation, distribution of products, and networking with products or services final users. As it was mentioned before, exporting is a good choice for starting internationalization (Ravelomanana, Yan, Mahazomanana & Miarisoa, 2015). Indirect exporting is more expensive comparing with direct export. Nevertheless, indirect exporting saves time and management resources, which can use their time for bigger value creation (Bouras & Raggad, 2015). Summarizing direct and indirect exporting, there are also disadvantages for exporting companies. The host country could use the existing situation in order to set higher taxation which leads to a higher cost for the company exporter. There also can be set export duties which can make the process harder for the exporting company. A lot of companies at the beginning choose to export and later on switch their mode. It is described that exporting has two major advantages: it helps to avoid substantial costs in the host country and gives a less costly opportunity for achieving an experience curve (Brazinskas, 2015). Exporting as the non-equity entry mode also has defined disadvantages like high transport costs, trade barriers. According to Swoboda et al. (2015), during international expansion, enterprises usually encounter two important problems: they need to achieve compliance with the environment of the foreign country and with the organizational practices within the multinational corporation.

Another popular non-equity entry mode is licensing. Licensing entry mode means that firms have to sign contracts with foreign companies, which called licensees. This signed contract allows foreign firms to legally manufacture and sell the host company's products or services. The license can be used outright, or there can be established a regular licensing fee or a percentage from the revenue. The licensing allows companies to enter the market faster and cheaper (Osano, 2019). Moreover, it also provides management guidelines about sales and marketing. Furthermore, using licensing entry mode, a company can expect to get a higher rate of return on the investments. Noticeable advantages are also the reduction of trading barriers and regulations. Despite that, there are also disadvantages like lack of control over the product or service and limitations according to the terms of the licensing agreement.

A strategic alliance is an agreement between two firms to engage for both sides beneficial projects while each of the firms remains independent. Comparing with a joint venture, a strategic alliance is less complex (Li et al., 2017). The main reasons for choosing strategic alliances are improving the production or services, expand in new markets, develop superiority against the competitors. Moreover, according to Brouthers et al. (2015), participation in strategic alliances strengthens the relation between international performance and entrepreneurial orientation. This type of agreement lets two different firms seek the common purpose which will be beneficial for both parties. The timeframe of cooperation is not strictly defined. It can be a short term or a long-term agreement (Parnell, Long & Lester, 2015).

Another non-equity foreign market entry mode is franchising. Franchising can be described as an ongoing relationship where a franchisor (the owner of primary product or service) grants a licensed prerogative to the franchisee to make business and offers a contribution in training, marketing, organizing, managing, and merchandising in a set amount of return. Nowadays, *franchising* becomes noticeably usual entry mode in developed countries (Lee et al., 2015). After the 2008 global financial crisis, it was noticed, that many companies of different industries have chosen franchising as a foreign

market entry mode. The main reasons can be stated as high competition in the market and constant changes in the market (Hsu & Jang, 2009). Usually, franchisees are owners of small businesses, who deal with market uncertainties, marketing efforts, customers, competitors, and general vitality. Franchising became a popular business model for small enterprises because it lightens uncertainty and pressure while starting a new business. Moreover, franchising helps with the transmission of best practices and marketing solutions (Chiou, Hsieh & Yang, 2004).

Franchising and licensing are part of contractual agreements. Turnkey projects, production contracts, and management contracts also relate to contractual agreements. According to Cambridge Dictionary (2020), a turnkey project is a contract where a firm gives full responsibility for other company to organize and build something that client can use immediately after it is finished without any additional efforts. Meanwhile, a production contract is based on one country's raw material reproduction using other country's capacity. Usually, this type of contract boundaries is just the manufacturing part. The main purpose of choosing a production contract is cheap raw material and cheap labour force (Law Insider, 2020). A management contract is an agreement between investors and owners of a project. Usually, it is a personnel lease that is doing a necessary job for the specific price. The common functions are organization and staff scheduling, general corporate planning, financial analysis, budget planning, accounting, marketing, and production management (Business Dictionary, 2020). Usually, contractual agreements require a small amount of primary investments because for this reason it is an attractive entry mode method.

In the scientific literature, there is provided different assumptions about the reasons for choosing one or other foreign market entry mode. According to Mas-Ruiz, Ruiz-Conde, and Calderón-Martínez, (2018), some company's decision of choosing foreign entry mode can be determined by the previous choices of other companies within the strategic reference group. For example, the probability of entry mode choice with a wholly owned subsidiary can increase if the number of wholly owned subsidiaries established by other companies is higher. Moreover, the authors stated that entry mode decisions can be also influenced by the investment decisions of other multinationals companies in the same home country and same industry. Benito, Petersen, and Welch (2009) also agree with the same assumption that past entry decisions may influence entry mode choice in new countries. The assumption of choosing entry modes by a historical data is also approved by Chang and Rosenzweig (2001), who state that enterprises learn from previous mode experience and reduce risk by looking into other experience and using established modes.

After the different entry modes analysis, it can be summarized the main advantages and disadvantages of choosing the most common equity and non-equity entry mode. The summary is provided in table 4.

Table 4. Advantages and disadvantages of equity and non-equity entry modes (created by author)

EQUITY ENTRY MODES		
Entry mode	Advantages	Disadvantages
Wholly Owned Subsidiary	<ul style="list-style-type: none"> • Maximum control. 	<ul style="list-style-type: none"> • High costs; • high risk; • slow entry.
Joint Venture	<ul style="list-style-type: none"> • Local market knowledge; • high control; • the risk is split between the partners; 	<ul style="list-style-type: none"> • High costs; • high risk;

	<ul style="list-style-type: none"> • knowledge sharing between the companies. 	<ul style="list-style-type: none"> • difficult to find a suitable and reliable partner.
NON-EQUITY ENTRY MODES		
Entry mode	Advantages	Disadvantages
Exporting	<ul style="list-style-type: none"> • Fast entry; • low risk; • if a company manages export by itself, there is also low costs; • this entry mode lets to explore the market and accordingly change the further internationalization. 	<ul style="list-style-type: none"> • Low control; • low local knowledge; • sensitive to transportation changes; • there can exist high trade barriers; • high transportation costs.
Licensing	<ul style="list-style-type: none"> • Fast entry; • the company is not strongly affected by trade barriers; • it is easier to know local consumers and their needs low risk; • low cost. 	<ul style="list-style-type: none"> • Less control; • licensee may become a rival; • legal and regulatory environment.
Franchising	<ul style="list-style-type: none"> • Fast entry; • support from the franchisor; • low risk; • low cost; • company brand is already known in the market. 	<ul style="list-style-type: none"> • Less control; • individual decisions are constrained; • legal and regulatory environment.
Strategic Alliances	<ul style="list-style-type: none"> • Shared costs; • less investment; • smaller risk; • in the host country is recognizable as a local company. 	<ul style="list-style-type: none"> • Higher costs than in a previous non-equity entry modes; • establishment difficulties between two organizational cultures.

According to table 4, it can be summarized that if a company has enough resources and wants to have as much control as possible, it is recommended to choose wholly owned subsidiary or joint venture entry mode. If a company has low resources and low knowledge in a foreign market, it is recommendable to start with exporting entry mode. If a company is seeking to get fast revenue and does not want to unify its individual products or services, it is recommendable to choose franchising. If a company is willing to share the risks, investments, and knowledge, it is recommendable to choose strategic alliances. It can be concluded, that the choice of different entry modes depends on specific company situations and needs.

2.5. The role of entrepreneurial orientation in entry mode choice

Foreign market entry modes' choice is significantly related to internationalization. According to Basile (2012), entrepreneurial behaviour is positively related to the company's inner and native resources in the majority of geographical locations and has the feasibility to propose contributions to international performance. Moreover, the author's empirical research has shown that policymakers, managers, entrepreneurs have highly noticed the significance of managerial internal and native external resources on entrepreneurial orientation to internationalize as drivers of the company's existing and competitiveness in the specific markets. According to Ripollés-Meliá, Menguzzato-Boulard, and Sánchez-Peinado (2007), there is determined a positive interaction between the development of an entrepreneurial orientation and internationalization solution through the

dimensions of degree or scope in well-set firms. Previous scholars' findings show that an entrepreneurial orientation affirmatively impacts a company's tendency to internationalize operations. Moreover, these authors also conclude that quick entry into foreign markets is positively related to the growth of entrepreneurial orientation in founded companies, and those companies with a noticeable entrepreneurial orientation have higher comparative international sales and operate in a bigger scope of foreign markets. One of the easiest ways to notice a positive entrepreneurial orientation effect on companies is profit generation (Rauch et al., 2009; Saeed, Yousafzai & Engelen, 2014). The same ideas and statements are supported by Taylor (2013). According to the author, previous research has asserted that entrepreneurial orientation is one of the main parts for the company's prosperity and profitability. Furthermore, the scholar is pointing out that entrepreneurial orientation influences high performance in the company's activities compared with those companies which do not characterized in strong entrepreneurial orientation.

Scholars emphasize that a positive relationship between entrepreneurial orientation and small and medium-sized (SMEs) enterprises can be noticeable (Semrau, et al., 2016). Furthermore, according to Basile (2012), SMEs companies act a key role in determining the competitiveness of a space. Usually, SMEs are vibrant organizations that characterized as an innovative and efficient unit. Furthermore, the author emphasizes that small size allows SMEs to be flexible in decision-making processes. Similar ideas are supported by Taylor (2013). The author asserts that SMEs take a significant place in the whole economic development. According to the author, SMEs in developed and developing countries, with noticeably high entrepreneurial orientation, are able to innovate much better comparing with competitors and make calculated decisions according to the acceptable level of risk. This type of SMEs proceeds the organizational capacity and international experience to put as many efforts in irrespective markets of different challenges that may seek to constrain their exertions in a domestic market environment. The author generalises the idea that companies, which are an entrepreneurial mindset, can more easily confront the obstacles and outbid them to grow and thrive.

According to Neubaum, Mitchell, and Schminke (2004), entrepreneurial orientation has a significant relation with new venture entry mode. The authors have conducted the research which shows the positive theoretical relationships between entrepreneurial orientation and ethical climate types and at the same time theoretical relationships between the new venture and also the same ethical climate types. According to figure 15, it can be concluded that entrepreneurial orientation and new venture entry mode has connecting theoretical concepts like instrumental and independence. This conclusion supports other authors' idea that entrepreneurial orientation is usually lead by risky decisions which in foreign market entry mode can occur by choosing new venture entry mode.

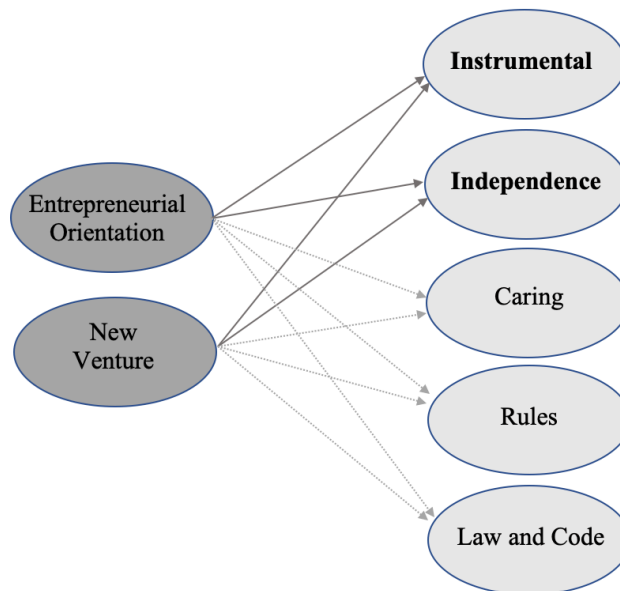


Figure 15. Relation of entrepreneurial orientation and new venture entry mode (adopted by the author from Neubaum, Mitchell, and Schminke, 2004)

While analysing entrepreneurial orientation as a concept and its occurrence in different entry modes context, it was noticed that entrepreneurial orientation influence companies to go abroad and start an international business. In scientific literature, it was found out that entrepreneurial orientation can be considered as a separate factor that influences the company to go abroad. According to the different scholars' research, the main dimensions, how entrepreneurial orientation reveals, are showing proactiveness, generating innovative ideas, and do not afraid of taking risky decisions. Because of these reasons, it was noticed, that companies, which distinguished entrepreneurial orientation reach higher results in business, according to new product development, gaining higher revenue and profit, increasing brand name notoriety, expanding market share, and general business success. Moreover, different scholars have determined that companies or specific managers, who are working with company expansion abroad and having entrepreneurial orientation, usually take riskier decisions while choosing different foreign market entry mode. After problem analysis and theoretical part implementation, it can be concluded that companies that emphasize in entrepreneurial orientation are more likely to go abroad and choose equity entry modes. The tendency is supported by the factors that entrepreneurial enterprises want to make autonomous decisions, usually, these companies have employees who characterized in an entrepreneurial mindset and they are not afraid to take a risk, they have creative ideas on how to improve the existing product or service to make it innovative and attractive for foreign markets. It can be noticed that wholly owned subsidiary, joint ventures, or contractual agreements are acceptable for entrepreneurs.

After scientific literature analysis, there were observed connections between a decision to go abroad, entrepreneurial orientation, and its impact on entry mode choice. All of these relations lead to successfully operating international business. The connections are reflected in figure 16.

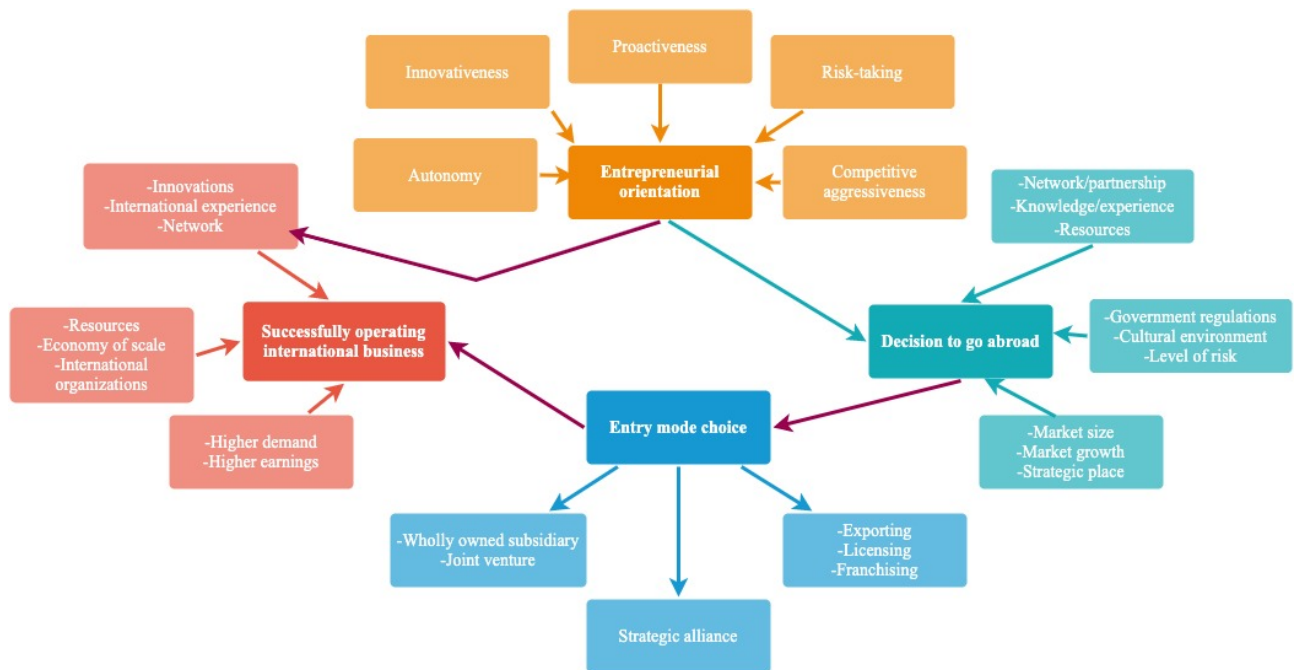


Figure 16. The framework of entrepreneurial orientation and entry mode choice relations (created by author)

Figure 16 shows the summary of the conducted theoretical part and the noticed relations between different concepts. Summarizing the implemented scientific research, it can be concluded that the problem is still relevant to the Lithuanian market. There is a lack of research about Lithuanian companies and how entrepreneurial orientation reveals in SMEs. Furthermore, there is not clear, what entrepreneurial orientation means for Lithuanian business' people, how Lithuanian people understand entrepreneurial orientation, and after all, how it reveals in business and foreign market entry mode decisions. Because of this reason, in the empirical master thesis part, there was tried to check the noticed framework (figure 16) to find out if the foreign scholars' findings apply to Lithuanian SMEs' entry mode choice and people mindset.

3. Research methodology

Problem of empirical research: during the scientific literature analysis it was noticed that there are scholars who are analysing entrepreneurial orientation, entry mode choice. Nevertheless, there is a lack of information about entrepreneurial orientation and entry modes choice consistency in Lithuanian enterprises. According to the scientific literature analysis, the research problem can arise as a lack of knowledge regarding entrepreneurial orientation and different entry modes choice in Lithuanian innovative SMEs firms. Because of this reason, the problem of empirical research was created as follows: how entrepreneurial orientation reveals in entry mode choice?

Empirical research object - entrepreneurial orientation in foreign market entry mode choice.

Aim of the empirical research – to find out what entrepreneurial orientation means for Lithuanian innovative SMEs and how it reveals in foreign market entry mode choice.

Empirical research tasks:

1. To analyse Lithuanian innovative SMEs entry modes experience;
2. To define the entrepreneurial orientation dimensions for Lithuanian innovative SMEs;
3. To identify how entrepreneurial orientation reveals in Lithuanian innovative SMEs foreign market entry mode choice.

Research methods: At the planning of the empirical part stage, different research methods were rethought. According to Tetnowski and Damico, (2001), a qualitative research method helps to investigate social and cultural phenomena by answering the question of *how*. Furthermore, qualitative research help to analyse information through its authentic and natural context. Because current research is related to specific country informants answer it can be stated that cultural phenomena are relevant for the research. Moreover, according to Gehman et al. (2018), qualitative research requires customization. Furthermore, it helps to find out from a wider perspective about the caring questions. This statement is also supported by Žydžiūnaitė (2007), who also asserts that implementing qualitative research, the scholar is more involved compared with quantitative research. Because of these reasons, the qualitative research strategy was chosen.

Case study as a qualitative research paradigm was chosen, because one of the main key aspects for this paradigm is analysing a specific event or activity, and in this master thesis context it is internationalization by different entry mode choices. Case study for researcher enables to see evidence through multiple perspectives and this method extends and broadens the theory (Eisenhardt, 1989). Moreover, in the case study, it is also analysed more than one individual experience which is also going to be applied to this master thesis. Experience is relevant in order to get the answer to the main research question. In this case, as the phenomena, it can be considered foreign market entry modes and entrepreneurial orientation or entrepreneurial mindset. In order to use this paradigm meaningfully, several different individuals are needed, who have experience in entering into foreign markets and entrepreneurial behaviour can be noticeable as the informants' mindset.

As a research method, a **qualitative interview** was also used. There is going to be implemented semi-structured interview (the questions are provided in appendix 1) because there is a list of specific topics which should be covered by the informants' answers. The structure of the interview is going to be prepared in a logical sequence but in a flexible way. There is going to be analysed different people's

experiences and opinions related to the same topic: Role of Entrepreneurial Orientation in Entry Mode Choice. The answers from the interviews are going to supplement the case study findings.

Data collection methods: To get the relevant information, the questionnaire of 6 open questions were prepared. A questionnaire is provided in appendix 1. The interviews were conducted using online applications and tools (Skype, Whereby, Zoom). During the interviews, there were participating the author of the master thesis and the informant. To be more concentrated in the whole interview process, the author of the master thesis was not taking the notes because the author was using audio recording tool. To transcribe what was said during the interviews, *Happyscribe* software program was chosen. This tool helps to create a high-quality transcription in a fast and convenient way. After interviews were conducted the MAXQDA software program for the analysis was used.

First of all, using MAXQDA software program, the author has created categories. Secondly, the author has coded the information which was gained after the interviews. For the encoding process it was relied on deductive type of encoding. Deductive type was chosen because the researcher has previously read scientific literature and it was clear, what codes can be related to entrepreneurial orientation and entry mode choice. Moreover, this type provides a direction to the analysis. After analysing data and using various tools of MAXQDA, there was descriptive analysis implemented.

Sample of the research: During the research, attention was dedicated to representatives of Lithuanian capital enterprises. Units of the research are people. Research question indicates what units need to be sampled. In research question, there is a guideline which indicates, what informants are needed. It can be concluded that this research needs people who have entrepreneurial orientation and experience with foreign market entry mode choice. The research is going to be implemented using non-probability sampling. It was decided because in this particular research is important to reference to the goals of the research, experience of the research units is relevant. In the research, there is going to be used generic purposive sampling type of the non-probability sampling. It was chosen because additional research questions were formulated purposively, to get the answer to the main research question. Moreover, in the research there is not going to be strictly followed theory and theoretical categories. Furthermore, additional requirements are set to the informants' sample:

1. The informant should work in Lithuanian capital company;
2. The informant should hold the executive or managerial position;
3. The informant should have characteristics of entrepreneurial personality (risk-taking, proactive, innovative) which was defined in the theoretical research part.

Moreover, there were also defined requirements for the informants' companies:

1. The company should match the requirements of small or medium size company criteria;
2. The company should be related with internationalization and foreign markets;
3. The company has to be recognized as innovative according to the previously defined innovative company description;
4. The company has to be recognized as having entrepreneurial mindset on its processes;
5. The company should be active in the market at least for 5 years;
6. The company should be recognized as fast adapting to the current market changes.

Ethics of the research: before the conduction of the interview, the relevant information will be provided to the informants. The informants will be informed about the aim of the research; about the needed information; about the time, how much the interview is going to take; about the anonymity of

the informant's information. In the upcoming interviews, there is going to be held principles of privacy and confidentiality. There is no going to be discussed about sensitive topics. The personal information about the informants is not going to be provided.

Limitations of the research: During the research process, several limitations were met. First of all, not all useful data about analysed companies were available for public use. Because of this reason, it can be noticeable, that the analysis of the companies could be implemented more in a depth way. Secondly, there were analysed 7 companies and there were conducted 7 interviews. The informants and companies belong to different business segments, because of this reason, the results cannot be generalized and applied for the whole general sample. Furthermore, provided recommendations can be applicable just for the analysed companies because of the small amount of sample. Thirdly, as a limitation, it can be also considered a specific period of time, because of the global pandemic disease - Coronavirus. During these circumstances, the interviews were conducted using online applications and tools, and it can be a reason for some shorter answers. Moreover, force majeure disrupted the final amount of the sample. The sample should be greater, unfortunately, several informants refused to participate because of the Coronavirus appearance.

4. The research of innovative Lithuanian SMEs entry mode choice and entrepreneurial orientation role

During the theoretical analysis it was identified and described, what does it mean the concept of entrepreneurial orientation, what are the different dimensions of entrepreneurial orientation, what are the different types of entry modes, and how entrepreneurial orientation reveals in entry mode choice. There were analysed and provided different foreign scholars' insights. Unfortunately, there was a lack of information about Lithuanian SMEs companies. In the further empirical part, there is provided analysis about Lithuanian innovative SMEs.

First of all, the case study method was used. Secondly, qualitative interviews material was analysed. The sequence of the analysis was chosen in order to get general information about the informants' companies. The general information defines the generic view of the company which also lets the author make insights and notice relations between company information and informant answers.

4.1. Characteristics of analysed companies

To fulfil the semi-structured interview answers, the author has analysed the companies of the informants. Further information was searched and provided in the empirical part: industry of the company, year of foundation, approximate age of current Chief Executive Officer (CEO), number of employees, and company's turnover. The detailed information about the company is provided in table 5.

Table 5. Characteristics of analysed companies (created by author)

Company	Industry	Year of foundation	Age of CEO	Number of employees	Turnover in million euros, 2018
Company A	Alcoholic beverages	1991	~ 40	247	~ 49
Company B	Pharmaceutical	1993	~ 60	15	~ 5
Company C	Furniture	1997	~ 30	217	~ 12
Company D	Information Technology and Services	2002	~ 40	249	~ 20
Company E	Food	1991	~ 60	177	~ 20
Company F	Telecommunication	1998	~ 35	248	~ 50
Company G	Investment Services	2015	~ 30	25	N/A

According to table 5, it can be noticed that all 7 analysed companies are from different industry sectors. The further implemented analysis will let to notice what are the differences and similarities between diverse industries. Furthermore, all companies were established after Lithuanian independence restoration day. The majority of the companies were established until 2000. The average age of a company's CEO is ~ 40 years. All of the analysed companies can be described as fast adapting and innovative because of their quick reaction to the market changes. All of the analysed companies have taken actions according to the Coronavirus issue. There were created new products or services recently, which cannot be named according to the privacy agreement. In table 6 there is described the main activity of each company.

Table 6. The main activity field of each analysed companies (created by author)

Company	Main activity
Company A	Produces distilled beverages. Currently, the company exports its products to approximately 30 countries.
Company B	Key activities are registration of medicines, medical devices, food supplements, and cosmetics in Lithuania and other EU countries; pharmacovigilance service; wholesale of medicines, food supplements and medical aids; GMP certification and placing on the market of medicinal products from third countries; pharmaceutical marketing, market analysis, and product launch service.
Company C	Manufactures real solid wood furniture, offers to customers high-quality furniture for all areas of the house.
Company D	Working with projects for software engineering and product development, business digitalization, BI and data science, and also provide UX, UI, CRO, and consulting services, for travel, omnichannel retail, transport, logistics, and sharing economy businesses across the globe.
Company E	Produces breakfast cereal and various kinds of chips. It can be noticeable as one of the largest producers of breakfast cereal, sweet and savoury snacks as well as various components for the confectionery industry in Lithuania. Exporting its production into 52 countries.
Company F	Developing and integrating IoT (Internet of Things) products and solutions.
Company G	Provides investment services using P2P investment platform.

After the main activities provision of each of the company, further on, in table 7, there is provided vision and mission of the analysed companies.

Table 7. The mission and vision of the analysed companies (created by author)

Company	Vision	Mission
A	Retain one of the largest and most popular producers of alcoholic beverages in the Baltic states and keep going to the other markets .	Keep the leadership which is consisted of today's diligent work and lasting experience while using old traditions and remain devoted to naturalness.
B	Be dashing, determined, competent and creative in the field of pharmacy in all Europe .	Wholesale the medicines, food supplements and medical aids, implement pharmaceutical marketing services, carry out registration of medicines in the Baltic States, organize and monitor clinical trials.
C	Real furniture made of natural wood in the home of every European .	Design and manufacture solid wood furniture ensuring maximum customer satisfaction, a great atmosphere for employees, sustainable relationships with partners, social responsibility, and return to shareholders.
D	Establish company as a partner that defines business success.	Setting the standard for what's possible.
E	The leader in the Baltic region (as a company), innovative, creating value: for consumers, for employees, for owners, and the community.	Food for an exciting life.
F	Defines its vision as constantly helping people who want to get that help. Company F wants their products and solutions to be used	Defines its mission as always meet its employees' expectations, take into account their wishes, provide them with opportunities, and ensure a friendly working environment, understanding, peer help, learning opportunities, ongoing improvement, and personal well-being.

	globally and to become indispensable in any business.	
G	Embrace the digital investment era impacting the lives of millions of investors .	Committed building a sustainable and scalable investment model that ensures that customers experience meet the highest standards.

After the mission and vision comparison in table 7, it can be noticed that 6 of the 7 analysed companies have emphasized its globality and foreign expansion as an aspiration in its vision. It shows that companies are working on expansion into foreign markets and suitable entry mode choice is significantly important. In the next chapter, there is provided an analysis of the semi-structured interview.

4.2. Results of empirical research

To complete a semi-structured interview, 7 different informants were interviewed (answers are provided in appendix 2). The informants belong to different industries which lets to get information from a different perspective and different point of view. In table 8, there is provided occupation and experience of the interviewed informants.

Table 8. Characteristics of the informants (created by author)

Informant	Occupation	Experience at the specific company, in years
Informant A	Export Sales Manager	4
Informant B	Head of Distribution	4
Informant C	Managing Director	5
Informant D	Head of Organizational Development	6
Informant E	Head of Sales	12
Informant F	Asia Sales Group Development Executive	2
Informant G	Chief Executive Officer	5

All the interviewed informants have significant experience with foreign markets and according to the theoretical part, they can be also noticed having an entrepreneurial mindset. After all, interviews were implemented, further analysis was done using MAXQDA software program.

According to the theoretical part, 4 categories were identified to answer the main research question. The categories are entry modes, factors influencing entry mode choice, entrepreneurial orientation, and the role of entrepreneurial orientation in entry mode choice. Each category has subcategories inside of it. In appendix 3 there is depicted a list of categories and subcategories, which was identified according to the theoretical part and informants' answers. At the beginning of the interviews, different experiences with entry modes were found out. Further on, informants were interviewed about the factors which influenced entry mode choice. After finding out about entry modes, entrepreneurial orientation was discussed to find out if Lithuanian companies representatives have the same opinion and insights as foreign scholars. After getting the answers about entrepreneurial orientation, further insights and conclusions were made according to how entrepreneurial orientation reveals in entry mode choice. All different research parts are provided in different subsections.

4.2.1. Entry modes, which were mentioned in analysed companies

All the informants were asked to identify and explain what entry modes are being used in their companies. Moreover, it was also asked, what entry modes were considered for use but was rejected. In figure 17 there is provided a list of different entry modes and different companies' relations with those entry modes. In the last *SUM* line, there is provided a total number of how many times different entry modes were mentioned by the informant of the different companies. In the last column *SUM*, there is provided a total number of how many times different entry mode was mentioned. In the graph, there is provided a different size of squares. The bigger square means that specific entry mode was mentioned more frequent compared with other entry modes at the same company.

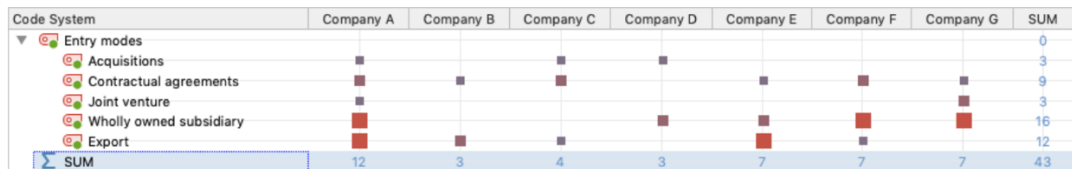


Figure 17. Entry modes distribution by different analysed companies (created by author)

According to figure 17, it can be noticed that most frequently coded was wholly owned subsidiary entry mode. It was coded 16 times. Further on, export was coded frequently, 12 times. After that, contractual agreements were coded 9 times. All the mentioned codes will be provided more detailed within explanations from the informants. The data is provided from the most frequently coded entry mode to the lowest one. There were taken three most coded entry modes. In table 9 there is provided wider answers from the informants' experience.

Table 9. Wholly owned subsidiary entry mode used or considered by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> “Our company has a facility in Poland. <...> First of all, we had partners and after a few years, we build a new structure there. I think it was a good decision because we didn't know the market well when we entered in.” “However, if we see a big potential in the new market, we might think about our facility there <...>.” “<...> we would like to open a branch in China, produce products there, then logistics would be faster, cheaper, and we would meet customer needs faster.”
D	<ul style="list-style-type: none"> “We have in the past successfully entered the Vietnamese market, opened a business unit there that is now a successful part of our company.” “Another, unsuccessful case was our attempt to enter the Ukrainian market. <...> but we failed and did not open a business unit there.”
E	<ul style="list-style-type: none"> “We have possibilities to open a subsidiary, but finally we decided not to do that. Because the countries where we have a chance to open these subsidiaries, it was the Czech Republic and Poland. And these countries, we don't have a very high consumption of our product.” “Maybe in the future if you have, you know, very, very huge fields in some countries, probably we will consider it.”
F	<ul style="list-style-type: none"> “This year we opened the Malaysia office. Our Indonesia office has been in operation for three years now. So, after we successfully getting things going on the right track with Malaysia, I would move them to Thailand.” “We tried to enter into the Philippines and establish. As a wholly owned subsidiary.”

G	<ul style="list-style-type: none"> • “We have opened a wholly owned subsidiary in 2015. Why it was chosen here because all of our management team are Lithuanians. Shortly, we have also opened one more wholly owned subsidiary in Poland.” • “After that, the United Kingdom was chosen regarding good business conditions there. <...> we thought that if we open a wholly owned subsidiary there, we would be able to reach the right people for this industry.” • “I can conclude that we are most trying to use equity entry modes <...>”
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According to table 9, 5 of the 7 informants have mentioned that wholly owned subsidiary is used or was considered as an entry mode. The informants have disclosed that wholly owned subsidiary gives total control of the business which sometimes you cannot transfer to the foreign partners because of the cultural differences or other issues. Furthermore, the informants mentioned that opening a wholly owned subsidiary is a more effective entry mode when you have a necessary market size in a specific country. In table 10 there is provided other frequently mentioned entry mode, export.

Table 10. Export entry mode used or considered by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> • “First, we select new export markets based on potential in that market.” • “Then I have to choose a new export direction, I’m looking at what products do we want to sell and only then I search in which market I can target that product with the greatest benefit to the company, but at the lowest cost.”
B	<ul style="list-style-type: none"> • “Basically, the main entry mode our company is working with is direct export. It is the fastest, easiest, and most profitable mode of entry for such company as ours.”
C	<ul style="list-style-type: none"> • “Well, we are an exporting company selling over 99 percent of our products abroad. Our main export markets are the UK, Germany, and Sweden.”
E	<ul style="list-style-type: none"> • “So, it’s more related to the past things that in the beginning when we started to export, was adopting our product to special customer needs.” • “So, it was cheaper just to deliver products and find distribution companies to deliver products for them. So, we decided to choose export, you know, and to find a distribution company, which could help us <...>.” • “Mostly we are exporting our goods. <...> And we are exporting like different ways, e.g., exporting through a distributor. We can export through an agent. We can export directly. So, it depends on the sales channel.”
F	<ul style="list-style-type: none"> • “We are exporting to Asia markets. We have divided the Asian markets into two parts. So, the first part is basically New Zealand. And the second market as we consider it is China, Thailand, Vietnam, Myanmar, Malaysia, Philippines, and also Mongolia.”

All of the informants’ companies, which are producing goods, are using export as an entry mode to foreign markets. Certainly, export is not a suitable entry mode for companies which are giving services. The reasons for choosing export were mentioned as it is a good way to get to know the market before doing more riskier decisions. Furthermore, it constantly was mentioned that export is the cheapest and fastest way of distributing goods. The informants shared their experience that export lets to get the highest profitability. In table 11 there is provided contractual agreements entry mode as it was determined as a third frequently coded entry mode.

Table 11. Contractual agreements used or considered by analysed companies (created by author)

Company	Supporting information
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A	<ul style="list-style-type: none"> • “For example, Cambodia a few years ago was a new market for us. We were looking for a partner, when we found it, signed an agreement after intense negotiation, and start an active business.”
B	<ul style="list-style-type: none"> • “Probably the best way to enter this market is through pharmacy chains which were done by our company.”
C	<ul style="list-style-type: none"> • “We mainly try to enter the retail markets by participating in the local exhibitions and trying to find the right local salesperson to continue the job of presenting our products afterwards.” • “The usual entry mode that we use to enter the market is participating in the right exhibition; find a good local partner who will present your products <...>.”
E	<ul style="list-style-type: none"> • “<...> we usually are participating in international exhibitions <...> We are getting some contacts at exhibitions and we are trying to write all of them and propose our product. <...> So, we send our offers to all of these commercials.”
F	<ul style="list-style-type: none"> • “We went to the meeting with one of the biggest telecommunications companies in the market and we struck a deal for 1.5 million.” • “So basically, we have two segments of clients. So, first, the revenues, the distributor of this system into the vote. So, we distributors have they have over logistics centres and they do ask the salesperson. It's like a small branch. The second line of business, which is if you had a system and the growth is basically those are the companies joint project base sales, which means they enter the tender, for example, better transportation tender.”
G	<ul style="list-style-type: none"> • “<...>we needed to expand more, because of this reason we are also trying to use contractual agreements.”

According to the informants’ answers provided in table 11, it can be stated that contractual agreements are used while the company is lack of knowledge in a specific market when cultural differences between possible partners are easily recognized. Furthermore, contractual agreements were considered when entering into a specific market is comparable difficult. Because of this reason, negotiations and finding a common point between possible partners are significantly important.

Entry modes, which were analysed in tables 9-11 were mostly coded while analysing informants’ answers. There were also mentioned acquisitions and joint ventures. Acquisitions were not commonly supported by informants because of the high investment and already established company values and culture (“<...> *our main success was not trying to acquire a company with its own values, best practices, and ideas and then try to change its foundations <...>*”; “<...> *such way requires much higher investments than going the entrepreneurial way of developing the new market and your brands from zero.*”). Joint ventures were also not supported by informants because of similar reasons as acquisitions. It was stated that joint ventures are expensive entry mode and there is a lack of autonomy (“<...> *do not build a new facility or start a joint venture. It will cost a lot and if you have doubts about your understanding of this market then to find an importer is the best way.*”; “<...> *we have considered making a joint venture with one of our particular partners. After a long negotiation, we were rejected by these partners. <...> Maybe our partners felt fear because they noticed that are really sure and confident about our business, maybe they thought that we can take over control of everything.*”). It can be concluded that companies, where informants are working on, are seeking independence from other companies. They want to check the new markets by themselves and then establish their subsidiaries with their own culture and values. After finding out about used entry modes, further on there was analysed the factors which influenced chosen entry mode. A detailed analysis is provided in the second subsection.

4.2.2. Factors, which influenced entry mode choice in analysed companies

Entry mode choice can be predetermined by various factors, which can be diverse according to different company sector. In figure 18 there are provided factors that predestined informants' companies to choose one or another entry mode.



Figure 18. Factors influencing entry mode choice by different analysed companies (created by author)

According to figure 18, it can be noticed that the most relevant factors for choosing entry modes are network/partnership, knowledge/experience, cultural environment, market size, entrepreneurial mindset, and other factors, which were used less frequently. It can be noticed that the distribution of the factors differs in a different company. The most frequently coded factors are analysed in further paragraphs.

Table 12. Network/partnership factor influencing entry mode choice by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> “<...> the main reason why we succeeded, because we knew the key market points. Or we had a very good business partner who helped us a lot.” “<...> when we saw a great result after first collaboration year, we decided to invest more time and create a bigger strategy for this market.” “<...> to avoid any failure, you have to find a really good and trustful partner, otherwise it will be less chance to reach a good result.” “<...> we cannot know everything about this new market and working with partners would be our advantage in such a case. <...>”
B	<ul style="list-style-type: none"> “<...>, thus, lack of communication and wrong partnerships ended things unsuccessfully.”
C	<ul style="list-style-type: none"> “<...> many connections that we had in the furniture market that made it easier to grow exports here than anywhere else.” “We did have a good cooperation opportunity here as we are well acquainted with our agent who previously had his own furniture wholesale company and therefore has very good connections to local furniture stores.” “Our experience shows that is relatively easy to grow business in the market when you find the right local partner in that particular market with significant experience and connections <...>” “<...> the true business experience, a network of the right people and the right partnerships are the most important.”
D	<ul style="list-style-type: none"> “<...> huge network of both local and global contacts, experience working in a cross-functional environment.”
E	<ul style="list-style-type: none"> “<...> we have partners where we don't need to open.” “<...> from my perspective, one of the most important things is like communication and relationship with a partner. <...>”
F	<ul style="list-style-type: none"> “<...> we haven't been able to successfully enter the markets by ourselves established.”

G	<ul style="list-style-type: none"> • “This decision was chosen because of good relationships with some partners.” • “<...> a huge network which helped me to build what we have now.”
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Looking at figure 18 it can be noticed that network/partnership factors were mentioned in all companies. Companies A, E, and G have pointed out that it is the most important factor while going abroad. In companies C and D, it was the second the most important factor while going abroad. According to the informants it was stated that having good partners it is easier to find a promising market and establish wholly owned subsidiary. Furthermore, it is easier to create sufficient demand. The second most frequently coded factor was knowledge/experience, which is explained in table 13 and further paragraph.

Table 13. Knowledge/experience factor influencing entry mode choice by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> • “<...> the most important key to success in every market is to find a hole in that market, which could be filled by your product and fully accepted and recognized, valued by customers bringing you an expectedly pleasing result.”
B	<ul style="list-style-type: none"> • “we noticed what we can do in this sector and what we cannot.”
C	<ul style="list-style-type: none"> • “Our experience shows that is relatively easy to grow business in the market when you find the right local partner in that particular market with significant experience and connections in the furniture retail business.” • “From an experiential point of view – the true business experience, a network of the right people, and the right partnerships are the most important.”
D	<ul style="list-style-type: none"> • “<...> we decided to build the business from the ground up because of<...> experience: international presence (studying/working abroad, participating in NGOs abroad), huge network of both local and global contacts, experience working in a cross-functional environment <...>”
E	<ul style="list-style-type: none"> • “We are really flexible, we can change ways, we can change recipes, we can do everything that customer needs.”
F	<ul style="list-style-type: none"> • “So, this is what I'm doing right now succeeds. Then I can replicate it to do it with another market as well.”

Knowledge/experience was mentioned as a factor in 6 interviews. In two of them, it was mentioned as the most important factor while choosing entry mode. According to the informants’ answers, it was noticed that experience which companies already have is used for choosing one or another entry mode. Some companies mentioned, that they have enough experience and knowledge in their industry to make the most tenable decision while going abroad. The cultural environment as a factor was also noticed while making entry mode decisions. The answers from the informants’ experience are provided in table 14.

Table 14. Cultural environment factor influencing entry mode choice by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> • “We do our homework - initial analysis of the market, its population, its purchasing power, the competitive environment <...>.”

	<ul style="list-style-type: none"> “<...> certain categories of products would be harder to sell, for example, to Israel market as it is a non-EU country with specific rules and legislation, different religious motives and so on, but e.g. the Germany market is more similar to our local market, so it would be easier.”
B	<ul style="list-style-type: none"> “Baltic countries were chosen because it is our neighbours and have similar market trends and attitudes.”
C	<ul style="list-style-type: none"> “We have chosen it due to the demand for our type of product, the high purchasing power of the population, the many connections that we had in the furniture market <...>”
D	<ul style="list-style-type: none"> “<...> our structure was of help because our client-facing positions remained as local to the clients as possible (e.g.: client from Germany is matched with a client-facing project manager/sales manager that has experience in Germany or lived in Germany).” “<...> we failed to notice that the culture of Vietnamese software developers is quite different from Ukrainian developers.” “In our Vietnam business unit case, we thought of hiring local business owners, acquiring local software development companies and then teaching them our culture, values, and software development practices.”
E	<ul style="list-style-type: none"> “You would afraid to deliver or offer for those countries which are far away like Australia, Asia or Africa because you probably will be worried about all small and big details.”
F	<ul style="list-style-type: none"> “<...> Asia market is an incredibly challenging market. Not only because of the cultural differences that we have, but also the time differences that we have as well.” “Vietnam market, we were not definitely able to enter because of the mess and corruption that would happen.” “We tried to enter into the Philippines and establish. As a wholly owned subsidiary. So, one thing that we lacked, we didn't take into consideration a cultural difference, meaning, in overall, managers and management style.” “<...>Malaysia, Indonesia, Singapore is everybody's back to say that they are losing that through a very slow pace.”

Cultural environment as a factor was mentioned in 6 interviews and in company F it was mentioned as the most important factor while going abroad, because this company creates and implements decisions fast while usually one of the most accurate cultural difference is according diverse understanding about the work, work pace and importance to implement task on time. According to the informants, choosing entry mode it has to be considered a cultural environment because it can slow your plants and after some time, a company’s innovative idea can be already used and be obsolete. 6 of the 7 informants have mentioned that market size is important while choosing entry mode. In table 15 there is provided informants supporting answers regarding market size factor.

Table 15. Market size factor influencing entry mode choice by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> “First, we select new export markets based on potential in that market.” “<...> then I search in which market I can target that product with the greatest benefit to the company <...>”
B	<ul style="list-style-type: none"> “We were also trying to enter the Georgian market, as they have great potential in the pharma sector (citizens number, pricing, logistics) <...>”
C	<ul style="list-style-type: none"> “UK is the market where it all started. We have chosen it due to the demand for our type of product <...>”
F	<ul style="list-style-type: none"> “Singapore is like a hub for everything that is happening into integration into the Asia <...>” “We chose Thailand because it's still quite a developing state.”

	<ul style="list-style-type: none"> • “<...> we sort of looked at how we can beat the competition. And then we chose the market.” • “And of course, if you pick and choose any Asian market, you are dealing with them in very big markets.”
G	<ul style="list-style-type: none"> • “Furthermore, the United Kingdom can be named as one of the biggest investment centres in the World.”

According to the informants and their experience which is provided in table 15, market size is significantly important while taking entry mode decisions. Some of the informants have shared their experience that to check the market, first of all, export is chosen. Several of the informants have stated that if the market size is big enough for them, they will consider choosing wholly owned subsidiary there, because of the autonomy which can be kept. The entrepreneurial mindset was also taken into account in 6 interviews of 7. In table 16 there is provided supporting information about the mentioned factor.

Table 16. Entrepreneurial mindset factor influencing entry mode choice by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> • “<...> our company and me are not afraid of taking the risk. We invest in many new markets just because we want to launch them as soon as possible. We like to act fast.”
B	<ul style="list-style-type: none"> • “There may be millions of solutions that do not work, but the next one may be successful. You always have to try and move on, because only in this way you can succeed <...>” • “In my sector, it is very important to be quickly adaptive to a constantly changing business environment.”
C	<ul style="list-style-type: none"> • “Due to our entrepreneurial approach, we constantly innovate and create new products, using new designs and new material choices. We not only offer what we already have in our portfolio but always ask what could be interesting for the potential customer and we are never afraid to create and learn something new, implement a new manufacturing process in order to accommodate the need.” • “<...> entrepreneurial orientation nowadays is the only way to create value-added for the customer and be exceptional even in such traditional industry fields as furniture manufacturing.”
D	<ul style="list-style-type: none"> • “Entrepreneurial mindset, in my opinion, is essential for business development because even though most of new ideas and opportunities fail, without trying there is nothing to succeed on.”
F	<ul style="list-style-type: none"> • “My company is a fantastic entrepreneur. For example, next month we are going to start producing lungs ventilators for Corona patients. We are not afraid to take a risk.”
G	<ul style="list-style-type: none"> • “I think I should start by saying that I am taking decisions that are affected by my entrepreneurial personality.” • “I really believe that if a company is willing to go abroad it should have people with an entrepreneurial mindset who can lead into a successful future. These people can help to grow probably any kind of business.”

Scientific literature analysis has shown what dimensions belong to the entrepreneurial mindset. According to the theoretical part, ideas and statements, which are related to the entrepreneurial mindset, were coded according to the informants’ answers. The entrepreneurial mindset was coded in 6 of the 7 informants’ interviews. Moreover, the entrepreneurial mindset was noticed in all informants’ answers about the strategy while choosing foreign market entry mode. It was noticed according to the risk acceptance criteria, proactive actions, innovative ideas, a will to have autonomy in the management. Without previously mentioned entry mode factors, there were also mentioned

factors like resources, government regulations, strategic place. According to the informants, these factors are also important but taken into consideration after firstly mentioned factors.

Because of the recognition of the entrepreneurial mindset, the informants were asked to describe how they imagine, what is entrepreneurial orientation and what kind of personal characteristics should have an entrepreneur. In the next subsection, there is analysed entrepreneurial orientation dimensions by Lithuanian SMEs representatives.

4.2.3. Entrepreneurial orientation concept according to the interviewed informants in analysed companies

Before starting to place codes in a code system for the entrepreneurial orientation category, the knowledge acquired from the theoretical part was used. First of all, 4 codes were written: autonomy, risk-taking, innovativeness, and proactiveness. After the analysis of the informants' interviews, the code system was fulfilled with an additional 5 codes. According to figure 19, it can be stated that for Lithuanian SMEs representatives, entrepreneurial orientation mostly associates with creativity, communication, risk-taking, and innovativeness dimensions.

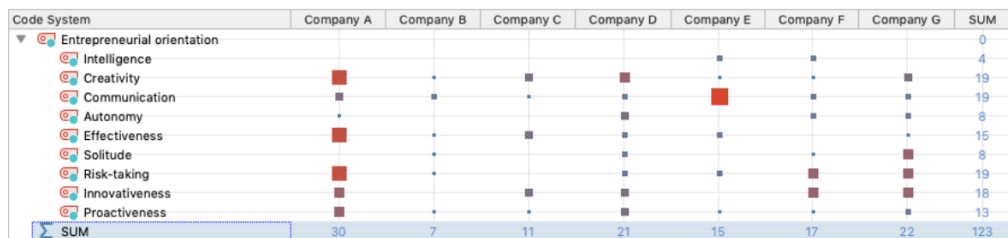


Figure 19. Entrepreneurial orientation concept according to analysed companies (created by author)

Looking at figure 19 it can be stated that in all 7 companies were noticed entrepreneurial orientation dimensions. Different entrepreneurial dimensions were usually mentioned in companies A, D, and G. In tables 17-23 there is provided supporting information about different entrepreneurial dimensions through the Lithuanian SMEs representatives' perspective.

Table 17. Creativity as one of the entrepreneurial orientation dimensions identified by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> “<...> you must be innovative and offer something more than a product.” “I like to take an initiative to change my daily environment, take new challenges, do something extraordinary which helps me not to stagnate and be more creative, also allowing be creative and self-confident finding new business partners in new markets.” “When you are thinking entrepreneurial, you will always want to find or create something new.”
B	<ul style="list-style-type: none"> “I believe, that a real entrepreneurial person should be first of all creative, motivated, and passionate about what he is willing to do.”
C	<ul style="list-style-type: none"> “To my mind, entrepreneurial personality should be able to constantly innovate and create new products services solutions think out of the box and defying the boundaries of what was considered normal and possible.” “The main entrepreneurial mindset advantages could be the ability to disrupt and rebuild again in a better way the products, the processes, the way things are handled.”
D	<ul style="list-style-type: none"> “<...> see opportunities where others see consequences, able to quickly come to a decision, timely decision making.”

	<ul style="list-style-type: none"> • “Without entrepreneurial characteristics, any company would not have new business ideas and thus would eventually fail.”
G	<ul style="list-style-type: none"> • “<...> it should be a very creative person. This type of person should have various ideas in his mind.”

Creativity together with communication and risk-taking were mostly identified entrepreneurial dimensions. Creativity and communication were not commonly found in scientific literature as entrepreneurial dimensions. The informants have emphasized that entrepreneurial personality should firstly be able to think out of the box and create new and unseen things that can, later on, become an innovation in the market. Another strongly emphasized dimension of an entrepreneurial mindset is communication which supporting information is provided in table 18.

Table 18. Communication as one of the entrepreneurial orientation dimensions identified by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> • “They cannot tell you any important information if you do not ask them correctly.” • “Sometimes cultural difference might be the reason when both sides understand and answer the same question differently.”
B	<ul style="list-style-type: none"> • “<...> lack of communication and wrong partnerships ended things unsuccessfully.”
D	<ul style="list-style-type: none"> • “We started sending our internal newspaper to our colleagues in Asia and for a while, our newspaper was in English in order to teach our new joiners the culture of our company.”
E	<ul style="list-style-type: none"> • “<...> one of the most important things is like communication and relationship with a partner.”
F	<ul style="list-style-type: none"> • “<...> you must be absolutely brilliant at communicating.”
G	<ul style="list-style-type: none"> • “<...> entrepreneurs are very communicative people. So, I would say that communication is also one of the key factors of entrepreneurial personality.”

According to the informants, for the true entrepreneurial it is relevant to be characterized in excellent communication skills. The informants asserted from their experience that in order to share and convincingly provide your idea, you need to be a master of communication. This would further help an entrepreneur to proactively share his idea. Moreover, it was also mentioned that from the informants’ point of view, usually entrepreneurs are communicative people and like to share their ideas. Because of this reason communication again becomes a significant skill. The same number of codes was also created for the risk-taking dimension which supporting information is provided in table 19.

Table 19. Risk-taking as one of the entrepreneurial orientation dimensions identified by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> • “I could say that risk-taking, but when you know the possible price and outcome of it.”
D	<ul style="list-style-type: none"> • “<...> able to make decisions with a measured risk in mind (risk-taking, not gambling) <...>”
D	<ul style="list-style-type: none"> • “Entrepreneurial mindset, in my opinion, is essential for business development because even though most of new ideas and opportunities fail, without trying there is nothing to succeed on.”
E	<ul style="list-style-type: none"> • “<...> of course, it should be also, risk-taking person, you know, not afraid of anything <...>”
F	<ul style="list-style-type: none"> • “First of all, you must be very bold and be able to take a lot of risks. A lot of risks.”

G	<ul style="list-style-type: none"> “<...> I am taking ambitious tasks that are not always successful for me. I assume that I take a risk and take it a lot.”
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During the interviews, all of the informants have frequently mentioned risk-taking not only in their career but also in personal life. All of the informants have shared their experience that their companies risk a lot while looking for new markets, inventing new products, trying to find what customers currently need. All of the accepted decisions that they are taking are accompanied by risk. According to the informants, risk-taking is appreciably related to innovativeness which according to the code frequency has taken second place. Innovativeness supporting information is provided in table 20.

Table 20. Innovativeness as one of the entrepreneurial orientation dimensions identified by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> “When you are working with the Asian region, you must be innovative <...>” “When you are thinking entrepreneurial, you will always want to find or create something new.”
C	<ul style="list-style-type: none"> “To my mind, entrepreneurial personality should be able to constantly innovate and create new products services solutions <...>” “The constant drive to improve the organisation through innovation <...> could be named among the key components of what makes up an entrepreneurial spirit <...>”
D	<ul style="list-style-type: none"> “Without entrepreneurial characteristics, any company would not have new business ideas <...>”
F	<ul style="list-style-type: none"> “<...> you have to innovate even in the small things <...>”
G	<ul style="list-style-type: none"> “<...> this type of personality would be innovative in his decisions. He would use unusual solutions for various problems and see many opportunities at the same time.”

According to the informants, innovativeness is noticeably related to creativity dimension. Informants have pointed out that entrepreneurial personality should constantly generate new and innovative ideas. In this statement can be noticed a synergy of creativeness and innovativeness dimensions. The identified dimension of the innovativeness corresponded to theoretical analysis and its findings. Another dimension, which was identified by the informants was effectiveness. Supporting information is provided in table 21.

Table 21. Effectiveness as one of the entrepreneurial orientation dimensions identified by analysed companies (created by author)

Company	Supporting information
A	<ul style="list-style-type: none"> “They are characterized by the discovery, quick reaction, and exploitation of those niches.” “<...> fast decision according to market changes.” “<...> receive a request, which is hardly possible to implement <...> working at your maximum effort <...>”
B	<ul style="list-style-type: none"> “He has to be curious and brave in order to find out all the best possible ways to achieve his goals <...>”
C	<ul style="list-style-type: none"> “<...> a person must be focused committed up to the task and able to deliver the results of the innovation created to its fullest.” “The constant drive to improve the organisation through innovation and create a more effective working environment, perfecting the processes could be named among the key components of what makes up an entrepreneurial spirit <...>”

D	<ul style="list-style-type: none"> “<...> able to quickly come to a decision, timely decision making.”
E	<ul style="list-style-type: none"> “<...> You need to be very quick; you need to answer very quickly.”
F	<ul style="list-style-type: none"> “<...> thinking all the time, where can I improve processes.”

According to the implemented interviews, it was noticed that effectiveness reveals as one of the entrepreneurial dimensions. The informants have stated that entrepreneurial personality should constantly seek the best processes and best solutions that can help a company to reach its maximum efficiency and best results possible. This dimension is highly related to the proactiveness dimension which analysed wider in the next paragraph and table 22.

Table 22. Proactiveness as one of the entrepreneurial orientation dimensions identified by analysed companies (created by author)

Company	Supporting information
B	<ul style="list-style-type: none"> “He has to be curious and brave in order to find out all the best possible ways to achieve his goals, he has to have some knowledge and partnerships/support from outside.”
C	<ul style="list-style-type: none"> “The constant drive to improve the organisation through innovation and create a more effective working environment <...>”
D	<ul style="list-style-type: none"> “<...> see opportunities where others see consequences, able to quickly come to a decision, timely decision making.”
E	<ul style="list-style-type: none"> “<...> personally, going to some countries to checking the shelves, checking the start, discussing with customers what we need, what we expect, and so on. And just then we develop new products <...>”
F	<ul style="list-style-type: none"> “<...> in one month, actually it started two months ago because we have noticed a case here.”
G	<ul style="list-style-type: none"> “<...> when the working day is over, I am still sitting in my office alone and generate new ideas on how our company can improve <...>”

Looking at table 22, it can be recognized that the informants stated that entrepreneurial personality should be brave, curious, see opportunities, think and create efficient solutions, go and explore the market by themselves, take actions fast and think one more step further than others. All of these ideas were identified and coded as proactiveness. It can be noticeable that proactiveness is commonly related to the effectiveness dimension. Nevertheless, it is not the same because usually, effectiveness is a result of being proactive. In table 23 it is depicted supporting information about the new identified dimension – solitude.

Table 23. Solitude as one of the entrepreneurial orientation dimensions identified by analysed companies (created by author)

Company	Supporting information
B	<ul style="list-style-type: none"> “<...> first of all, is you, and only then there are others.”
D	<ul style="list-style-type: none"> “<...> because of entrepreneurial mindset and opportunism that is related to it, other team members, usually those in the opposite end of the stick, often take new ideas with prejudice, thus making it extremely hard to push through new ideas, most of which are indeed bad and need to fail. It is really hard to work in a team and collaborate when you are the “bad guy with opportunistic ideas that nobody wants to do”.
F	<ul style="list-style-type: none"> “At the end of the day, the higher you go to the Everest mountain, the more alone you become. So, I think that this entrepreneur must be ok with being with himself.”

G	<ul style="list-style-type: none"> • “<...> usually being on their own, because other people can seem to be too simple for them.” • “<...> when the working day is over, I am still sitting in my office alone <...>”
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During the interviews and their analysis, it was perceived as a new and unnoticed entrepreneurial mindset dimension. 4 of the 7 informants have identified that usually entrepreneurs are characterized by solitude. This dimension was provided not from a negative point of view. The informants have proved their words by giving examples from their own life. They spend more time alone because usually other people are not willing to spend so much time on the specific idea generation. Furthermore, some of the informants have stated that the more you think the more complex you become. Because of this reason, it is more difficult to find a common language with other people. Moreover, this reason also leads to a situation that after a long thinking people come up with incredible ideas that are not all the time supported by others.

Without previously described entrepreneurial orientation dimensions, there were more codes that can characterize the entrepreneurial mindset. Autonomy and intelligence were also mentioned in the entrepreneurial orientation code system. According to the informants, autonomy reveals when a company wants to hold its ownership and management side by itself (“<...> *perhaps the role of the importer is not the best choice, because it is always better to have something of your own and manage it, control it according to your own rules*”; “<...> *our partners felt fear because they noticed that are really sure and confident about our business, maybe they thought that we can take over control of everything*”). Intelligence as a dimension reveals by taking fast and efficient decisions which companies need in their daily activity (“*You have to be not just communicative, but you need to be clever as well. You need to be very quick; you need to answer very quickly <...>*”; “<...> *of course, a personal intelligence. I would say it's a third. That's very important, because, again, culture doesn't just so vast.*”).

Summarising the entrepreneurial orientation code system, it can be concluded that entrepreneurial personality can be separated by various dimensions. According to the informants’ answers, it can be stated that entrepreneurial personality should be creative, communicative, and risk-taking. All of these dimensions are supported by proactive behaviour which leads to a person’s efficiency. Comparing scientific research results and Lithuanian SMEs representatives’ answers it can be stated that the informants envisage a wider portrait of entrepreneurial orientation. They also provided significant insights about creativity, communication, effectiveness, solitude, and intelligence dimensions for the entrepreneurial orientation concept. After the entry modes and entrepreneurial orientation analysis, in the next subsection, there is revealed a connection and significance of entrepreneurial orientation exertion while choosing foreign market entry mode.

4.2.4. The role of entrepreneurial orientation in entry mode choice in analysed companies

After semi-structured interview implementation, first of all, it was analysed different Lithuanian innovative SMEs’ entry modes experience. The informants shared their experience what entry modes are used in their companies, what entry modes were considered but not chosen, what entry modes fated success, and what fated failures in their companies. After combining this information, further on there were analysed different factors that determined one or another entry mode choice. One of the defined factors was an entrepreneurial mindset. Informants were asked to identify how entrepreneurial personality portrait should look according to their perspective. After gathering all of

the key points which are provided above, there was possible to create a code system of the role of entrepreneurial orientation in entry mode choice. The code system is provided in figure 20.

Code System	Company A	Company B	Company C	Company D	Company E	Company F	Company G	SUM
▼ The role of entrepreneurial orientation i								0
Creative ideas	■	■	■	■	■	■	■	15
Riskier solutions	■	■	■	■	■	■	■	11
Taking opportunities	■	■	■	■	■	■	■	18
Fast decisions	■	■	■	■	■	■	■	7
Σ SUM	17	3	8	6	5	4	8	51

Figure 20. The role of entrepreneurial orientation in entry mode choice according to analysed companies (created by author)

Category of the role of entrepreneurial orientation in entry mode choice has 4 subcategories: creative ideas, riskier solutions, taking opportunities, and fast decisions. All of the phrases which were coded in these subcategories have already occurred in other codes system. The code system, which is depicted in figure 20 generalises the previously mentioned information. Because of this reason, detailed supportive information about 3 of the most frequently coded sub-codes has been provided in appendix 4. In the next paragraphs, there are explained recognized connections between entrepreneurial orientation and entry modes within details.

According to figure 20, it can be noticed that the most frequently coded subcategory is taking opportunities. This subcategory was identified in informants' answers while they were thinking about how to go abroad successfully. According to some informants, entrepreneurial mindset helps to lay down an action plan, how to start and how to extend internationalization ("*<...> during the first year we had the opportunity to improve our knowledge, gain experience in how to deal with this market, and used this all of this know-how when we opened a division.*"; "*We did have a good cooperation opportunity here as we are well acquainted with our agent who previously had his own furniture wholesale company and therefore has very good connections to local furniture stores.*"; "*<...> now we are personally going to some countries to checking the shelves, checking the start, discussing with customers what we need, what we expect and so on.*"). If an opportunity occurs to check quickly the market before going abroad in a full capacity, companies that have employees with an entrepreneurial mindset would definitely try that. From the informants' experience, it can be identified that companies could try to export their goods, sign the contractual agreements, and after checking the market extend international scope with more risky entry modes like wholly owned subsidiary or joint venture. Nevertheless, informants have emphasized that the market should be checked significantly fast if you want to succeed with a new idea. If there is no possibility to check the market, you should accept a risk and try to use other riskier entry modes. It can be summarized that taking opportunities attitude helps easier to accept a good decision while choosing entry mode.

Looking through the frequency's perspective, the next mostly coded subcategory is creative ideas. In going abroad point of view, the informants have mentioned that the offers to the foreign partners should be provided creative and interesting if you want to end the meeting with a signed contract ("*When you are working with the Asian region, you must be innovative and offer something more than a product.*"; "*In my sector, it is very important to be quickly adaptive to constantly changing business environment.*"; "*Being able to foresee or even create the need for new product service in the market at the right place and time is also very important.*"). Creativity as a positive factor while going abroad can be mentioned also because of cultural differences. Informants mentioned that if you want to successfully enter the foreign market, you have to do your homework, invest time in analysis

and get to know the cultural environment (“<...> we select new export markets based on potential in that market. We do our homework - initial analysis of the market, its population, its purchasing power, the competitive environment, and opportunities to find the right partners.”). If one idea is not acceptable in one market, in another market it can reach success. These statements also support creative ideas as an important factor while going abroad. It can be concluded that creative ideas help to find the common language with partners and help to sign various contracts more easily.

Riskier solutions the same as creative ideas were coded in all informants’ interviews. According to the informants’ answers, it can be noticed that entrepreneurial orientation leads to riskier decisions (“To my mind, our company and I are not afraid of taking the risk. We invest in many new markets just because we want to launch them as soon as possible. We like to act fast.”; “There may be millions of solutions that do not work, but the next one may be successful. You always have to try and move on <...>; “<...> most of new ideas and opportunities fail, without trying there is nothing to succeed on.”; “<...> I risk a lot to gain a lot. Because of this reason I am not afraid to choose riskier entry mode <...>”). After analysing informants experience it was noticed that usually, companies are trying to open and have wholly owned subsidiary because of their willingness to make more autonomous decisions. Companies want to be independent and apply their management style (“<...> the role of the importer is not the best choice, because it is always better to have something of your own and manage it, control it according to your own rules.”; “I think our main success was not trying to acquire a company with its own values, best practices and ideas <...>”; “I can conclude that we are most trying to use equity entry modes <...> we want to increase our brand notoriety, because of this reason we won’t use licensing or franchising.”). Equity entry modes, for example, wholly owned subsidiary, stand in the highest risk entry mode scale (figure 14). Nevertheless, this risky choice approach was described in the theoretical part. Furthermore, foreign scholars’ insights were also grounded in this implemented research. It can be concluded that the feature of riskier solutions fates the riskier entry mode choice, it means a priority to choose equity entry mode.

During the entrepreneurial orientation role and entry mode choice analysis, there was also noticed fast decision making as an outcome. According to the informants, it was described that entrepreneurial personality should emphasize the effectiveness, proactiveness characteristics that lead to fast decision making (“They are characterized by the discovery, quick reaction, and exploitation of those niches.”; “<...> at work I have to make a fast decision according to market changes. I’m trying to find a new perspective where no one is looking and take my chances.”; “We invest in many new markets just because we want to launch them as soon as possible. We like to act fast.”; “In my sector, it is very important to be quickly adaptive to constantly changing business environment.”; “You need to be very quick; you need to answer very quickly.”; “We are not afraid to take a risk. So, in one month, actually, it started two months ago because we have noticed a case here. This is our opportunity <...>”). According to the implemented interviews, fast decisions also lead to riskier solutions. Companies are not afraid to answer quickly and accept the opportunities which they got. It can be generalized that fast decision-making leads to choose riskier entry mode because you have to act fast and you have to exploit the opportunity which can occur and disappear also fast.

Seeking to represent the entrepreneurial orientation and entry modes relations more accurately, in the MAXQDA software program there were also used tools for relations rendering. In figure 21 there is depicted the relations of 2 categories: factors influencing entry mode choice and entrepreneurial orientation.

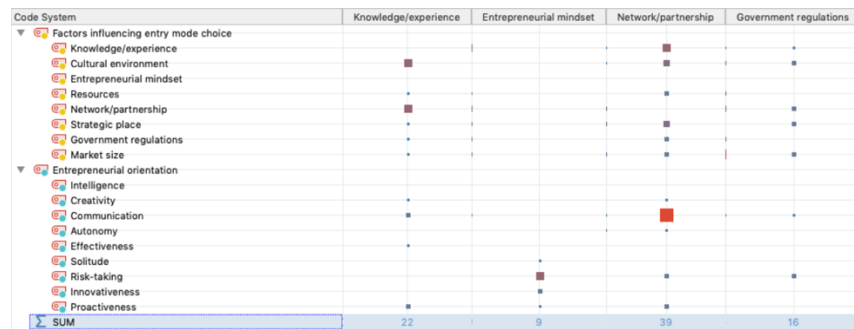


Figure 21. The relations of category *Factors influencing entry mode choice* and category *Entrepreneurial orientation* (created by author)

According to figure 21, it can be noticeable that network/partnership was the most frequently coded subcategory looking into 2 different code systems. Entrepreneurial orientation category has the strong relations between entrepreneurial orientation and factors influencing entry mode choice subcategories: communication and network/partnership, risk-taking and entrepreneurial mindset, risk-taking, and network/partnership, proactiveness and network/partnership, innovativeness and entrepreneurial mindset, risk-taking and government regulations. According to the code system, it can be emphasized that there is a strong relation between communication and network/partnership. Communication was identified as one of the key entrepreneurial orientation dimensions for innovative Lithuanian SMEs. Network/partnership was identified as the most important factor which influences entry mode choice. It can be concluded that entrepreneurial orientation reveals through communication which highly affects entry mode choice. Having the right network/partnerships fates the easier entry mode. Furthermore, it leads to a higher number of joint ventures, contractual agreements, and other entry modes where communication and partnership are the essential aspects.

Seeking to identify all visible relations between entrepreneurial orientation and entry modes, two more code system relations were analysed. In figure 22 there is provided relations between entrepreneurial orientation and the role of entrepreneurial orientation in entry mode choice. Looking at the graph it can be concluded that the most frequently mentioned subcategories were creativity, innovativeness, effectiveness, risk-taking, and proactiveness. Entrepreneurial orientation subcategories have the strong relations between these subcategories of the role of entrepreneurial orientation in entry mode choice: creativity and creative ideas, risk-taking and riskier solutions, innovativeness, and creative ideas, proactiveness and taking opportunities, creativity and taking opportunities, innovativeness and taking opportunities. It can be stated that the data provided in figure 22 acknowledges the entrepreneurial orientation and entry mode relations.

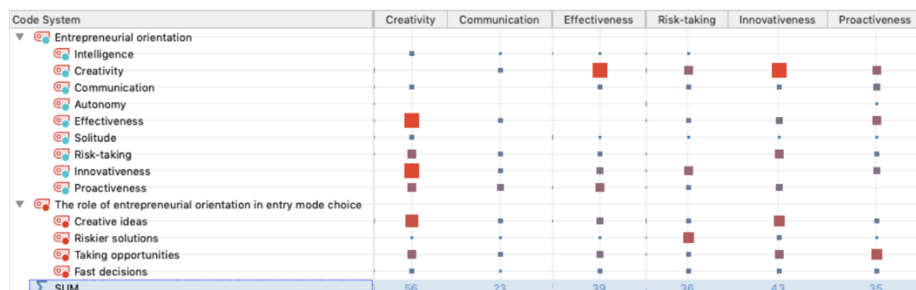


Figure 22. The relations of category *Entrepreneurial orientation* and category *The role of entrepreneurial orientation in entry mode choice* (created by author)

Summarizing the role of entrepreneurial orientation in entry mode choice there can be made several insights. First of all, Lithuanian innovative SMEs representatives define entrepreneurial orientation not only through risk-taking, proactiveness, and innovativeness point of view, they also emphasize creativity, communication, effectiveness, solitude, and intelligence as entrepreneurial orientation dimensions. These findings help to get a better understanding of entrepreneurial personality through Lithuanian innovative SMEs' point of view.

Finalizing the entrepreneurial orientation role for entry modes choice there were also noticed several key points. Entrepreneurial orientation contributes to faster decision making, not being afraid to take a risk, be able to see opportunities, and create new ideas while other people can notice negative outcomes. Furthermore, entrepreneurial orientation defines the seekness for autonomous decisions which leads to equity entry mode choices. It can be concluded, that companies that have managers with an entrepreneurial mindset try to quickly investigate a market and then choose equity entry modes: wholly owned subsidiary, joint ventures, acquisitions, or according to the market specific – contractual agreements.

4.3. Generalization and recommendations

Summarizing the implemented research, several recommendations can be provided for: analysed Lithuanian innovative SMEs, Lithuanian politicians, and other researchers. First of all, recommendations are provided for analysed Lithuanian innovative SMEs.

After empirical research implementation, it was noticed what personal characteristics describe entrepreneurial personality in Lithuanian innovative SMEs (creativity, communicability, risk-taking, innovativeness, autonomy, effectiveness, proactiveness, solitude). It was observed, that companies that have entrepreneurial mindset employees are able to start internationalization more easily and more successfully. Moreover, these companies can achieve higher financial results, reach a fast level of adaptation, and reach high rates of effectiveness. Because of these reasons, recommendations **for analysed innovative SMEs** would be as follow:

- Invest time and money for current employees' personal characteristics development, education, and training. Some people just need encouragement in order to show what they are capable of.
- Motivate employees for creative ideas. It can be done in a competitive way which can also show employees proactiveness, not only creativity. The competition can lead to a new product or service innovation as well.
- Check the internal processes of the company. Even processes can be handled in an innovative way which can help to wider company's international scope more easily.
- Take care of attention to personal characteristics while looking for new employees, especially for Export managers and Business development managers. It is recommendable to have more stages until recruitment in order to check different personal characteristics. Moreover, it is recommended to use various tasks that are not necessarily related to the position of the applicant. In this way, the company can check creativity, proactiveness, and other needed personal characteristics.

The recommendations provided above are applicable for analysed companies, that are willing to innovate products, services, or processes in the company as well. The implemented research shows that if a company has people who emphasized in entrepreneurial characteristics, usually those

companies making themselves international by using equity entry modes. It can be stated that if a company is willing to expand its boundaries by using wholly owned subsidiary or other equity entry mode, it should look for people who have strong entrepreneurial orientation characteristics. It was noticed, that entrepreneurial orientation helps to successfully manage equity entry modes. According to the implemented research, the probability to succeed in internationalization would be more likely achieved with entrepreneurial orientation.

After the whole master thesis research, it was proved different positive aspects (more efficient work, easier to make international business, successful business, good financial results not only in the company but also in the whole country et al.) of entrepreneurial orientation mindset. For Lithuanian politicians, it is recommended to look at entrepreneurial personality characteristics and its positive effect in a labour area and in the whole social life area. Entrepreneurial mindset leads to a successfully operating economy which at the same time leads to country prosperity. Having an entrepreneurial mindset people leads to a growing number of companies that create new working places, a growing number of exported goods and services which increases GDP and at the same time increases the country's budget. Growing budget leads to a higher investment in the whole country's welfare which can be noticed through investments on education, support for new innovative inventions, improving country infrastructure et al. It can be concluded that bigger attention to entrepreneurial orientation gives a circular continuous positive effect. Because of these reasons, **for politicians** are recommended to:

- Review the education system starting from the kindergartens and continuing to the high schools. The educational system should be constantly upgraded by applying the newest practices. The system should not only be oriented into an exact science, but it should also focus on youth creativity development. First of all, it can be implemented using small steps, for example, encouraging youth to do at least one extracurricular activity at school. The main purpose of that would be to motivate children to be brave, proactive, and creative from the early days. It can be generalised that amendments to the education system are needed.
- Encourage and support activities as well as events that are related to people's personal development. It can be done not only by dedicating money for those events but also by helping organisers to get better conditions for the events. For example, by giving permission to organise events in good strategic places, furthermore, by helping with information spread at public places, etc.
- Stimulate new ideas and businesses creation through different competitions and other encouraging activities. For example, support hackathons and other activities, which contribute to creative and innovative ideas appearance.
- Contribute to the export growth stimulation. It can be done through the various regulations which help enterprises to go abroad more easily. For example, provide young businessmen free consultations about internationalization and all the legal processes. Moreover, ensure that people who have a great business plan can get financial support easier. It can be done through a country's subsidies or lower requirements at financial institutions. In this case, the bank of Lithuania also should be involved in changes.
- Create by itself and encourage others to develop more export leaders' programs like *SPARNAI* which is organised by *Enterprise Lithuania*. Those types of programs help young specialists to gain experience and improve export results in the companies.

Summarizing the whole implemented research, it can be concluded that entrepreneurial orientation is a significantly relevant topic for further researches. Its positive effect shows that entrepreneurial orientation and entry modes choice should be analysed from more varied perspectives. Because of this reason, **for other researchers** it is recommended to:

- Accomplish a more informative qualitative analysis with fewer limitations and a bigger number of informants, in order to apply the findings for all Lithuania SMEs sample.
- Analyse deeper about different entrepreneurial dimensions and their effect on international company decisions.
- Perform detailed research in different business sectors in order to find out, how entrepreneurial orientation affects different business sectors.
- Implement quantitative research in order to see a numerical effect of entrepreneurial orientation and measure its impact on business financial results.

Conclusions

1. Analysis of the current situation of SMEs, entrepreneurial orientation, and entry modes has shown significant relations with each other. More than 99 % of all EU enterprises are SMEs which are willing to wider its international activity scope. These enterprises are highly important to the whole economic development which was also recognised through the entrepreneurial orientation perspective. According to the growing number of scientific articles, a growing number of entrepreneurial study programmes and recognition of entrepreneurial orientation benefits to the countries' development, it can be stated that entrepreneurial orientation becoming more relevant in nowadays world. Countries that are ranked in a high Global Entrepreneurship Index are recognized as highly developed and strong economy countries. Lithuania took 29th place of 137 rated countries in GEI. It reveals, that Lithuania corresponds to the bigger part of GEI criteria which also influence and make the impact of growing enterprises number in Lithuania. The current situation confirms that it is important to analyse how Lithuanian innovative companies expand its activity scope abroad and how they successfully choose entry modes. It is relevant to investigate more Lithuanian innovative SMEs' foreign market entry mode choice and entrepreneurial orientation connection.
2. After scientific literature analysis, the entrepreneurial orientation concept was defined. It was estimated and described that entrepreneurial orientation meaning can be recognized through several main different dimensions (innovativeness, proactiveness, risk-taking, autonomy, and competitive aggressiveness). All of the dimensions are interacting with each other with stronger or weaker relations and reveal in different company decision making situations. Entrepreneurial orientation was recognized and described as one of the factors (size of the company, strategic company's goals, resources, intense of technology, international experience, flexibility, market size, market growth, cultural environment, government regulations, level of risk), which influence entry mode choice. Entry modes analysis showed that most commonly it is used equity (joint ventures, wholly owned subsidiaries) and non-equity (exporting, strategic alliances, licensing, franchising, contractual agreements) entry modes division. The identified entry modes were described with advantages and disadvantages within details. It can be concluded, that the choice of different entry mode depends on specific company situation and needs (*wholly owned subsidiary/joint venture* - if a company has enough resources and wants to have as much control as possible; *exporting* - if a company has low resources and low knowledge in foreign market; *franchising* – if a company is seeking to get fast revenue and does not want to unify its individual products or services; *strategic alliances* - if a company is willing to share the risks, investments, and knowledge). In the last part of theoretical analysis, it was identified that SMEs act a key role in international processes, because SMEs are vibrant organizations which characterized as an innovative and efficient unit. SMEs have higher international accomplishment when entrepreneurial orientation is recognized in the company's management level. Furthermore, early expansion of an entrepreneurial culture affirmatively impacts a company's international intentions. Companies or specific managers, who are working with company expansion abroad and having entrepreneurial orientation, usually take riskier decisions while choosing different foreign market entry mode. It can be noticed that a wholly owned subsidiary or joint ventures are acceptable for entrepreneurs.
3. An appropriate methodology was introduced for the empirical part. It was conducted with qualitative research. There were chosen two research methods: a case study and a qualitative interview (semi-structured interview). The case study was chosen in order to fulfil the information

about the companies that informants were interviewed. To have purposeful research, specific criteria were applied for companies and for the informants' profile. The gathered interviews information was processed and analysed using the MAXQDA software program. Due to the research limitations, the results of the analysis and further provided recommendations can be applicable for part of Lithuanian innovative SMEs, but not for the whole sample.

4. To conclude the role of entrepreneurial orientation in entry mode choice there can be made several insights. First of all, after the analysis it was noticed that Lithuanian innovative SMEs representatives define entrepreneurial orientation not only through risk-taking, proactiveness, and innovativeness point of view, they also emphasize creativity, communication, effectiveness, solitude, and intelligence as entrepreneurial orientation dimensions. These insights can be applied as specific characteristics for Lithuanian innovative SMEs' entrepreneurial personality portrait. Secondly, informants have listed factors (network/partnership, knowledge/experience, cultural environment, market size, resources, government regulations, strategic place) that influence foreign market entry mode choice and entrepreneurial mindset was mentioned in 6 of the 7 interviewed companies. It can be concluded that entrepreneurial orientation is taking a significant part while choosing entry mode. Thirdly, it was disclosed how entrepreneurial orientation reveals in foreign market entry mode choice. It was estimated, that companies that are characterized in entrepreneurial orientation usually have more creative ideas on how to wider international company scope. Furthermore, these companies are accurate in noticing opportunities even through difficult situations. Moreover, companies are taking fast decisions to be a step ahead in the market. Companies are not afraid of taking a risk, because of this reason, if there is an in-favour circumstances, usually these companies are taking equity entry modes: wholly owned subsidiary, joint ventures, acquisitions or according to the market specific – contractual agreements. It was noticed through the company willing to have managerial power in its hands and through the company's strong will to make an impact and improve the whole managerial system. According to the implemented research, for the entrepreneurial personalities, it is important to participate actively in all companies' decisions. Entrepreneurial employees are constantly looking for innovative solutions and it is easier to implement these new solutions for them, while the managerial power is concentrated at the entrepreneurial company disposal.

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Appendices

Appendix 1. Questionnaire of the research

1.) Could you describe your personal experience while entering into foreign markets?

- Specific markets and reasons, why it was chosen;
- successes and failures in the past (what happened, when, why, how, etc);
- what affected successes and failures (lack of knowledge, lack of analysis, lack of resources, lack of risky decisions, lack of proactiveness, lack of innovativeness, wrong partnerships, not favourable economic cycle or vice versa, the structure of organization, specific product/service, specific industry, etc).

2.) What entry modes were considered, but not chosen and why?

- What affected the consideration of specific entry modes (rivals experience, company's experience, the capacity of the organization, resources of the organization, specific industry, specific market, personal characteristics of management, network, etc);
- in the current time, do you think it was a good/bad decision and why.

3.) Why specific entry modes were chosen?

- Reasons for choosing specific entry modes;
- what was the most accurate aspect of choosing specifically this entry mode;
- if you can turn the time back with your current experience, would you choose the same entry mode and why?

4.) Could you identify and describe the most accurate entrepreneurial characteristics for entrepreneurial personality?

- From personal characteristics' point of view (risk-taking, proactive, innovative personality, etc);
- from a person's experience point of view (studies/work abroad, network, partnerships, etc).

5.) What entrepreneurial orientation means for you?

- Why you can be considered as an entrepreneur;
- entrepreneurial orientation in daily life;
- entrepreneurial orientation in a working environment;
- entrepreneurial mindset advantages and disadvantages.

6.) How entrepreneurial orientation affect your company choices related to internationalization?

- How characteristics, which are provided in answer 4, influence the company's internationalization processes;
- what can be done differently while choosing different entry modes and ignoring characteristics, which are provided in question 4.

Appendix 2. Transcriptions of implemented interviews

Interview with informant A

(Alcoholic beverages industry)

Lina Sakalauskaitė

Could you describe your personal experience while entering into foreign markets?

Informant A

First, we select new export markets based on potential in that market. We do our homework - an initial analysis of the market, its population, its purchasing power, the competitive environment and opportunities to find the right partners. But company has to create a strategy, whereas you will have no vision what to do and what to reach in this market without appropriate strategy. Of course, what you want to sell has to be taken into account also, because certain categories of products would be harder to sell, for example, to Israel market as it is non-EU country with specific rules and legislation, different religious motives and so on, but e.g. the Germany market is more similar to our local market, so it would be easier. The market entry opportunities themselves are also important.

Lina Sakalauskaitė

Could you explain a little bit deeper here?

Informant A

To be more specific, you have to evaluate political and economic environment when you must take into account the tax base, foodstuffs and their differences from EU conditions. You must see the whole picture of the market and find the most comprehensive information about it before taking any actions.

Lina Sakalauskaitė

Of course, it looks clear for your business. Could you share about your successes and failures in the past?

Informant A

When we are talking about success stories, the main reason why we succeeded, because we knew the key market points. Or we had a very good business partner who helped us a lot. For example, Poland market is our neighbor market and it is similar to Lithuania. The tax base, competitors and other factors are known, so it was easy to enter and after a few years we saw a good result. Of course, you must to invest, not just leave everything to flow like a river. Our company dedicated a lot of resources, time, money, people and attention. But like I said, if you want to receive a good result, you have to do your homework about the new market. For example, Cambodia a few years ago was a new market for us. We were looking for a partner, when we found it, signed an agreement after intense negotiation and start an active business. It is a trustful partner even today, but when we saw a great result after first collaboration year, we decided to invest more time and create bigger strategy for this market. The results were better than we expected, and it was because of our partner experience in the market.

Lina Sakalauskaitė

And what about failures? Probably, during your work experience you were able to meet at least several of them.

Informant A

Regarding failures, if you have not found out the differences of separate markets, when you will always feel a failure taste. There were a few bad experiences, when products were sold to a new market for new partner and we received news that our container can not pass the custom clearance. At most cases such incident might happen because of bad paperwork or you were not able to fulfill some of the requirements of the specific market.

Lina Sakalauskaitė

Could you give an example?

Informant A

For example, you have to check your product ingredient list before exporting, because a few of them can be prohibited in that country. Or your products import code can be not acceptable according to their food regulations. It could happen, if you have asked wrong questions from your partners. They can not tell you any important information if you do not ask them correctly. It is your responsibility to figure it out. Sometimes cultural difference might be the reason, when both sides understands and answers the same question differently. This could cost a failure as well, especially if we are talking about serious decisions, which have to be made. Moreover, to avoid any failure you have to find a really good and trustful partner, otherwise it will be less chance to reach a good result.

Lina Sakalauskaitė

Could you determine several specific factors of successes or failures?

Informant A

I think a lot of factors I have already mentioned before. But most important would be lack of knowledge or an old knowledge as well. Nowadays you have to read and find currently topical news, otherwise, future analysis and decisions may be erroneous. Like I said, when company wants to entry into a new market, it should have a strategy, evaluate how many resources it can devote. These factors can also make great impact to the final results.

Lina Sakalauskaitė

Could you provide examples what markets could be chosen in the current moment?

Informant A

Let say we choose Austria as new market, how we will enter into? We will look for an importers/distributors. Because we understand that we can not know everything about this new market and working with partners would be our advantage in such case. Because they know their market specificity, they have experience in it and knowledge of ways of working. That's why we have to choose wisely and not to choose an incompetent partner who does not know these things deeply and

the industry in which the products rotate. Also, it is much cheaper for the company and we all count our costs. Because of this we do not build a new facility or start a joint venture. It will cost a lot and if you have doubts about your understanding of this market then to find an importer is the best way. However, if we see a big potential in new market, we might think about our facility there, but only with strong and detailed plan, strategy, what we will do there for at least for three years.

Lina Sakalauskaitė

Could you provide an example of well managed foreign market entry mode in your company?

Informant A

Our company has facility in Poland, but we didn't open it when we entered in this market in first place. First of all, we had partners and after a few years we build a new structure there. I think it was good decision, because we didn't know market well when we entered in. Only then we saw a possibility to grow bigger than we thought in this market we decided to make it happen. Investors invested a lot of money to promote alcoholic drinks there and now we see a really great result. I believe that if we were in a hurry and immediately opened a branch there without proper preparation and warming our feet there at first, we would probably not have achieved such pleasant results. Because during the first year we had the opportunity to improve our knowledge, gain experience in how to deal with this market, and used this all of this know-how when we opened a division. In other markets, perhaps the role of the importer is not the best choice, because it is always better to have something of your own and manage it, control it according to your own rules. But otherwise it would be difficult to get people to work without knowing the rules of the game in the markets. You still have to hire people and rely on their view of their local market, which is the same as having an importer at a lower cost. Of course, everything depends on your preference for which positions and who would you like to hire and how they will be included and well-integrated in your company structure. In our company practice we are usually eager to dedicate these tasks for managers of the mother company as it allows you to have a better and more efficient control, timely reporting and facilitates current situation supervision.

Lina Sakalauskaitė

What foreign market entry modes are usually chosen in your company?

Informant A

Mostly, we choose importer, distributor method, because it is cheaper, your partner understands the market better, he knows the environment. We could say that it is not so risky way to expand your export compared to decision of building your own new division. On the other hand, you can never be sure if this partner really will build your brand and put maximum effort for it, but same as this way it is hardly predictable and not so easily calculable if build a division of your own will generate more money and works that effectively. You just have to make an analysis, count your money and choose less risky option with bigger possible result. Many ideas might be implemented for every market, but the most important key to success in every market is to find a hole in that market, which could be filled by your product and fully accepted and recognized, valued by customers bringing you an expectedly pleasing result.

Lina Sakalauskaitė

If you can turn back time with your current experience, would you choose the same entry mode and why?

Informant A

I would not change anything. First of all, in alcohol business everybody chooses this entry mode. Only big players can let themselves to invest more and choose not so carefully, because their failure in one or two markets will degrade their prestige, but they will not suffer so much financially. When you are a small business, money matters more because each investment is significantly more expensive. Of course, we would like to open a branch in China, produce products there, then logistics would be faster, cheaper, and we would meet customer needs faster. However, in this case, we need to have a better name in Europe because, as a new company, we would not compete with competitors on the market. We should invest in brand promotion and dissemination. Again, we look back at money and company strategy and its goals.

Lina Sakalauskaitė

Could you identify and describe the most accurate entrepreneurial characteristics for entrepreneurial personality?

Informant A

I could say that risk taking, but when you know possible price and outcome of it. Then, person will be able to reap the maximum benefits from the available opportunities. Market opportunities exist in the changes that are evolving in the market, which is why such people are trying to exploit them. They are characterized by the discovery, quick reaction and exploitation of those niches.

Lina Sakalauskaitė

In your own opinion, from a person's experience point of view, what could be the most important for entrepreneurial personality?

Informant A

Connections are very important; without them you can not work in such business. Entrepreneurial personality must have a network if he wants to get fresh and new information and later use it for its own purpose. On the other hand, connections could help you to implement your idea to make it work. Also, experiences in other countries could help it too. Actually, I know one entrepreneurial person, he has its own business, he travels a lot, can speak a few languages and knows many important people in the world. So, I think all these factors helps him think differently and make atypical decisions. Let's say competitive aggressiveness describes this person as well.

Lina Sakalauskaitė

What entrepreneurial orientation means for you? Do you think you can be described as entrepreneurial personality?

Informant A

Well, I'm not sure I could be, but at work I have to make a fast decision according to market changes. I'm trying to find a new perspective where no one is looking and take my chances. When you are working with Asian region, you must be innovative and offer something more than a product. It should be valuable product. In my case, I have to sell a story, interesting idea of alcoholic beverages and mostly a feeling which comes when you drink one or another drink. Also, I have to take risk, when I receive request, which are hardly possible to implement, I have to make it possible, because that is the only way you and your company would stand out from the market and be exceptional creating value for your partner, working at your maximum effort. Maybe because of this I could be called entrepreneur.

Lina Sakalauskaitė

Do you recognize entrepreneurial orientation in your daily life?

Informant A

From my point of view, my daily life decisions are made with the same understanding as in my job. What I meant to say is, that I'm living and making choices at the same way, so it does not matter where I am, in my workplace or spending my time with friends. Either in shops I'm looking for innovative products which would be something better and creating more value than typical or old ones. I like to take an initiative to change my daily environment, take new challenges, do something extraordinary which helps me not to stagnate and be more creative, also allowing be creative and self-confident finding new business partners in new markets. As far as I can tell, you have to have this understanding in life when you are working with export sales. Otherwise, you will not win.

Lina Sakalauskaitė

Do you think entrepreneurial mindset can also have disadvantages?

Informant A

In all honesty, there are advantages and disadvantages. When you are thinking entrepreneurial, you will always want to find or create something new. You focus on growth, so you have to be fearless to potential risks, and this view finally brings you to the success. Sometimes people are not seeing things simply and they are eager to avoid choosing the usual paths, which were already accomplished by others. In this way, you have always to clear up new things, of course sometimes it is a huge advantage, but sometimes it might end up as a disadvantage when we are talking about spending decent amount of time for finding new path while the time is of core value.

Lina Sakalauskaitė

How entrepreneurial orientation affect your company choices related to internationalization?

Informant A

To my mind, our company and me are not afraid of taking the risk. We invest in many new markets just because we want to launch them as soon as possible. We like to act fast. On the other hand, we do all markets analysis and evaluate how many resources we can lose and accept it. Then I have to

choose a new export direction, I'm looking what products do we want to sell and only then I search in which market I can target that product with the greatest benefit to the company, but at the lowest cost. We have our own limits, which we do not want to bound. But in a way of entering the market or a question of positioning, everything has to be considered.

I think company and a person would not risk to entry into market which scares, I mean when competition is too tense and you do not believe that your products could win. In this case, you should hire a dedicated person, who works for you and looks after for new importers or searches for a potential to build a division in this country. Also, if I have to ignore all entrepreneurial characteristics, then I would choose a successfully operating company in a new market, e.g. China, of course buying the profitably operational business would naturally facilitate my efforts and higher risk taking as I would know that this company business model is successful in China market and on working structure my brands could be promoted much faster in the targeted market. In that case, I would spend less time searching for clients, negotiating and branding. Either I would buy an already prestigious brand or an affiliate company that most likely would quickly ensure the success of my brands. But of course, such way requires much higher investments than going the entrepreneurial way of developing the new market and your brands from zero.

Lina Sakalauskaitė

Thank you very much for your time and shared experience.

Interview with informant B

(Pharmaceutical industry)

Lina Sakalauskaitė

Could you describe your personal experience while entering into foreign markets?

Informant B

While working in my current company we always face an issue entering foreign markets. Pharmaceutical industry is usually very 'closed' in its country and not willing to accept suppliers from other countries. This may be caused by local laws, corruption level or big competition. Nevertheless, we managed to enter some markets like Latvia or Croatia. Baltic countries were chosen because it is our neighbors and have similar market trends and attitudes. Thus, f.e. Latvia is quite strict in pharma sector and their national agencies take a lot of time to register medicines in order to export it to them. Probably the best way to enter this market is through pharmacy chains which was done by our company. We were also trying to enter Georgian market, as they have great potential in pharma sector (citizens number, pricing, logistics), thus, lack of communication and wrong partnerships ended things unsuccessfully.

Lina Sakalauskaitė

What main foreign market entry modes you are currently using in your company?

Informant B

Basically, the main entry mode our company is working with is direct export. It is the fastest, easiest and most profitable mode of entry for such company as ours. In some specific cases we may use indirect export but it is quite a big issue in finding local partner in new market. None of other entry modes are into consideration.

Lina Sakalauskaitė

Why other entry modes were not considered?

Informant B

As I told in previous question, mainly we use direct export. Pharmaceutical sector is very tricky and complicated thus direct contacts and confidentiality are very important parts of our job. Even if we are long lasting Lithuanian company, we noticed what we can do in this sector and what we cannot.

Lina Sakalauskaitė

Could you identify and describe the most accurate entrepreneurial characteristics for entrepreneurial personality?

Informant B

I believe, that a real entrepreneurial person should be first of all creative, motivated and passionate about what he is willing to do. Flexibility and adaptiveness to current situation is also crucial. He has to be curious and brave in order to find out all the best possible ways to achieve his goals, he has to have some knowledge and partnerships/support from outside. In this way he can succeed.

Lina Sakalauskaitė

What entrepreneurial orientation means for you?

Informant B

Personally myself, I like to challenge myself, throw myself out of my comfort zone. There may be millions of solutions that do not work, but the next one may be successful. You always have to try and move on, because only in this way you can succeed not only in your career life, but also in your personal life. Of course, this point of view may seem drastic sometimes and you may be misunderstood, but I believe, that first of all is you, and only then there are others.

Lina Sakalauskaitė

How entrepreneurial orientation affect your company choices related to internationalization?

Informant B

In my sector it is very important to be quickly adaptive to constantly changing business environment. Not only the laws are changing, but also specific product markets (one year it may look very attractive, the other year it will have no demand at all). This leads to finding best products and solutions to offer and export.

Lina Sakalauskaitė

Thank you for finding a time even for a short call.

Interview with informant C

(Furniture industry)

Lina Sakalauskaitė

Could you describe your personal experience while entering into foreign markets?

Informant C

Well we are an exporting company selling over 99 percent of our products abroad. Our main export markets are UK, Germany and Sweden. UK is the market where it all started. We have chosen it due to the demand of our type of product, high purchasing power of the population, the many connections that we had in the furniture market that made it easier to grow exports here than anywhere else. After that followed Germany. We have acquired this market as we have bought competing furniture company. Our business in Germany is well placed in a specific niche market of the high-end furniture stores, which sell our type of solid wood furniture in particular. Strong agent's team present on the market boosts our chances of growing sales here. Then we go next to Sweden. The local population does value natural, high quality products which makes it a good target market for us. We did have a good cooperation opportunity here as we are well acquainted with our agent who previously had his own furniture wholesale company and therefore has a very good connections to local furniture stores.

Our experience shows that is relatively easy to grow business in the market when you find a right local partner in that particular market with significant experience and connections in furniture retail business. This was the reason our entry to the Swedish market was a great success. And this is the reason our entry to the Danish market was a failure – we did show our great furniture in the several furniture shows here, we got a few customers. Nevertheless, the interest was not that great at the end, because we did not find a suitable local agent to represent us, visit the stores, do the staff training, present new ranges, etc. In furniture retail business, local connections mean a lot.

To sum up what makes a great success in our line of work is the right product at the right quality / price range; the right connections and infrastructure in the particular market. We do have the former. The deciding factor of the success in different markets in our case was the latter.

Lina Sakalauskaitė

What entry modes were considered, but not chosen and why?

Informant C

We mainly try to enter the retail markets by participating in the local exhibitions and trying to find the right local sales person to continue the job presenting our products afterwards. I do not have something to list as “considered but rejected” entry modes as there are not that many option in our case due to the following reasons: our products is not suitable for e-commerce (at least not yet). People are not yet comfortable buying a 2500-5000 EUR dining table before seeing it first, getting good personal service and making sure it is worth the money; with our quality/price range there is no space for the margin of a middle man (like wholesalers), thus we haven't sold significant quantities of new items through this mode for quite a while now.

To sum up, having our product in mind, we have to be looking for a way to approach our customer as direct as possible in order not to inflate the price through the supply chain. Also, we are not able to approach our final customer directly (at least not yet) due to the specifics of our product.

Lina Sakalauskaitė

What specific entry modes were chosen and are still used in your business?

Informant C

The usual entry mode that we use to enter the market is participate in the right exhibition; find a good local partner who will present your products; follow up after the exhibition with the visit of potential customers of our local partner; repeat it all over again for a few year until the trust of the customers is gained in the particular market and the business starts growing. We would definitely choose the same entry mode as we do not see any other nearly as good alternative.

Lina Sakalauskaitė

Could you identify and describe the most accurate entrepreneurial characteristics for entrepreneurial personality?

Informant C

To my mind entrepreneurial personality should be able to constantly innovate and create new products services solutions think out of the box and defying the boundaries of what was considered normal and possible. Moreover, a person must be focused committed up to the task and able to deliver the results of the innovation created to its fullest. Being able to foresee or even create the need for a new product service in the market at the right place and time is also very important. From an experiential point of view – the true business experience, network of the right people and the right partnerships are the most important. Even better if all these experiences are international as it widens one's horizons and gives the ability to think more creatively in given situations and decision making.

Lina Sakalauskaitė

What entrepreneurial orientation means for you?

Informant C

The constant drive to improve the organisation through innovation and create a more effective working environment, perfecting the processes could be named among the key components of what makes up an entrepreneurial spirit in me. The same key components can be easily applied in daily life as well as there is not much of a difference in behaviour of a person in work and at home.

Lina Sakalauskaitė

Do you think entrepreneurial mindset can have advantages/disadvantages?

Informant C

The main entrepreneurial mindset advantages could be the ability to disrupt and the rebuild again in a better way the products, the processes, the way things are handled. It is very. Nevertheless, when it

comes to day to day activities, entrepreneurial orientation on a matured process in big organisations could create a chaos and not necessarily result in a better efficiency at the end. Such a processes could better be managed with a well calculated administrative approach instead.

Lina Sakalauskaitė

How entrepreneurial orientation affect your company choices related to internationalization?

Informant C

Due to our entrepreneurial approach, we constantly innovate and create new products, using new designs and new material choices. We not only offer what we already have in our portfolio, but always ask what could be interesting for the potential customer and we are never afraid to create and learn something new, implement a new manufacturing process in order to accommodate the need. This helps with the exports and new market a lot as in furniture business, every country has its own taste and tradition making it nearly impossible to sell the same ranges of furniture across different markets.

Nevertheless, you could always try to ignore these truths and try to sell you standard products across the world. However, then it has to be really standard and basic one which puts you in direct competition with huge furniture manufacturing plants in China, IKEA's empire. Unfortunately, then it becomes impossible to compete on the price. To sum up, entrepreneurial orientation nowadays is the only way to create value added for the customer and be exceptional even in such a traditional industry fields as furniture manufacturing.

Lina Sakalauskaitė

Thank you a lot for giving such an informative answers.

Interview with informant D

(Information Technology and Services industry)

Lina Sakalauskaitė

Could you describe your personal experience while entering into foreign markets?

Informant D

We have in the past successfully entered Vietnamese market, opened a business unit there that is now a successful part of our company. The reason for choosing this specific market was because of our business model, which, at that time, was mostly related to outsourcing software development services. The issue with outsourcing in a market like Lithuania is that eventually, due to the country's economic growth and aggressive salary growth, outsourced competencies become less competitive. Our main clientele was based in Germany and other Western European countries and for a while our model was hugely successful due to cheap outsourced workforce. However, eventually the salary gap was near to a close between hiring a local software developer and an outsourced one. Because of that, we started looking for foreign markets with even cheaper workforce than ours' which we found in Vietnam. Our success, I would say, was mostly related to our business model and proposed service structure to our clients. Because the part of our business which was outsourcing software

development services did not require software developers to integrate deeply into clients' teams, our clients did not notice a huge difference in our services' quality. Also, our structure was of help because our client facing positions remained as local to the clients as possible (e.g.: client from Germany is matched with a client facing project manager/sales manager that has experience in Germany or lived in Germany).

Lina Sakalauskaitė

Could you give an example of failure?

Informant D

Another, unsuccessful case was our attempt to enter the Ukrainian market. The case here is similar to the Vietnamese market one, but we failed and did not open a business unit there. Main reason was that our market research was inconclusive, we assumed the model would be similar to Vietnam, because the software developers there were cheaper. This was in fact true, but we failed to notice that the culture of Vietnamese software developers is quite different from Ukrainian developers – Ukrainian developers were used to talking directly to the client without a proxy (a project manager, sales manager, etc), but then there were language and cultural context issues, while Vietnamese were used to talking to client through a proxy. Ukrainian developers, while used to direct contact with the client, lacked English language proficiency which was a bottleneck. Moreover, we found out that Ukrainian software developers that were proficient in the English language, had mostly already found either outsourcing opportunities themselves (freelance) or were employed by agencies that provided the work for them.

Lina Sakalauskaitė

How you go into foreign market? What steps were implemented?

Informant D

In our Vietnam business unit case, we thought of hiring local business owners, acquiring local software development companies and then teaching them our culture, values and software development practices. However, we decided to build the business from the ground up:

- 1. We dedicated our best and internationally adept executives to:
 - a. Start working (in the beginning) half a year in Vietnam, becoming the main owners/executives of the business unit*
 - b. Fly over to Vietnam and participate actively in the recruitment of the first 30-50 people that would then in turn hire the rest of the company.**
- 2. We created a new brand name (8 bit rockstars) that would function under the group of companies as specific name in Asia, providing a sense of ownership and autonomy, while maintaining the link to our global brand.*
- 3. We dedicated our lithuanian rockstar software developers to work remotely from Vietnam a few months the first year, so that they could become mentors to our new joiners, teaching them the software development practices which our clients appreciate.*

4. *We started sending our internal newspaper to our colleagues in Asia and for a while our newspaper was in English in order to teach our new joiners the culture of our company.*

5. *Eventually we started organizing international speakers to come to Vietnam and participate in local software development conferences, thus promoting Asia brand awareness in the country.*

In the current time, I think it was a great idea to go this way, even though it took longer and was more challenging at first, the business unit turned profitable after a year. I think our main success was not trying to acquire a company with its own values, best practices and ideas and then try to change its foundations because while this would've been profitable for the first few months, the acquired company would have problems integrating in the future, leading to less long term profit.

Lina Sakalauskaitė

Could you identify and describe the most accurate entrepreneurial characteristics for entrepreneurial personality?

Informant D

Personal characteristics could be ability to work in an unstructured cloud of uncertainty, ability to think systemically, i.e., deliver specifics from that unstructured cloud of uncertainty, able to make decisions with a measured risk in mind (risk taking, not gambling), able to cope with failures, see opportunities where others see consequences, able to quickly come to a decision, timely decision making. Furthermore, experience: international presence (studying/working abroad, participating in NGOs abroad), huge network of both local and global contacts, experience working in a cross-functional environment, e.g. in our case that would be working closely with recruitment, project management, software development, systems' administration, business development and knowing how big-picture-wise everything works.

Lina Sakalauskaitė

What entrepreneurial orientation means for you?

Informant D

I don't think a person can be considered as entrepreneur in general, I think it strongly related to the situation and social environment the person is in. In most cases, when meeting with more experienced business owners, I feel they are true entrepreneurs and I am just a junior with stupid ideas. When the context is different – I feel different too. It really depends a lot on the situation.

Lina Sakalauskaitė

Do you recognize entrepreneurial mindset in your daily life?

Informant D

In regards to daily life, I believe it correlates with how a person balances his/her work and personal life. Some people integrate these two areas, some people segment, separate them. I try to separate them and therefore I would act totally different in daily life compared to work life.

Lina Sakalauskaitė

Do you think entrepreneurial orientation can be split into various pros and cons?

Informant D

I think main entrepreneurial mindset advantages could be in most cases, while working in the organization, each department, functional area have their roles and priorities, thus preferred characteristics that are best suited for each role. People that are highly cautious are perfect for roles that are associated with risk management and so on. Entrepreneurial mindset, in my opinion, is essential for business development, because even though most of new ideas and opportunities fail, without trying there is nothing to succeed on.

I also notice some disadvantages, because of entrepreneurial mindset and opportunism that is related to it, other team members, usually those in the opposite end of the stick, often take new ideas with prejudice, thus making it extremely hard to push through new ideas, most of which are indeed bad and need to fail. It is really hard to work in a team and collaborate when you are the “bad guy with opportunistic ideas that nobody wants to do”. Though, without those ideas, there would probably be no “staying ahead”, only “following/copying others” business models.

Lina Sakalauskaitė

How entrepreneurial orientation affect your company choices related to internationalization?

Informant D

Without entrepreneurial characteristics, any company would not have new business ideas and thus would eventually fail. I think it is the core of a successful business to have people with entrepreneurial characteristics. Regarding what can be done differently while ignoring these characteristics – I would say these characteristics are central to success and would have to be replaced elsewhere, crowdfunded among different people, but they need to exist as a whole.

Lina Sakalauskaitė

Thank you for giving an interesting interview.

Interview with informant E

(Food industry)

Lina Sakalauskaitė

Could you describe your personal experience while entering into foreign markets?

Informant E

Ok, so we usually are participating in international exhibitions, so we do not have no special requirements to enter into some markets. We are getting some contacts at exhibitions and we are trying to write all of them and propose our product. So, the usual practice is applying for exhibitions in different regions, including Africa region or even America. So, we send our offers to all of these

commercials. We still have great capacities, both successes and failures. So, success we are happy that we are very flexible, and we can adapt our products for customer environments. We are really flexible, we can change ways, we can change recipes, we can do everything what customer needs. So, this is our success because in this case we can, you know, increase our sales and ensure that we will have agreements. So, it's more related to the past things that in the beginning when we started to export, was adopting our product to special customer needs. We didn't adopt the designs that we did and adapt the recipes, which is right to sell down, spend their recipes and sometimes in United Kingdom, Sweden. These products didn't work these products was very good selling in Baltic regions like it was not successful at all in Scandinavia region or even American region, Australia. So, what I'll be looking on finally, we had just one-time order and we didn't know how to keep orders and this is not what we are trying to achieve. You know, we want to find customers which could repeat the orders. So now we are personally going to some countries to checking the shelves, checking the start, discussing with customers what we need, what we expect and so on. And just then we develop new products. And just then we sell these goods.

Lina Sakalauskaitė

So actually, it was lack of knowledge, lack of analysis in specific markets. Right?

Informant E

Maybe it was not lack of it. In that time, it was lack of technologies. Now, we lack information in know how to as we need to adapt the product. And we didn't have like very strong R&D department which can evaluate all of these products and we're just trying to sell our standard product and recipes to a mass production. That's it. But finally, it didn't work because we had a one-time sale.

Lina Sakalauskaitė

Okay. And what entry modes were considered but not chosen? And why, because you mentioned exhibitions.

Informant E

We have possibilities to open subsidiary, but finally we decided not to do that. Because the countries where we have a chance to open these subsidiaries, it was Czech Republic and Poland. And these countries, we don't have a very high consumption of our product. And finally, when we calculate you know, all the costs related to wages, distribution, storing and so on. It was not worth to do that. It was too expensive. So, it was cheaper just to deliver products and find distribution companies to deliver products for them. So, we decided to choose export, you know, and to find distribution company, which could help us because, you know, we cannot deliver one palette for example to very far away, it doesn't work to do that because logistics are very expensive. So, you need to find distribution company.

Lina Sakalauskaitė

Ok. This was entry mode, which you didn't choose. What about specific entry mode which you have chosen and which you are using at the current time?

Informant E

Mostly we are exporting our goods. We're exporting. So, export is the main and we're not doing anything more in exporting. And we are exporting like different ways exporting through distributor. We can export through agent. We can export directly. So, it depends on the sales channel. You know, it depends on the requirements of the customer, how quickly they need goods and what is the minimum order we can take.

Lina Sakalauskaitė

So actually, it's about the costs because it is the cheapest way for you, right?

Informant E

Yes, because at the moment we still didn't have you know, I don't know. It depends on the country. But for example, we do not have so huge amounts in some countries to open I don't know, subsidiary or to consider other ways, for example to open a factory or something. You know, because it's a huge competition and you can find in almost every country producer as well. So, it is not worth to do that at the moment, you know, because we have capacity and, you know, we can deliver our product by containers. So, it's cheap at the moment and it's more like efficient and more economical, and more value for us just as the delivery goods, because we can delivery even to Australia and the costs are cheaper than to deliver to ports, you know. So, this is the reason probably, you know, and to open a factory somewhere far away. It's very costly because here in Lithuania labour, wages are cheaper. Comparing with other European countries, so there is not worth to open somewhere else, we have enough capacity and we have a place to install more lines. We need, you know, to make our capacities higher. So maybe this is reason at the moment. You know, we don't know. Maybe in the future if you have, you know, very, very huge fields in some countries, probably we will consider it. But at the moment, we don't need you know, we don't need to consider that. Because it's enough, what we sell at the moment, I mean, in each market and we have partners where we don't need to open.

Lina Sakalauskaitė

Ok, it is clear. And talking about you. Could you identify and describe the most accurate entrepreneurial characteristics for entrepreneurial personality from your perspective?

Informant E

OK. So, from my perspective, one of the most important things is like communication and relationship with partner. So, listening them, you know, and communicate, you know, to discuss, to cooperative with them. So, this is the way how, you know, business can grow, because if you just taking the orders and delivering it, finally, you know, you will have good relationship. And finally, have much bigger business. So of course, much depends on the market. But in some markets, there is a huge, you know, necessity to communicate. For example, if you talk about Asia region, talk about Africa, or even Europe. It's very important to communicate so the person who is working in export, you know, who's in need to be very communicative of course it should be also, risk-taking person, you know, not afraid of anything because, you know, we are exporting to very, you know, far away countries, even Africa, South Africa, you know, which is far away. And you have to be, you know, not afraid of anything. You have to be very communicative person. You have not to be afraid to take risks, you know, and to be smart.

Lina Sakalauskaitė

So actually, number one is communication.

Informant E

Yes, strong communication, strong relationships with the customers, because some of our customers, we are working more than 20 years and we are also like friends, you know. We are visiting each other. So, this is very important. You know, this is a base for strong business because today everybody can produce goods, everybody can, you know, say that they produce very high quality, you know, as the price will be plus minus similar you know. And so, this is other way, you need to find other ways, how to attract and to keep the customer. So, from my personal experience, I see that communication, new relationship can help you to do that.

Lina Sakalauskaitė

OK, so what entrepreneurial orientation means for you? For example, why you can be considered as entrepreneurial personality?

Informant E

Ok. You have to be not just communicative, but you need to be clever as well. You need to be very quick; you need to answer very quickly. You need to solve a customer problem. You need to be not only communicative person, you know, but you need to be smart as well. You need to answer very quickly, you need to solve the problems. You need all the time have offer for the client. So, this is what you need, you know, in a daily life you need to be considered as a very smart person, communicative, clever and know how to solve a customer problem. This is for me, what you need to be to have business, a successful business.

Lina Sakalauskaitė

So actually, it is entrepreneurial orientation, from your perspective, how you imagine this.

Informant E

Yeah.

Lina Sakalauskaitė

And what do you think, can entrepreneurial orientation have disadvantages for people?

Informant E

What do you mean by this question?

Lina Sakalauskaitė

I mean disadvantages, for example, you have entrepreneurial mindset, you can be considered as entrepreneurial personality, but it not only has positive characteristics to you and you sometimes can notice that it is actually a disadvantage. Have you ever had this situation?

Informant E

Yeah. If I am closed person, if I afraid to take a risk for something. Yes. It can be a disadvantage because I will be forced to do something I don't want to do yet. For example, if I'm afraid to communicate with far away country. If I'm not ready. If I'm afraid to go somewhere. So, for me, it will be an issue. And for example, we had some export managers, who was afraid to travel even, you know. So, it's not easy then to work if you are afraid to fly, if you're afraid, you know, to meet new people. So, this is more about personality seems, you know.

Lina Sakalauskaitė

Yes, the person should be suitable for this position.

Informant E

Yeah. Yeah. Because if you know, you are closed, if you don't want to communicate, this is not the position for the sales person because it will be hard given even a call, because there are some persons who doesn't like to call, you know, like to keep communication. So in this case, it will be a problem because some customers want to talk every day like one or two hours and it's normal, you know, so if you will not call them there would be no business.

Lina Sakalauskaitė

So, you also do that?

Informant E

Yes. It's like, you know, there are some customers, who every day like talking on WhatsApp or Skype, now it is not popular. So, we are talking on WhatsApp like one hour about family and also about life, how it is going. And it's normal. It depends on the market.

Lina Sakalauskaitė

It's actually keeping a relationship. A good relationship with your partners.

Informant E

Yeah, because my customer told to me that you are more expensive but based on the fact that you are solving problems very quickly, you are communicating, you are interested on how I am living and so on. You are more expensive than your competitors, but it is worth it. Some customers really need this. I mean, communication can help, of course, communication, which is not, you know, make nervous if you're calling to customers, and you don't want to do that. For example, customers from Austria or Germany, where, you know, we are more close people and we don't need these calls. We don't need to talk about nothing two hours. But if you move to other countries, some customers want to talk about nothing. But this is how we work, and you need to adapt.

Lina Sakalauskaitė

And going back to the company perspective, how entrepreneurial orientation affects your company choices related to internationalisation?

Informant E

Yeah. If you afraid to take a risk, so probably you will choose markets which are near your country, for example, Europe, you will choose Baltic states. You would afraid to deliver or offer for those countries which are far away like Australia, Asia or Africa, because you probably will be worried about all small and big details. For example, you would be worried about lies from your partners, that they would not pay to you and so on. So, I think it can affect somehow because also if you don't have experience, maybe you will be afraid of doing some business with some clients, not to lose money and etc.

Lina Sakalauskaitė

Thank you very much.

Interview with informant F

(Telecommunication industry)

Lina Sakalauskaitė

Could you describe your personal experience while entering into foreign markets?

Informant F

We are manufacturing a routine networking equipment. To be specific, it is modems, key tweeze and similar routers. We are exporting to Asia markets. We have divided the Asian markets into two parts. So, the first part is basically New Zealand. And the second market as we consider it is China, Thailand, Vietnam, Myanmar, Malaysia, Philippines and also Mongolia. So firstly, Asia market is incredibly challenging market. Not only because of the cultural differences that we have, but also the time differences that we have as well. So just an example, eleven o'clock in the morning in Lithuania is almost almost 4, 5 o'clock in the Japan, for example. And so basically, we welcome that 5-6 hours difference. So that's one of the big, big challenges that we have working. So basically, we have to start work 6:30 in the morning and end around to 12:00 afternoon, one o'clock afternoon. At the time that market is already closed in Asia. So that is one very interesting thing to be mindful of when we start working with the Asian market. Basically, we didn't have had any prior to entering. But for start, as for example, we chose Singapore as our logistics center because in Asia, Singapore is one of the key locations from where the rest of the series are happening. So basically, Singapore is like a hub for everything that are happening into integration into the Asia, because Singapore has a good tax system and also open goods with further sales in Asia. So, for example, transferring goods from Ethiopia to Thailand is a bit tricky, transferring goods from there is much better. We chose Thailand because it's still quite a developing state. And so basically our main competition is Chinese products. So, we sort of looked at how we can beat the competition. And then we chose the market. And of course, if you pick and choose any Asian market, you are dealing with them in very big markets. I mean, there are difficulties that we have right now is a brand awareness. The Chinese manufacturers were present in the Asia market. So, the biggest difficulties we have now are that our brand awareness and so successful sales should be the past for us. So, there are successes. I would say and feel we are so stubborn to the fingers. We had so far is because we are not present in the market, so to speak.

So, we cannot actually pick up our stuff and just go to Thailand. We are going to Thailand and we are going to Asia. We tried to go through at least twice a year to meet up with the clients and have face-to-face conversations. The writers, conference calls and staff about actually work or children. So, in Asia, we have I would say it's a culture thing that they like to do business face to face. So, for example, back in 2000, October, we had gone to the China with the ships. We spend two weeks in Thailand, two weeks in Philippines and one week in Japan.

Lina Sakalauskaitė

Sounds like a great holiday.

Informant F

I wish it was. That's a basic you have work from Monday to Saturday. So, you are taking a Sunday off and then, then again. So, business trips to those countries are very, very intense because you have to keep in mind that is extremely big. So, you spend at least two to three hours just driving from one client to another. So, it's quite stressful and otherwise very satisfying experiences. So, for, the successes in Philippines, we managed to close the deal. It was 1.5 million. So, it's two of us. We went to the meeting with one of the biggest telecommunications companies in the market and we struck a deal for 1.5 million. So that was one of the biggest successes that we have. Prior to that meeting, it was almost a year of communication, testing samples, sending a negotiation that led us up to this point.

Lina Sakalauskaitė

Coming back to the failures part, did you try to enter in some foreign markets that it wasn't successful for you? Because you mentioned all successes cases and it is interesting, in what markets maybe you were not successful?

Informant F

Yeah, okay. So, for example, Vietnam market, we were not definitely able to enter because of the mess and corruption that would happen. We provide heavy documentation of our products and our products are getting stuck in the customs. And without the bribery, it doesn't work. You have the documents so that we manage to overcome this by finding a distributor and basically doing good. I don't know. Freedom fighters style transfer of goods. Other countries. Yeah, that's Vietnam. And we haven't been able to successfully enter the markets by ourselves established. So, we are still doing so as I read other companies who have their own ways how to enter the market.

Lina Sakalauskaitė

So actually, you are trying to enter into getting the markets and by using contractual agreements.

Informant F

True. Yeah. So, it's a requirement. We say yes. We are not able to establish and mix for ourselves. So basically, we have two segments of clients. So, first, the revenues, the distributor of this system into vote. So, we distributors have they have over logistics centres and they do ask the salesperson. It's like a small branch. The second line of business, which is if you had a system and the growth is basically those are the companies joint project base sales, which means they enter the tender, for

example, better transportation tender. Let's say the company has two thousand busses and want to give those busses make us make them smarter. Giving to the passengers' screens for commercials inside the best ticketing systems. May you can do for the tickets using your credit card. Panic buttons for the back of the driver CCTV with the lives chief to the head. Also, let's say we have the tender, so usually it's net the distributor who comes to the project, but usually a system integrator does. The installation is a virus that it's inside of us.

Lina Sakalauskaitė

Do you have any subsidiaries abroad or just in Lithuania?

Informant F

Yes. This year we opened Malaysia office. Our Indonesia office has been in operation for three years now. So, after we successfully getting things going on the right track with the Malaysia, I would move them to Thailand.

Lina Sakalauskaitė

So actually, you have several wholly-owned subsidiaries.

Informant F

Absolutely. Absolutely. So, we have Singapore, Malaysia, Indonesia and we are now looking forward to open up the Thailand.

Lina Sakalauskaitė

And do you think to go, for example, into American market?

Informant F

The whole company structure is that we have separate departments responsible for several regions. So, I work with Asia. So, we have a separate department that works with South, West, North, Central and East Europe. They have separate segments who works with the South America and the United States and separated department who are working with Canada.

Lina Sakalauskaitė

And do have more subsidiaries, for example, in Europe, in America?

Informant F

In Europe - no, because our European kind of European Union is like one country. So, we have no problem with that. But we do have in the South America and Canada. Dubai. I haven't mentioned, we also have Dubai.

Lina Sakalauskaitė

OK. And talking more about specific entry modes. For example, if you can turn back time, maybe you can make some different decisions at the moment.

Informant F

We're missing with cultural thing. Again. We tried to enter into Philippines and establish. As a wholly owned subsidiary. So, one thing that we lacked, we didn't take into consideration a cultural difference, meaning, in overall, managers and management style. Especially, fast and quick decision making. Very flexible, fast and then changing. Adapting to situation. In Philippines, for example, Malaysia, Indonesia, Singapore is everybody's back to say that they are losing that through a very slow pace. And so, one thing that you have to be always mindful of how you approach, because you cannot be actually present, for example, in Singapore, Malaysia, Indonesia. You are dependent on the people who work for us in those countries. And that's when we have to be mindful of the country. Things that slip past that dam get stuff easily. So, when you introduce a CRM system, or logistics platforms, they are slow, extremely slow. So, for example, the Philippines referral requests are people like other sales managers. Our agencies are very slow paced, sometimes lying to us about the feedback. They couldn't keep up with our expectations. They couldn't manage that. Can they keep your eyes on everything? So, we have to let them go, actually. And when rethink our strategy. So actually, one of the biggest reasons I feel certain is cultural differences. So, for example, right now I'm one working with two Malaysian sales managers. So, every day I spend at least three hours with them just online, teaching them, making training so they understand how everything works. And you have to keep them on the short leash, so to speak. Checking better, checking, triple checking. Okay. So giving them a homework the next day. Have you done that? Since managers fear that you can give them too much freedom, and then they are bad. I mean they would give up and they basically do nothing. And then if you feel that you are constantly checking if they done what was done, how, when it was done. If they feel your presence even remotely that you are actually seeing and checking whether they do what, it's a possibility to do work. So, this is what I'm doing right now succeeds. Then I can replicate it to do it with other market as well.

Lina Sakalauskaitė

Okay. So actually, they like strict rules, probably, strict management rules.

Informant F

Yes, extremely. I mean extremely. You are friendly but always checking and double checking.

Lina Sakalauskaitė

Okay. Thank you about your experience with entry mods. Could you identify and describe the most accurate entrepreneurial orientation and characteristics for entrepreneurial personality, not about yourself, but from a person in your mind?

Informant F

First of all, you must be very bold and be able to take a lot of risk. A lot of risk. A lot of risk. So, the first one that taking risks, is very important. Then you must be absolutely brilliant at communicating. Why? Because, again, you do not have the privilege of meeting people face to face. So, explaining ideas with a vision that you have inside your mind is your verbal communication. So, you must be a master at communication if you want to reach anything at that point. And then, of course, a personal intelligence. I would say I would say it's a third. That's very important, because, again, culture doesn't just so vast. But you cannot put yourself and understand what other person is feeling, for example,

you left scenario how some work should be done, and other people do not understand it. And it seems that it's a cultural difference. For example, I put the Chinese Malaysian person as a senior, to Malaysian Malaysian person. So now China's senior manager is saying to me, you know, bap, bap, bap manager. He has so many questions, but he's afraid to ask. So now I said, okay. So, I will train you and you will train him. So that's the solutions because Malaysian is not afraid to ask his fellow, but he's afraid to ask questions to me.

Lina Sakalauskaitė

OK, and what entrepreneurial orientation means for you? Why you can be considered as entrepreneur?

Informant F

I try to do my best definitely. I'm not considering myself as entrepreneur.

Lina Sakalauskaitė

But you actually a very proactive person.

Informant F

I know. I think what makes me suitable for the job and why my company promoted me to the position that I'm right now is because I'm able to take risks. I do not know things, but I like taking risk and ability to learn and adapt fast. As you go along, that is a very important. So, I think that is right. And of course, my communication skills. I'm able to communicate ideas to the people in such way that they understand. Moreover, I am using different online tools for communication.

Lina Sakalauskaitė

So actually, you are also very innovative. And it is also one of the main key points for entrepreneurial personality. So actually, you are 100 percent entrepreneurial mindset.

Informant F

Listen, adapting to the market. Of course, as you say, you have to innovate even in the small things, how do I communicate? For example, that's a good example of innovation, I move all my presentations what I have made to the cloud. But I have to train people who work for me. So, to use this technology and ask if you can enter into that as well.

Lina Sakalauskaitė

What do you think about the advantages and disadvantages of entrepreneurial orientation?

Informant F

For example, disadvantage would be that you will always be alone. At the end of the day, the higher you go to the Everest mountain, the more alone you become. So, I think that this entrepreneur must be ok with being with himself. Of course, I would say most of the time you're alone. Yes, of course I have my superiors. But 80 percent of the time, I'm alone. So, if you are not ok being who you are and being ok, while being alone, that's going to be a huge problem with you. Because I'm working with a

lot of people in my team and they do not feel alone because I'm always with them. I'm checking with them, calling them. How are you doing? So, let's I'm going to show you something here. I'm going to train you something. Let me show this new presentation. Never tell me how to do that. So, I learn how to do that, how to do that correctly. I'm innovating myself, and then I'm getting that information to my fellow workers. So, they do not feel alone. I'm myself, I'm 80 percent of the time I'm alone.

Lina Sakalauskaitė

What do you think, how entrepreneurial orientation affect your company choices related to internationalisation?

Informant F

Starting from the very top. My company is a fantastic entrepreneur. For example, next month we are going to start producing lungs ventilators for the Corona patients. We are not afraid to take risk. So, in one month, actually it started two months ago because we have noticed a case here. This is our opportunity not only to do good, but also to make a good business. So, we changed our lines, we managed changes. We put our R&D team to build a lung ventilator. And next month, it would be the first Lithuanian company which makes that here, in Kaunas.

Lina Sakalauskaitė

Actually, you are taking a huge risk. Do you have currently some orders from some partners or you just launch it and try to look what happens?

Informant F

Just listen to what's happening in the World right now. If you have face masks and lung ventilators, I mean, a market is huge. Listen, at the end of the day, everything is about taking risk, I risk sitting down and driving my car to work because there might be some drunk guy who's gonna run my car and then maybe I'm not gonna come back. Now I have to risk every time. My kids, I let them go to play with risk. Maybe he will settle down. Maybe he'll break his heart. Everything is about risk. If you have a high-risk tolerance, then you could be a better entrepreneur. Look at Elon Musk, everything he's doing is in fact the absolute risk. Getting electric car is a risk. It hurts at first, but later, it doesn't hurt so much.

Lina Sakalauskaitė

OK, so thank you very much for your broad answers. And I wish you a good start with your new product.

Informant F

Thanks. Appreciate it. Okay. Bye.

Interview with informant G

(Investment industry)

Lina Sakalauskaitė

Could you describe your personal experience while entering into foreign markets?

Informant G

Ok. We are a young company with huge plans. We have started in Lithuania, in Kaunas. We have opened wholly owned subsidiary in 2015. Why it was chosen here, because all of our management team are Lithuanians. Shortly, we have also opened one more wholly owned subsidiary in Poland. This decision was chosen because of good relationships with some partners. We have a good network there. After that, United Kingdom was chosen regarding of good business conditions there. Furthermore, United Kingdom can be named as one of the biggest investment centres in the World. We thought that if we open a wholly owned subsidiary there, we would be able to reach a right people for this industry. Of course, we needed to expand more, because of this reason we are also trying to use contractual agreements. At the current phase, we are negotiating with some partners. During the negotiations, we already have failures. I could say, that these failures were regarding lack of knowledge about the specific market and its culture.

Lina Sakalauskaitė

What entry modes were considered, but not chosen and why?

Informant G

Well, we have considered to make a joint venture with one of our particular partners. After a long negotiation we were rejected from these partners. It can also be named as our failure. Nevertheless, we were really proactive, brave and stubborn in this process. Maybe our partners felt fear because they noticed that are really sure and confident about our business, maybe they thought that we can take over control of everything. At the final phase, we left with our ideas on our own. I can conclude that we are most trying to use equity entry modes because our industry is specific. Our rivals also doing the same, because otherwise we cannot expand abroad. We are not exporting any goods; we are giving services to our clients. Furthermore, we want to increase our brand notoriety, because of this reason we won't use licensing or franchising.

Lina Sakalauskaitė

Could you identify and describe the most accurate entrepreneurial characteristics for entrepreneurial personality?

Informant G

Hmm, let me think... Probably, it should be a very creative person. This type of person should have various ideas in his mind. Probably, this type of personality would be innovative in his decisions. He would use unusual solutions for various problems and see many opportunities at the same time. I believe, that there are not many people who can be named as entrepreneurs, because these people are very clever, brave and usually being on their own, because other people can seem to be too simple for them. I don't know, it is my opinion. Probably, these minds are also supported by looking into real entrepreneurs in the world. One more thing can be mentioned that, as I noticed, entrepreneurs are very communicative people. So, I would say that communication is also one of the key factors about entrepreneurial personality. As I know some people, who can be named as entrepreneurial

personality in my opinion, these people have a lot of foreign experience and a huge network, probably because of the first reason.

Lina Sakalauskaitė

What entrepreneurial orientation means for you? Do you think you can be considered as entrepreneurial personality?

Informant G

Oh, it is difficult to talk about myself but as I have previously named some characteristics about entrepreneurial personality, I assume that I have most of them. I like to communicate with different people. I am open minded to foreigners. Because of this reason, we have some foreigners here, in Lithuania office working for us. Maybe it is a consequence of my lifestyle, but I also have a huge network which helped me to build what we have now. With other people help I was able to open wholly owned subsidiaries in Poland and United Kingdom. I am taking ambitious tasks which are not always successful for me. I assume that I take risk and take it a lot. Our business is based on technology, of various new and innovative tools which help me to learn each day. I really assume that my company is innovative because innovative people are working here. Nevertheless, when the working day is over, I am still sitting in my office alone and generate new ideas how our company can improve and give wider impact to the investors. No matter how I appreciate my employees, sometimes I still feel alone, maybe because I am founder of this business and thinking all the time, where can I improve processes. I don't know... Or maybe I am overthinker.

Lina Sakalauskaitė

Do you think entrepreneurial mindset can have disadvantages?

Informant G

Yes, I could say yes. Because of the entrepreneurial mindset I spend more time of thinking about new things, about new ideas. I assume that thinking is not bad, but I am doing it much more than eight hours per day it means that my family and my friends have less attention from me. I really love to communicate but I don't have enough time for that. Unfortunately... What else, I think this mindset also was a reason of several big failures which cost me not only time but also money. I have risked a lot and burned my money. In those situations, a lot of factors suffered. I don't know, I think it is in my blood to be like this. I can't imagine to sit steady and do nothing or go into a job and sit there just eight hours per day and try to escape as soon as possible. I want to create something meaningful, something joyful which can help not only me but also other people. That's why I think investment is charming activity because you help people to get passive income flow.

Lina Sakalauskaitė

How entrepreneurial orientation affect your company choices related to internationalization?

Informant G

I think I should start by saying that I am taking decisions which are affected by my entrepreneurial personality. So, as I mentioned before, I have taken a lot of risky decisions. For example, it can be mentioned a try to create a joint venture with our partners, which was unsuccessful. If I would be

more modest person, I won't do that, I won't risk my and my family money to create something bigger. Nevertheless, I do that, I risk a lot to gain a lot. Because of this reason I am not afraid to choose riskier entry mode, to invest more time and invest more money. It is actually from my job specific, if you invest more, you will probably gain more. Of course, sometimes there is unfavourable circumstances. However, usually it justifies. Probably I should also say, that our company is not conservative, and we are flexible for various offers. In this field we are trying to find new and innovative solutions. I could summarize that my entrepreneurial mindset let me be more confident and go into foreign markets with passion. I really believe that people can reach a lot if they are not afraid of doing what they believe it is right. I really believe that if company is willing to go abroad it should have people with entrepreneurial mindset who can lead into successful future. These people can help to grow probably any kind of business.

Lina Sakalauskaitė

Thank you for your shared experience. I hope that your new proposal will be interesting to the customers. Good luck!

Appendix 3. Categories and subcategories created in MAXQDA software program

Category	Entry modes	Factors influencing entry mode choice	Entrepreneurial orientation	The role of entrepreneurial orientation in entry mode choice
Subcategories	<ul style="list-style-type: none"> • Acquisitions • Contractual agreements • Joint venture • Wholly owned subsidiary • Export 	<ul style="list-style-type: none"> • Knowledge/experience • Cultural environment • Entrepreneurial mindset • Resources • Network/parentship • Strategic place • Government regulations • Market size 	<ul style="list-style-type: none"> • Intelligence • Creativity • Communication • Autonomy • Effectiveness • Solitude • Risk-taking • Innovativeness • Proactiveness 	<ul style="list-style-type: none"> • Creative ideas • Riskier solutions • Taking opportunities • Fast decisions

Appendix 4. Supportive information for the code system of the role of entrepreneurial orientation in entry mode choice

Company	Subcategory	Supporting information
A	Taking opportunities	<ul style="list-style-type: none"> • “<...> during the first year we had the opportunity to improve our knowledge, gain experience in how to deal with this market, and used this all of this know-how when we opened a division.” • “<...> the most important key to success in every market is to find a hole in that market, which could be filled by your product and fully accepted and recognized, valued by customers bringing you an expectedly pleasing result.” • “I’m trying to find a new perspective where no one is looking and take my chances.” • “When you are thinking entrepreneurial, you will always want to find or create something new.”
C		<ul style="list-style-type: none"> • “We did have a good cooperation opportunity here as we are well acquainted with our agent who previously had his own furniture wholesale company and therefore has very good connections to local furniture stores.” • “Being able to foresee or even create the need for new product service in the market at the right place and time is also very important.” • “<...> always ask what could be interesting for the potential customer and we are never afraid to create and learn something new, implement a new manufacturing process in order to accommodate the need.”
D		<ul style="list-style-type: none"> • “Entrepreneurial mindset, in my opinion, is essential for business development because even though most of new ideas and opportunities fail, without trying there is nothing to succeed on.” • “Without entrepreneurial characteristics, any company would not have new business ideas and thus would eventually fail.”
E		<ul style="list-style-type: none"> • “<...> now we are personally going to some countries to checking the shelves, checking the start, discussing with customers what we need, what we expect, and so on.”
F		<ul style="list-style-type: none"> • “So, in one month, actually it started two months ago because we have noticed a case here. This is our opportunity not only to do good but also to make a good business.”
G		<ul style="list-style-type: none"> • “<...> use unusual solutions for various problems and see many opportunities at the same time.” • “<...> generate new ideas on how our company can improve and give wider impact to the investors.” • “<...> we are flexible for various offers. In this field, we are trying to find new and innovative solutions.”
Company		Subcategory
A	Creative ideas	<ul style="list-style-type: none"> • “When you are working with the Asian region, you must be innovative and offer something more than a product.” • “I like to take an initiative to change my daily environment, take new challenges, do something extraordinary which helps me not to stagnate and be more creative, also allowing be creative and self-confident finding new business partners in new markets.”

		<ul style="list-style-type: none"> • “When you are thinking entrepreneurial, you will always want to find or create something new. • “<...> you have always to clear up new things <...>”
B		<ul style="list-style-type: none"> • “In my sector, it is very important to be quickly adaptive to a constantly changing business environment.”
C		<ul style="list-style-type: none"> • “Being able to foresee or even create the need for new product service in the market at the right place and time is also very important.” • “Even better if all these experiences are international as it widens one’s horizons and gives the ability to think more creatively in given situations and decision making.” • “The constant drive to improve the organisation through innovation and create a more effective working environment, perfecting the processes could be named among the key components of what makes up an entrepreneurial spirit <...>” • “Due to our entrepreneurial approach, we constantly innovate and create new products, using new designs and new material choices. We not only offer what we already have in our portfolio but always ask what could be interesting for the potential customer and we are never afraid to create and learn something new, implement a new manufacturing process in order to accommodate the need.”
D		<ul style="list-style-type: none"> • “Without entrepreneurial characteristics, any company would not have new business ideas and thus would eventually fail.”
E		<ul style="list-style-type: none"> • “<...> you need to be considered as a very smart person, communicative, clever, and know how to solve a customer problem.”
F		<ul style="list-style-type: none"> • “Never tell me how to do that. So, I learn how to do that, how to do that correctly. I'm innovating myself, and then I'm getting that information to my fellow workers.”
G		<ul style="list-style-type: none"> • “<...> when the working day is over, I am still sitting in my office alone and generate new ideas on how our company can improve and give a wider impact to the investors.” • “<...> we are flexible for various offers. In this field, we are trying to find new and innovative solutions.”
Company	Subcategory	Supporting information
A	Riskier solutions	<ul style="list-style-type: none"> • “Also, I have to take a risk, when I receive a request, which is hardly possible to implement <...>” • “To my mind, our company and I are not afraid of taking the risk. We invest in many new markets just because we want to launch them as soon as possible. We like to act fast.”
B		<ul style="list-style-type: none"> • “There may be millions of solutions that do not work, but the next one may be successful. You always have to try and move on, because only in this way you can succeed not only in your career life but also in your personal life.”
D		<ul style="list-style-type: none"> • “People that are highly cautious are perfect for roles that are associated with risk management and so on. Entrepreneurial mindset, in my opinion, is essential for business development, because even though most new ideas and opportunities fail, without trying there is nothing to succeed on.”
E		<ul style="list-style-type: none"> • “If you are afraid to take a risk, so probably you will choose markets which are near your country, for example, Europe, you will choose Baltic states.

		You would afraid to deliver or offer for those countries which are far away like Australia, Asia or Africa because you probably will be worried about all small and big details.”
F		<ul style="list-style-type: none"> • “<...> next month we are going to start producing lungs ventilators for the Corona patients. We are not afraid to take a risk.”
G		<ul style="list-style-type: none"> • “I am taking ambitious tasks that are not always successful for me. I assume that I take a risk and take it a lot.” • “I have taken a lot of risky decisions. For example, it can be mentioned a try to create a joint venture with our partners, which was unsuccessful. If I would be a more modest person, I won’t do that, I won’t risk my and my family money to create something bigger. Nevertheless, I do that, I risk a lot to gain a lot. Because of this reason I am not afraid to choose riskier entry mode, to invest more time and invest more money. It is actually from my job specific, if you invest more, you will probably gain more.”