



UNIVERSITY OF GOTHENBURG  
SCHOOL OF BUSINESS, ECONOMICS AND LAW

**Explaining Rapid Internationalization Process of Emerging  
Economy Firms**  
-The case of Suzlon Energy

Emeline Le Mesle and Chandra Shekar Takkallapalli

**Graduate School**

Master of Science in International Business and Trade  
Master Degree Project No. 2009:1  
Supervisor: Bent Petersen

## **ABSTRACT**

Extensive theoretical and empirical studies have been elaborated regarding internationalization with the analysis of different features. Investigations have just recently started to explore the firms from emerging economies that have significantly being internationalized.

The main purpose of our study is to deepen the knowledge about the companies that internationalize rapidly and we highlight the potential factors that lead to early internationalization and/or continuously rapid internationalization, especially for firms from emerging economies.

First, the definition of rapid internationalization is presented and discussed. Second, the driving forces leading a firm to internationalize rapidly are investigated. Specifically, a qualitative research is conducted with the use of a single case study: Suzlon Energy, an Indian company. The information is collected mainly through secondary data. After introducing the existing theoretical framework, we test how it can be applied to our company case. Finally, we develop our conceptual model from the confrontation between the case and existing theories.

New findings emerge which complement the existing concepts that are mainly focused on firms from mature markets, early internationalization and outward internationalization.

**Keywords:** Precocity, Rapid, Accelerated and Speed of Internationalization, Inward and Outward Internationalization India, International Entrepreneurship, Opportunity Identification, Network, Capital Market

## **ACKNOWLEDGEMENTS**

Our thesis project would have been difficult to achieve without the assistance of few persons.

Firstly, we would like to express our gratitude to our supervisor Prof. Dr. Bent Petersen from Copenhagen Business School, Denmark, for his guidance, help and support throughout the process of our thesis.

Secondly, we would like to thank Dr. Roger Schweizer from the School of Business, Economics and Law, Göteborg University, Sweden, to have given us some support and valuable comments whenever it was required to improve our research.

Thirdly, we would like to thank to Mr Ishwar Hegde, the Chief Economist and Mr Anoop Kayarat, Senior Manager at Suzlon India, to have cooperated with us and provided us the information we needed to achieve this research.

And, we appreciate that Ms Thina Nordin and Ms Kristine Brandl, who were our active opponents gave us constructive and critical comments about the form and the substance of our thesis during the seminars.

Our final thanks are committed to our families and friends that supported us during our two years of Master degree program.

Göteborg, May, the 19<sup>th</sup>, 2009

Emeline Le Mesle

Chandra Shekar Takkallapalli

## **ABBREVIATIONS**

CEO	Chief Executive Officer
CFO	Chief Financial Officer
FDI	Foreign Direct Investment
INV	International New Venture
IT	Information Technology
IPO	Initial Public Offering
MNE	Multi National Enterprise
MW	MegaWatt
OFDI	Outward Foreign Direct Investment
R&D	Research and Development
SME	Small and Medium Enterprise

## **NOTES**

1: Suzlon termed in this paper refers systematically to Suzlon Energy

2: Quotations of Tulsi Tanti written in Bisserbe's article were translated from French to English.

## TABLE OF CONTENTS

LIST OF EXHIBITS .....	VIII
1. Introduction .....	1
1.1 Background .....	1
1.2 Problematization.....	2
1.3 Research Purpose.....	5
1.4 Delimitations .....	6
1.5 Thesis Disposition .....	6
2. Methodology .....	7
2.1 Research Approach.....	7
2.2 Abductive Approach.....	7
2.3 Qualitative Research.....	8
2.4 Case Study .....	9
2.5 Data Collection .....	10
2.6 Challenges .....	12
2.7 Evaluation of the Study .....	13
3. Theoretical Framework .....	14
3.1 Rapid Internationalization .....	14
3.1.1 Unclear Definition of Speed of Internationalization .....	14
3.1.2 Extended Literature- Revisited .....	16
3.2 Drivers of Rapid Internationalization .....	17
3.2.1 The Drivers of the Speed of Internationalization .....	17
3.2.2 The Antecedents of Opportunity Identification .....	20
3.2.3 Cognitive Factors Leading to Rapid Internationalization .....	22
3.2.4 Extended Literature- Revisited .....	24

4.	Company Story Telling.....	29
4.1	Tulsi Tanti, his Background .....	29
4.2	Suzlon Synthetics with 2 Wind Turbines .....	29
4.3	Market Research and Creation of Suzlon Energy in Pune in 1995 .....	30
4.4	Unfavorable Environment for Suzlon and the Use of Tulsi’s Network.....	30
4.5	Bankruptcy of Südwind, an Opportunity Seized by Suzlon .....	31
4.6	1999: Government Incentives and Large Local Orders .....	31
4.7	Stronger Conviction of Tulsi and the Plan for a Vertical Integration.....	31
4.8	Running few Operations Overseas.....	32
4.9	Suzlon, a Company Becoming Global .....	33
4.9.1	The Entire Wind Industry and Government Incentives .....	33
4.9.2	Initial Public Offering and further Expansion Overseas .....	33
4.9.3	Further Cooperation with Foreign Firms .....	33
4.10	More Foreign Orders and more Capital Gained.....	34
4.11	The Expansion of Suzlon Empire .....	34
4.12	2007-2008: Turbulence Time for Suzlon.....	35
4.12.1	Flawed Equipments: Reluctant Customers & Panic Investors.....	35
4.12.2	Management Upheaval.....	35
4.13	Suzlon Managing Human Challenges .....	36
4.14	Governmental Encouragement Towards Green Power Energies in 2008.....	36
4.15	Extending more the Business Overseas .....	36
5.	Analysis.....	37
5.1	Analysis on Rapid Internationalization .....	37
5.1.1	Oviatt & Mc Dougall’s (2005) and Speed of Internationalization.....	37
5.1.1.1	Initial Entry .....	37
5.1.1.2	Country Scope.....	38

5.1.1.3 Commitment.....	39
5.1.2 Acedo & Jones (2007) and Rapid Internationalization .....	39
5.1.3 Importance of Inward Internationalization.....	40
5.1.4 Our Definition of Rapid Internationalization .....	41
5.2 Analysis: Drivers of Rapid Internationalization .....	42
5.2.1 The Drivers of Speed of Internationalization.....	42
5.2.1.1 Enabling Technology .....	42
5.2.1.2 Motivating Competition .....	42
5.2.1.3 Entrepreneurial Opportunity and Mediating Entrepreneurial Actor Perception .....	43
5.2.1.4 Moderating: Knowledge and Network.....	44
5.2.2 The Antecedents of Opportunity Identification .....	47
5.2.2.1 Prior Knowledge .....	47
5.2.2.2 Personality traits .....	49
5.2.2.3 Social Network.....	49
5.2.2.4 Entrepreneurship Alertness .....	50
5.2.2.5 Type of Opportunity.....	50
5.2.3 The Cognitive Factors Leading to Rapid Internationalization.....	50
5.2.3.1 Speed of Internationalization .....	50
5.2.3.2 International Orientation .....	51
5.2.3.3 Proactivity .....	53
5.2.3.4 Tolerance of Ambiguity .....	53
5.2.4 Insertion of new variables .....	54
Conclusion.....	58
Further Research .....	60
LIST OF APPENDIX .....	61
References .....	66

## **LIST OF EXHIBITS**

Figure 1: Articles introducing the Internationalization of Firms from Emerging Countries .....	3
Figure 2: Our Research Approach, an Abductive Approach .....	8
Figure 3: The Drivers of the Speed of Internationalization-Oviatt& Mc Dougall (2005).....	18
Figure 4: The Antecedents of Opportunity Identification- Ardichvili and his co-authors.....	20
Figure 5: The Cognitive Drivers of Speed of Internationalization- Acedo & Jones (2007).....	24
Figure 6: Business Network Perspective- Johanson & Mattsson (1988).....	27
Figure 7: Initial Entry by Oviatt and Mc Dougall (2005).....	38
Figure 8: Suzlon Internationalization Process (Inward and Outward Internationalization).....	41
Figure 9: Our Conceptual Model, the influencers of Early and Rapid Internationalization .....	57



# 1.INTRODUCTION

## 1.1 Background

Today national economies are becoming increasingly interconnected as globalization progresses, with fewer companies operating exclusively in their home market. It has become a general trend for firms to seek expansion of their business activities overseas, it is this internationalization process of companies as a topic that interested us for this research.

Internationalization is an essential area among international business research, extensive theoretical and empirical studies have been elaborated in regard to internationalization with the analysis of different features. But this phenomenon needs constant investigation as the world economy follows constant dynamic forces making it a moving target for research.

No clear definition exists as to what defines the internationalization process. Welch & Luostarinen (1988, pp.36) give a broad definition about the Internationalization process as “*the process of increasing involvement in international operations*”. Johanson and Vahlne, (1990, pp.22) consider that “*the internationalization process are the result of a mixture of strategic thinking, strategic action, emergent developments, chance and necessity*”.

Athreye and Kapur (2009) argue that over the last two decades, firms from developing countries have frequently been at the forefront of internationalization. First, they observed that the shares of global OFDI from developing countries have significantly increased. When we investigated the movements of OFDI published by UNCTAD (2006), it is possible to observe this rising trend, and China & India are taking the leading role among those emerging countries. The value of OFDI stock from developing and transition countries tripled in a span of ten years, accounted for USD 1.4 trillion by 2005 (UNCTAD, 2006). The changing trend concerns the emergence of developing economies as global players in world economies, and their foreign investments often destined for developed economies. These new growing players in global markets are termed “*late movers*”, and intriguingly this shift in investment patterns is remodeling global investment and transforming industries often beyond the size of the actual investment power. (BCG, 2006; Business Week, 2005, 2006) Some of the new players are now competing with traditional MNEs from mature economies (Chittoor & Ray, 2007) and occupying leading positions in developed economies (BCG, 2009).

Between 2006 and 2008, there has been an unprecedented growth in the number of companies from Brazil, China, Russia and India listed in the FT 500 list quadrupling from 15 to 62 in a two years period (ibid). These growing numbers of firms from emerging economies are redefining the world. It can be observed in many industry reports (BCG, 2006, 2009) and international organizations (OECD, 2006; UNCTAD, 2006; World Bank, 2007).

Second, Athreye and Kapur (2009) looked at mergers and acquisitions across national borders involving firms from emerging economies, having significantly increased. According to UNCTAD (2006), in 1987 their share of global cross border M&A activity represented 4 percent in value terms and it tripled by 2005 (13 percent). From 1987 to 2005, the number of deals forming global cross border M&A grew from 5 percent to 17 percent. In addition there has been a recent significant growth of South-North M&As. It accounted for USD 9 billion in 2003 and nearly was quintupled in 2005 reaching USD 43 billion (UNCTAD, 2006). The South-North M&As dramatically skyrocketed in 2006 representing USD 128 billion, more than 14 times higher compare to 2003 (Accenture, 2008).

## **1.2 Problematization**

The academic literature has begun to explore the emergence of firms from emerging countries on the global scene. We scrutinized some business journals and collected the articles published from 2005 to April 2009 related to the internationalization of firms from emerging countries. We realized that the academic literature regarding this topic is still under development. Some of the articles related to our interest of research that have been recently published are presented in Figure 1.

Special publications were issued in some journals to highlight exclusively this topic, as in the Journal of International Business Studies (July 2007), the Journal of International Management (September 2007) and the Industrial and Corporate Change Journal (April 2009). In addition, we discovered there were calls for papers regarding this topic in business journals like the Journal of International Management (Sept 2005- Mar 2006), Management and Organization Review (Nov 2007- Mar 2009) and Journal of World Business (Nov 2007- Mar 2009). To summarize, the academic interest in the growing importance of firms from emerging markets becoming active players in the world economy needs to be explored in greater depth.

**Figure 1: Articles introducing the Internationalization of Firms from Emerging Countries**

Year	Author Name	Topic
2005	Child J, Rodrigues S	The Internationalization of Chinese Firms: A Case for Theoretical Extension?
2007	Bonaglia F, Goldstein, A. Mathews J	Accelerated internationalization by emerging markets' multinationals: The case of the white goods sector
2008	Boisot M, Meyer M	Which Way through the Open Door? Reflections on the Internationalization of Chinese Firms
2008	Cuervo-Cazurra A.	The multinationalization of developing country MNEs: The case of Multilatinas
2008	Teagarden M.B	Emerging market competition in a globalizing world
	Boateng A, Qian W, Tianle Y	Cross-border M&As by Chinese firms: An analysis of strategic motives and performance
	Kumar V, Singh N,	Internationalization and performance of Indian pharmaceutical firms
2009	Yang X, Lim Y-t, Sakurai Y, Seo S-y	Internationalization of Chinese and Korean firms
2009	Deepak N	The Internationalization of Firms from India: Investment, M&A

Our empirical study is based on one single company case. We wanted our study to look at a company from an emerging market, an area in which academic investigations are lacking. We chose Suzlon Energy, an Indian family owned company that has become one of the leading players in the wind power industry in less than a decade. We reconstituted the storytelling of the chosen company to get an understanding of its internationalization process.

We were especially interested at looking at this firm because in the literature, the number of existing articles about Suzlon was limited. Only two publications were found in which this firm was examined: “*Technology Acquisition and Innovation in the Developing World: Wind Turbine Development in China and India*” by Lewis (2007a) and “*the Suzlon Edge*” written by Vietor and Seminerio (2008). So, we wanted to explore and shed light on this Indian firm. Besides, as the wind power industry is relatively young, it has not been subject to detailed research. In addition investigation of Suzlon offers insights into the booming wind power industry and its global orientation. Indeed, the world’s wind energy capacity has significantly risen since 1996. The global cumulative installed wind energy capacity increased nearly four times, from 6,100 MW in 1996 to 23,900 MW in 2001. Later on, it pursued a significant growth and reached a world capacity in 2007 of 93,835 MW (approximately four times bigger than 2001) (Global Wind Energy Council, 2007a). The Global Wind Energy Council (2007b) predicts that the world’s wind energy capacity would triple between 2009 and 2013.

Observing Suzlon as a case study, it seemed that there was a complete absence of potential problems for research. However after having read the case several times, and debated it, we identified a particular aspect that could be analyzed: its rapid pace of internationalization. We considered that its speed of internationalization is relatively accelerated and aggressive. We were intrigued about its rapid pace of internationalization as it can generate a risk. Indeed, it can destabilize a firm, and lead a company to take unexpected directions. Chetty and Campbell-Hunt (2003) argue that accelerated internationalization lead to issues of incoherence and a growing market risk. A firm can experience major barriers, common to SMEs for developing a rapid pace of international expansion like lack of economy of scale, lack of financial and knowledge resources and risk aversion (Freeman et al., 2006). In such a compressed time frame, a firm could be weakened by the level of complexity. It can ruin the absorptive capacity of the company, the firm can fail to readjust its organizational structure and react to adaptations needed. (Wagner, 2004) We were fascinated to observe that Suzlon successfully overcame those potential constraints and even occupied leading position on the global scale.

We also noticed that, the existing literature presents the internationalization of firms from emerging markets as being distinct due to sheer rapidity of the process. Kumar and Singh (2008) presented some Indian firms by highlighting their rapid internationalization. This study included firms from different sectors: IT sector (Infosys, Wipro, Satyam, and Tata Consultancy Services), financial services (ICICI and HDFC) and pharmaceutical field of industry (Ranbaxy Laboratories, Dr. Reddy's Lab and Cipla). Mathews (2006) emphasized the accelerated internationalization of firms from different emerging countries and different sectors like the Brazilian Cemex (Cement), the Taiwanese Acer (IT), the Indian Ispat International (steel), the Chinese Lenovo (manufacturing high-tech), Li & Fung from Hong Kong (contract manufacturing services) and the Singaporean Hong Leong Group (property hostel). Bonaglia, Goldstein and Mathews (2007) presented three companies that experienced an accelerated internationalization from emerging economies involved in white goods industry: Haier (China), Mabe (Mexico) and Arçelik (Turkey).

We looked at the existing literature related to rapid/ accelerated internationalization of firms in general, and we realized that the notion of speed remains unclear today. We came to the conclusion that we needed to examine the meaning of rapid/accelerated internationalization of a firm. Thus we came up with our first research question: “*How is defined the rapid/ accelerated internationalization of a firm?*”

We were intrigued to know the reasons explaining the phenomenon of a rapid internationalization of a firm. We tried to find the answers from existing literature. However we assumed that the drivers of rapid internationalization tend to be based on firms from mature markets, with a preference to look at the early internationalization and outward internationalization. These further questions raised while we debated our research topic reinforced our belief in selecting Suzlon, as our case study, as it can complement the existing academic findings by investigating a firm driving in the counter direction to more established patterns of foreign investment. So we elaborated the second research question: “*What are the variables explaining a rapid internationalization of a firm?*” We decided to identify the drivers which were leading a firm to internationalize early and rapidly.

### **1.3 Research Purpose**

With the use of existing theories and current data available for the research, we hope to develop not only our own understanding about the internationalization process but also contribute in the field of international business literature. We will give some vital insights into the notion of speed of internationalization and also the driving forces that determine the rapid internationalization of firms. It should not be neglected that this company case can complement the business literature on internationalization of companies from emerging markets. In addition, it illuminates the promising wind power industry and provides a clear presentation for the business world regarding the strategic internationalization process of late comers. Given the recent emphasis and stimulation by governments towards renewable energy, this secondary industry focus can provide insight to other companies wishing to invest in the global renewable boom.

## **1.4 Delimitations**

In our study, we excluded the notion of success or failure generated with the development of an accelerated internationalization process. The performance of a firm is not part of our project. We examined the potential variables that lead to a rapid pace of international expansion and/or early internationalization for a firm, not the driving forces leading to success or failure.

We took into consideration two main factors that were our main restrictions for defining the topic of our thesis and find out how this research will be conducted: concerning our limited amount of time available (18 weeks), human resources (2 people) and our difficulties at accessing to the top management of the company. We were not able to collect primary data with face to face interviews as it would have required significant time and resources for traveling.

## **1.5 Thesis Disposition**

The paper is divided into 6 chapters, including this introduction chapter. Next, we introduce the methodology of our project (chapter 2). Followed by reviews of the subject literature with concept and arguments from international business academia related to accelerated internationalization (chapter 3.1). The theoretical framework is focused also on the driving forces leading to rapid internationalization (chapter 3.2). Chapter 4 presents the story telling of our company case. Chapter 5 introduces our analysis about the applicability of the existing theories with our case study and presents our conceptual model. Finally, the paper ends with a conclusion and indications on which areas of further research could be oriented in the near future.

## **2.METHODOLOGY**

**In this section, we will present the methodology of our thesis project. We employed an abductive approach. Our focus was based on qualitative research within the context of a single case study. We collected mostly secondary data to reconstitute the story telling about the internationalization process of Suzlon. This case company will be used to test the applicability of the existing theories and formulate our conceptual model.**

### **2.1 Research Approach**

*“International Business in the Asian Emerging Markets”* and *“Perspectives on Internationalization and Market Entry”* were identified by both of us as the courses we found most interesting during the Master degree program at Handelshögskolan. These courses gave us some general understanding on what has been examined in literature regarding the business environments in Asia and the notion of internationalization process.

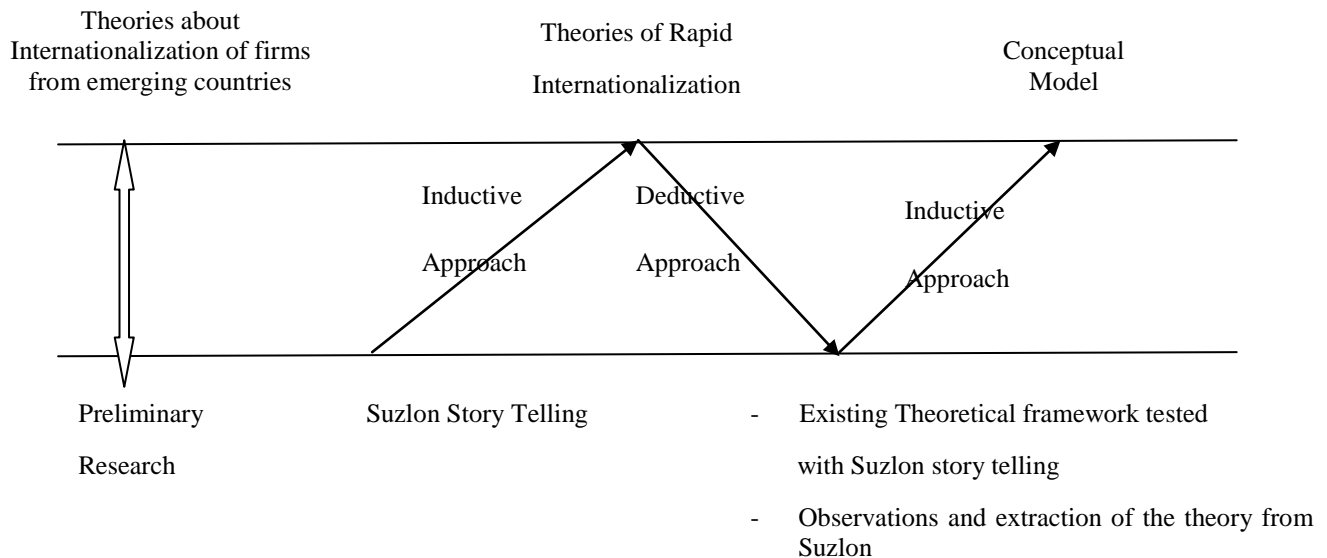
### **2.2 Abductive Approach**

In this research, we followed an abductive approach. It generally starts with empirical observations and consists of combining the deductive and inductive model in order to develop a proposition and construct the theory framework (Denzin, 1978). Thanks to those successive interactions between theories and the empirical data collected, we succeeded at changing our original framework. According to the findings of Dubois and Gadde (2002), this approach refers to constant ‘*back and forth*’ (pp.555) movement done by the researcher to go from one kind of research to another one, and between the empirical case(s) and the theories.

First, we read available articles published in international press and academic literature about the trend of the rising late comers on the global scene. It helped us at understanding this phenomenon and to choose a suitable company case for our study. Second, we reconstituted the story telling of Suzlon internationalization in chronological order, and extracted the most appealing aspect from the case; its rapid pace of internationalization. Then, we were able to conduct an inductive research and move to the academic world to know what has been written regarding the rapid internationalization of a firm. Third, our research method was deductive, starting from theories and moving back to observations on our case, we analyzed how applicable are the theories in our case study. Fourth, it

consisted of moving back to the empirical world, making specific observations of our case, combining the concepts from the theoretical framework with our ideas. In addition, the confrontation between the theories and the case afforded us to dig further other existing theories that we perceived as relevant to formulate later on our conceptual model. Afterwards, it resulted in the creation of our conceptual model that will be presented later on. In this model, we will outline the main influencers explaining the precocity (early) and the speed (continuously fast) of internationalization at Suzlon. (See Figure 2)

**Figure 2: Our Research Approach, an Abductive Approach**



### 2.3 Qualitative Research

The decision of choosing a qualitative research was taken after having considered the objective of our research and the nature of the research problem in our theoretical framework. Zalan and Lewis (2004) argue that “*qualitative methods are particularly well suited to finding causal relationships, looking directly and longitudinally at processes and events and show how this led to specific outcomes*” (pp.512). In our situation, with a study focused on the internationalization process, we are involved with a longitudinal perspective, and it is generally said that the qualitative research is most effective for those specific areas of studies (Zalan & Lewis, 2004), so we came to the conclusion of conducting a qualitative research. Included is a transparent presentation of our



procedure and methodology for conducting this qualitative research. We consider that it was important to give some details of our process to balance the criticism often centered on qualitative research, lack of credibility and plausibility of the findings (Zalan & Lewis, 2004).

## **2.4 Case Study**

We evaluated the suitability of using a case study by looking at our research question, objectives and research situation. When a researcher is willing to answer ‘how’ and ‘why’ questions and has the intention to examine a phenomenon occurring in real life context, his/her preference will be to conduct a case study (Yin, 2009). As we are focused on understanding the notion of speed and the drivers determining the rapid pace of internationalization, we are in a situation in which we will try to answer the “*how*” and “*what*” questions.

We realized that using a case study approach would possibly be inappropriate for answering our “what” question in our research. Potentially we needed to be more oriented to develop a survey or archival analysis. But Yin (2009) and Ghauri & Gronhaug (2005) argued that the use of a case study can be justified as a suitable method when an investigator conducts an explanatory research with the purpose to answer to the ‘what’ question.

Yin (1994) developed a comparative analysis between case studies with experiments, and he presented three scenarios in which the use of a case study is the preferred method, and one of them concerns our situation: if we intend to follow an academic research that has presented some findings on a particular topic, and whether we discover a company that is embedded in that particular topic, using a case study method will afford us the possibility to test the theory and discuss how it can be applied to the firm. So, we get support from the findings of Yin to employ a case study for achieving this project. It will provide us a deeper understanding of our research phenomenon. “*The case study is both a process of inquiry and the product of that inquiry*” (Stake, 2003, pp.136). The case study will not be used only for testing our theory but also for building the extend literature required for formulating our model.

## 2.5 Data Collection

To identify clear topic to analyze, we gained insight by reading few business journals as presented earlier in the introduction regarding the late movers. Then, to formulate our two research questions, we investigated the academic writings, moved back to the analysis of our empirical data and we gained some preliminary insights. In order to reconstitute the Suzlon story telling about its internationalization, we collected a large amount of secondary data about this company from articles published in International Business/ financial newspapers (such as the American Wall Street journal, New York Times, Time CNN and Forbes, the German Spiegel, Les Echos from France, The Economist from England, Asian Money from Hong Kong), Indian news websites (like the Economic Times of India, Rediff, Moneycontrol) and some information distributed to Suzlon investors like Red Herring.

Regarding our first research question, we scrutinized the twenty academic articles related to rapid internationalization we found in order to understand the definitions given by different authors about accelerated/rapid internationalization (speed).

When we had to deal with the second research question, we found two models presenting the driving forces leading to rapid internationalization of a firm. First, we investigated the Oviatt & Mc Dougall's (2005) model. We even extended this first model with the work of Ardichvili, Cardozo & Ray (2003) that examined more in depth the antecedents of opportunity identification. After that, the model of Acedo & Jones (2007) is presented in our paper. Once we confronted the theories with the company case, we complemented the theoretical framework with theories about the inward internationalization and the network approach to help us to elaborate our conceptual model. We sensed the importance of capital market factor but we did not succeed at finding which theories could support our intuition when we looked at the case.

After having conducted a comprehensive literature review and identified a research gap, we wanted to conduct some interviews to get a deeper understanding of our company case. Daniels and Cannice (2004) mentioned that "*interviewed based research are particularly well suited for exploratory and theory building studies*" (pp.186). In this context, the use of interviews was appropriate to discover new relationships or phenomena that have not been conceptualized before. We targeted a small number of people that we could potentially interview. We limited ourselves exclusively to the top management of Suzlon because they are the key informants in a company (Welch et al., 2002).

Thanks to our efforts at researching key information on the internet, we were able to locate email addresses of two members of the upper level management at Suzlon who were the proper knowledgeable persons to interview: one of the founding members of Suzlon, Mr Girish Tanti, and the Managing Director at Suzlon India, Mr Chintan Shah. We solicited their participation using email. No response was forthcoming from the former contact however the latter, considered our request and passed it to the person he considered as the most appropriate and available for supporting our research. Therefore, the Chief Economist at Suzlon, Mr Ishwar Hegde, became our primary source in Suzlon senior management team. Through emails and phone discussions, we presented him the purpose of our study, our scheduling needs and indicated that we were interesting in getting special information about different factors that could potentially explain the rapid internationalization at Suzlon.

Before conducting the interview, we sent him a draft of the questionnaire. The language used for communicating with the leaders at Suzlon was English so all of us (the two interviewers and the interviewee would be able participate and interact during interviews). As observed by Ryen (2002), it could have generated a risk of misunderstanding between the involved parties as we did not use our mother tongue.

The primary interview we conducted with Mr Ishwar Hegde was transcribed the same day it was recorded, on the 9<sup>th</sup> of March 2009. It lasted 50 minutes and was achieved via phone. One month later, we recontacted our interviewee by email on the 3<sup>rd</sup> of April 2009 and by phone on the 6<sup>th</sup> of April 2009 to arrange a second interview with him to get more information and get his approval of using his answers collected during the first interview for our thesis report. But, unfortunately, some confidentiality issues emerged from that moment. At this point, it was crucial to readjust our cooperation so that both of us could be satisfied. Together, we agreed that the answers collected during that interview will not be used. Instead, the corporate communication department at Suzlon will formulate the appropriate formal answers for our questionnaire and email to us. We reviewed our questionnaire and resent it on the 8<sup>th</sup> of April 2009 (See Appendix 1). We followed up several times Mr Ishwar Hegde (22<sup>nd</sup>, 29<sup>th</sup> of April and 6<sup>th</sup> of May 2009). We received finally an answer on the 7<sup>th</sup> of May 2009 from Mr Anoop Kayarat, Senior Manager that informed us that due to intense business trips and personal issues, he had not had time to consider our request and will try to prepare whatever material possible at the earliest. We received his answers on the 16<sup>th</sup> of May 2009. We complemented our existing story telling about Suzlon with the brief information we collected

from the email of Mr Anoop Kayarat (See Appendix 1). After having identified our theoretical framework and constantly complemented our existing empirical observations, we developed later on our conceptual model which guided us for the whole process of collecting data. The empirical data could have orientated us easily in different directions but we constantly tried to focus on our two research questions.

## 2.6 Challenges

We experienced some challenges at dealing with top management. It mainly concerned the three aspects presented by Welch and her coauthors (2002): access to upper-level managers, management of power asymmetry and openness of the top managers.

First, it was relatively challenging for us to be synchronized with the top managers at Suzlon. It took some time before accessing to the upper-level managers and start cooperating together. Second, we can admit that if the power balance could have been more equal between us and the interviewee, the interactions would have been more effective. Third, we agree with the findings of Thomas (1993, pp.85) that when senior top leaders have to speak, they “*are often expected to speak on behalf of a formal organization-even to speak as if they were the organization*”. Therefore, the content of the information gathered tend to be relatively closed to the data presented already in press statements or annual reports. We did not experience this with Mr. Hegde until we asked him his approval to use the transcript of the primary interview. But, there are some researchers that also were amazed about the attitude of top managers, especially about their frankness. (Welch et al., 2002) In the Suzlon case, we really appreciated the spontaneous and direct answers from our interviewee, Mr Ishwar Hegde.

In our case, we did not have any personal network that could be used as an influential “*sponsor*” (Ostrander, 1993, pp.12) that could support us and extend our cooperation with more executives. So, we did not get any benefit as Ostrander (1993, pp.12) mentioned that “*you get in and get useful data from them (i.e. elites) if you know others that they know and respect*”.

## 2.7 Evaluation of the Study

According to Patton (1990), the quality and the credibility of a qualitative research can be ameliorated by considering those three aspects (pp.461):

- (1) *“Rigorous techniques and methods for gathering high- quality data, that is carefully analyzed, with attention to issues of validity, reliability, and triangulation,*
- (2) *Credibility of the researcher, which is dependent on training, experience, track record, status, and presentation of self,*
- (3) *Philosophical belief in the phenomenological paradigm, that is a fundamental appreciation of the naturalistic inquiry, qualitative methods, inductive analysis and holistic thinking”*

A large amount of articles published in business press helped us to reconstitute the story telling of the Suzlon internationalization process. When we gathered the same information about a fact, we tried to evaluate if it could be validated or not. By triangulating two or three sources, we were able to know more about the reliability of the data. In our situation, the most crucial aspect used for evaluating our data published in articles refers to a precise technique and method implemented to collect gathering presented earlier by Patton (1990). Only one event appeared to contradict between our secondary sources regarding the financial capital seed of Suzlon. One source emphasized that the creation of this firm was supported with USD 1 million mainly from bank loans (Singh, 2008). But another article mentioned exclusively that the Tanti’s brothers collected USD 600,000 by selling family properties to form Suzlon (Karmali & Stone, 2006).

If more people would have been contacted at the top management within Suzlon and eventually interviewed, we could have possibly gained some insights for extending the story telling about Suzlon and improve the formulation of our conceptual model. Besides, we should have questioned ourselves if our questionnaire included some dichotomous questions. If we would have being aware of the existence of dichotomous/unnecessary questions, we would have collected different answers and probably a deeper insight in what we were interested in. To summarize, we mainly consider that we should have reduced our subjectivity and we should have tried to implement more triangulation in the data we collected about the company case.

## **3.THEORETICAL FRAMEWORK**

### **3.1 Rapid Internationalization**

**In this chapter, we look at the existing academic literature to analyze how the accelerated internationalization of a firm is defined.**

#### **3.1.1 Unclear Definition of Speed of Internationalization**

Researchers have recently looked at the rapid internationalization of firms (Nummela, et al, 2004). So, empirical studies focused on that topic are rather limited. Researchers seem not to share the same idea on what is meant by the accelerated internationalization of a firm. The term “*speed*” of internationalization remains unclear.

According to Shrader, Oviatt & Mc Dougall (2000), accelerated internationalization is described as “*the phenomenon of firms engaging in international business activities earlier in their organizational life cycles than they have historically*” (pp.1227). Besides, Acedo & Jones (2007) presented a model describing the factors leading to rapid internationalization of a firm. These authors investigated the rapid internationalization of firms by looking exclusively at the rapidity of first foreign market entry. It means that researchers frequently use the term speed to present the idea of early internationalization (precocity). It happens sometimes that the two terms, speed and precocity, are both mentioned but still used together with no clear explanation given of what is meant behind the use of each term. (I.e. Freeman et al., 2006; Oviatt & Mc Dougall, 2005; Mathews & Zander, 2007)

Usually, the notion of accelerated internationalization of a firm was referring to the born global perspective and its major characteristics for having a presence in multiple countries from inception. This approach introduces opposition to the traditional theories which introduce a slow and incremental process. Madsen & Servais (1997) and Oviatt & McDougall (1994) consider that the INV enters into international market systematically from the inception of a firm. Chang and Rhee (2007) support the same view, in which he highlights rapid internationalization as a process in opposition to an incremental internationalization. Preece, Miles & Baetz (1999) employ the term ‘*instant internationals*’ (pp.260) for describing firms having interest for international business activities when they start elaborating the business development of their operations.

Opinions differ among researchers for giving an idea on how to measure the speed of internationalization of a firm. According to Reuber & Fischer (1997), to measure the speed of internationalization of a company, it is a matter of calculating the difference between the year of creation of a firm and the year it obtains foreign sales. Bell, Naughton and Young (2001) and Reuber & Fischer (1997) mention measurement about the accelerating pace of internationalization, and we observe here that it refers only to the calculation of speed taking place at the initial internationalization of a firm.

Oviatt & Mc Dougall (2005) introduced three different characteristics to determine the speed of internationalization of a firm such as initial entry, country scope and commitment. The first one, initial entry refers to the time needed when a business opportunity is detected and the moment where the first market entry takes place overseas. The second aspect introduces the notion of scope. It is questioned how fast the firm has entered a certain number of new markets (Pla-Barber & Escriba-Esteve, 2006). The third characteristic is the speed with which commitment is expanded and especially by looking at how fast the rate of foreign revenue augments. Other authors use the term “extend” to explain this estimation of the degree of dependence of the foreign revenues (Pla-Barber & Escriba-Esteve, 2006) We perceive the two latter criteria refer to continued internationalization while the former one introduce the early internationalization.

It is important to take into consideration the time concept as it remains essential in the process of internationalization as it takes place over years and shows dynamics at specific period. The articles published by Butler (1995), Ancona, Goodman & Lawrence (2001) illustrate that time had been neglected in discussions on organizational literature. By examining the existing theories, we could observe that the temporal dimension has recently started to be explored in business literature. Zucchella, Palamara & Denicolai (2007) presented that this time-based variable includes different aspects like the precocity, the speed and rhythm. But still, further research is needed to clarify how to measure each of those time-variables.

We clearly understand that Zucchella and her coauthors (2007) and Oviatt & Mc Dougall (2005) identified the same phenomenon but they did not designate it similarly. Zucchella and her coauthors used the term precocity while Oviatt & Mc Dougall used the notion of initial entry. The main difference between those authors is about the designation of speed: Oviatt & Mc Dougall included initial entry within speed while Zucchella and her coauthors did not and instead they indicated it as

precocity which is different compare to speed. In the analysis we will present our definition of speed and will distinguish speed and precocity in the internationalization process of a firm.

### **3.1.2 Extended Literature- Revisited**

In opposition to the traditional approach presenting the gradual internationalization process of a firm, Silseth, Karlsen, Benito & Welch (2003, pp.386) indicated that different researchers observe that “*Internationalization process is a dynamic, multidimensional process with accumulation of knowledge and feedback loops as central factors*”. In the literature, the internationalization process of a firm is discussed as a combination of both, inward and outward activities (Jones, 2001). When a domestic company lacks technical, marketing and managerial knowledge to start a business, it will source foreign knowledge and form relationships with firms based in other countries through different market entry modes like export, franchising, Joint Venture or FDI (WOS, M&A).

The inward activities of a firm concern imports of goods or services. It also includes inward investments by the foreign company through joint venture where there is possibility of movement of physical equipment (machinery), personnel and knowledge (Silseth, et al., 2003). Welch and Luostarinen (1993) argued that the inward internationalization is rarely discussed in literature and researchers tend to extensively develop the literature about the outward internationalization.



## 3.2 Drivers of Rapid Internationalization

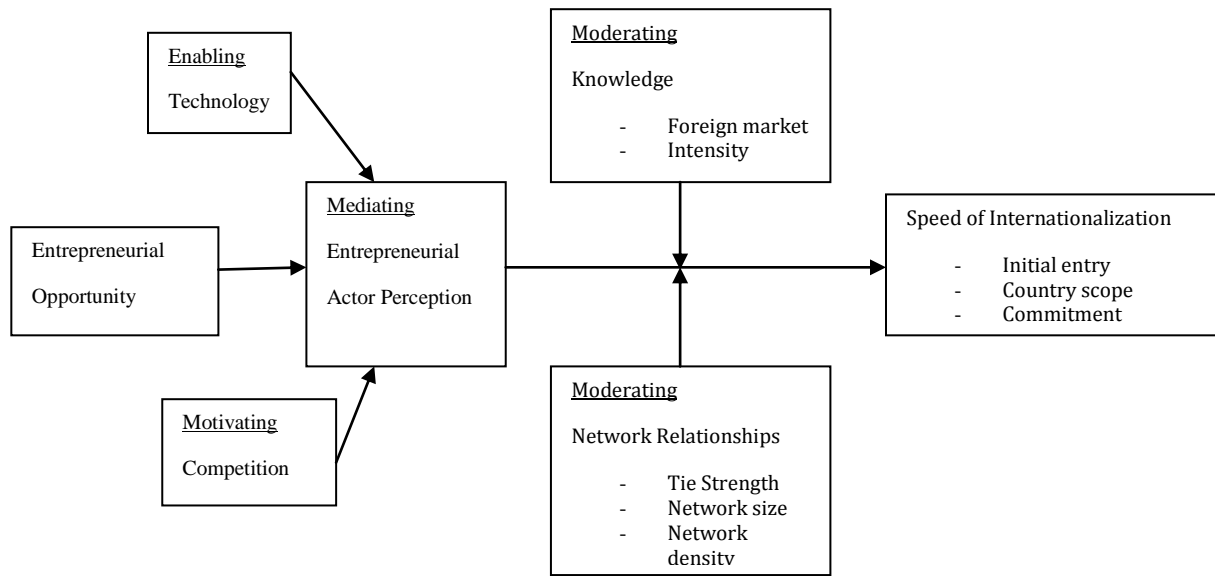
The theoretical framework is presented in this sub section to provide an insight of existing concepts about the driving forces leading to rapid internationalization of a firm. The Oviatt and Mc Dougall's (2005) model will be used as the starting point. Then, the theoretical framework will be extended by the findings of others researchers who examined some of the factors presented in their model. We will also extend the literature with special emphasis on network.

### 3.2.1 The Drivers of the Speed of Internationalization

Oviatt & McDougall (2000, pp.903) described International Entrepreneurship as “*a combination of innovative, proactive and risk-seeking behaviour that crosses national borders and is intended to create value in organizations*”. Covin & Slevin (1991) supported the idea that risk-taking, proactiveness and dependence on product innovation are part of the entrepreneurial organization's behaviour. But International Entrepreneurship has been gradually redefined and it is centered more on the recognition and the exploitation of opportunities in the recent years. Oviatt & Mc Dougall (2005) reviewed their definition and argued that international entrepreneurship is “*the discovery, enactment, evaluation and exploitation of opportunities- across national borders- to create future goods and services*” (pp.540).

No prior model existed for presenting the main drivers of accelerated internationalization until the concept was introduced by Oviatt & Mc Dougall in 2005. Their model presents the driving forces that determine the speed of internationalization of a firm. It is a combination of three prime factors: entrepreneurial actor perception, knowledge and network. Different variables such as technology, competition and entrepreneurial opportunity can affect the entrepreneurial actor perception. They indicated also the form of influences for each of those variables that determine the rapid internationalization: they named them enabling, motivating, mediating and moderating forces. (See Figure 3)

**Figure 3: The Drivers of the Speed of Internationalization-Oviatt& Mc Dougall (2005)**



The technological advances have facilitated the flow of transport, the exchange of information, trade of goods/services and the movement of financial assets between countries. It has generated time-space shrinking in the interactions of one country with another. The main technological development concerns the development of commercial jet aircraft, the containerization of ocean and land freight and digital technology (faxes, computers, wireless technologies) (Dicken, 2007). The entrepreneur will observe and interpret the potential of technology that could enable him/her to internationalize. This enabling technology will affect the perception of the entrepreneur (Oviatt & Mc Dougall, 2005).

The competitors can be motivating factor for entrepreneurs to internationalize faster. Entrepreneurs tend to be internationally oriented and internationalize faster as they appreciate the first mover advantage and avoid threats from competitors. Therefore, Oviatt & Mc Dougall (2005) described that competition is a motivating force contributing to affect the perception of the entrepreneur and indirectly generates a rapid internationalization of a firm.

One influencing factor, the entrepreneurial opportunity could affect the alertness of an entrepreneur. When an opportunity is discovered and enacted by the entrepreneur, he/she will evaluate if he/she can exploit this existing opportunity.

Oviatt & Mc Dougall (2005) considered that this factor entitled “*entrepreneurial actor perception*” was a mediating force. The entrepreneur looks and interprets the feasible opportunity, the potential

technology enabling an effective internationalization, and the threats from competitors, therefore his/her perception will be oriented into a certain direction. The personal backgrounds of the entrepreneur (years of international business, experience) and psychological attitude (risk-taking, propensity) will affect his/her perception. The MNEs appreciate to have a stock of existing knowledge, while entrepreneurial companies are more likely to use the founder's knowledge that he/she had accumulated during his/her previous work experience gained abroad. If the founder has international knowledge, it will become easier to identify opportunities and exploit them. (Oviatt & Mc Dougall, 2005)

Oviatt & Mc Dougall (2005) estimated that "*knowledge*" is a moderating influence for speeding up internationalization. They highlighted that the nature of the knowledge matters regarding the speed of internationalization. Indeed a traditional firm will gradually expand overseas, while the knowledge intensive firms tend to internationalize faster as they have competitive advantages in design, knowledge and/or creation of new products. Therefore they are more likely to internationalize faster to exploit the opportunities overseas. The most rapid internationalizers are the knowledge based firms because they have unique capabilities and patents for their products or services which are in constant demand in foreign markets. The existence of market knowledge was an aspect that was highlighted by the authors as well. Over time, the firm tends to improve its knowledge about the foreign markets and is more likely to develop further its involvement in those markets and accumulate gradually more insights at dealing overseas.

They considered the importance of the network of the entrepreneur and argued that it acts as a moderator. According to the authors, after the entrepreneur has investigated the enabling technology, the threats from the competitors, and considered the potential of the opportunity, he/she will decide to use his/her network to explore the opportunity perceived and evaluate deeper its feasibility. They particularly suggested to take a look at the strength (strong versus weak), the size (small versus large) and the density (sparse versus dense) of the network ties.

In the next two sections, we complement the model of Oviatt & Mc Dougall (2005) by inserting complementary information about some factors they presented. First, details were collected regarding the antecedents of opportunity identification with the findings of Ardichvili, Cardozo & Ray (2003). Second, we presented the cognitive variables that determine the rapid internationalization presented by Acedo & Jones (2007).

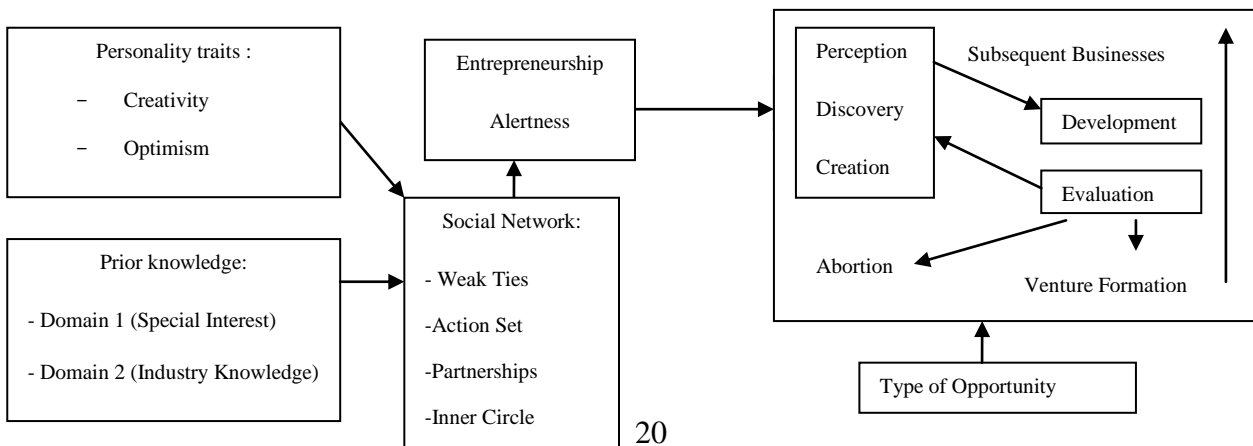
### 3.2.2 The Antecedents of Opportunity Identification

As mentioned earlier, the definition of international entrepreneurship has been upgraded and the notion of opportunity recognition was inserted in this concept. Some researchers investigated the idea of opportunity identification more in depth than Oviatt & Mc Dougall (2005). They mainly analyzed the drivers leading to opportunity identification but did not investigate further to evaluate if it can affect an accelerated internationalization or not. The opportunity recognition is defined by Christensen, Madsen, & Peterson (1989, pp.3) as, "*either a) perceiving a possibility to create new businesses, or b) significantly improving the position of an existing business, in both cases resulting in new profit potential.*"

According to Long and Mc Mullan (1984), an entrepreneur controls the opportunity recognition process but not entirely. They consider that it is important that an entrepreneur is prepared to sense the possibility of an opportunity. This aspect can differ from person to person and becomes a strong distinction and strength for the business of an entrepreneur. They presented two kinds of factors that can contribute to have an effect on the recognition of an opportunity by an entrepreneur: the controlled and uncontrolled variables. The former ones refers to factors that are related to decisions taken by a person such as the alertness, job selection, study and lifestyle while the latter variables are somehow, not under control of a person like cultural, social, economic and job forces, and personality.

The findings of Ardichvili, Cardozo & Ray (2003) introduced the driving forces that determine the opportunity identification. It is a combination of these two main factors: entrepreneurial alertness and type of opportunity. Different variables such as entrepreneur's personality traits, social networks and prior knowledge can increase the alertness of entrepreneurs to detect business opportunities. (See Figure 4)

**Figure 4: The Antecedents of Opportunity Identification- Ardichvili and his co-authors**



The prior knowledge and the personality traits of an entrepreneur will orientate him/her in a certain direction to build/develop his/her network. It is possible to classify the prior knowledge in two categories: the first one refers to the knowledge in which the entrepreneur has a special interest, the second one concerns the industry knowledge/experience accumulated over the years on a particular product or market. Two significant characteristics were found for describing the personality of entrepreneur, which affect then the opportunity recognition: optimism and creativity. The findings of Neck & Manz (1996) defended that the personality traits of an entrepreneur can be oriented by his/her self efficacy. This drive of self efficacy can result into optimism and has the tendency to seize opportunities instead of threats. Guth, Kumaraswamy & Mc Earlean (1991) figured out that the “*inside view*” of a possible triumph of a company refers to the entrepreneurial optimism. And its fundamentals are the evaluations, capabilities and knowledge of an entrepreneur.

According to Ardichvili, Cardozo & Ray (2003), weak ties, action set, partnership and inner circle are classified as key components of social network, and are considered antecedents of entrepreneurial alertness. The entrepreneur’s inner circle is a set of acquaintance not necessarily partners in their business characterized by long-term and stable relationships. The action set represents the persons that are hired by the entrepreneur in order to bring/ameliorate resources of the firm for seizing opportunities. When an entrepreneur establishes weak linkages with different counterparts, those ties can become a platform for accessing to general information and also knowledge of some business opportunities. This refers to what is called “*weak ties*” by these authors. The final element of the social network introduces the importance of partnerships which is represented by the team members necessary for the start up of the company. Social networks affect the awareness of market opportunities and influence the export’s decision of top managers. Those existing social ties often diffuse information about opportunities in foreign markets. (Ellis 2000; Ellis & Pecotich, 2001) According to Hills, Lumpkin & Singh (1997), entrepreneurs that are connected into a network may not require to be as creative as the ones who are isolated. Other factors like accidental discovery versus systematic research can make or evolve the process of opportunity identification.

Ardichvili, Cardozo & Ray (2003) came up with the idea that the process of opportunity development can diverge among four types of opportunities which are introduced as a matrix with variables such as market needs and value creation capability. A firm can evolve through those four distinctive situations, from *Dreams* (stage I), *Problem solving* (stage II), *Technology transfer* (stage III) and *Business formation* (stage IV).

The major difference between Oviatt & Mc Dougall's model and this one is about the importance of network. Ardichvili and his co-authors indicated that the social network can influence the perception of the entrepreneur. So it does not confirm the moderating factor of network presented by Oviatt & Mc Dougall (2005) that describes that an entrepreneur will use network after he/she evaluates the potential of an opportunity. Second, we realized that Oviatt & Mc Dougall's model is elaborated not only on the entrepreneur as it is the case with the work of Ardichvili and his co-authors. Oviatt & Mc Dougall looked on a firm's level also. Third, regarding the perception of opportunity by the entrepreneur, Ardichvili and his co-authors offer us an in-depth analysis about the antecedents of the opportunity recognition while Oviatt & Mc Dougall just briefly introduce this notion of opportunity recognition.

In Oviatt & Mc Dougall (2005), the knowledge is analyzed on another angle. It is about considering the knowledge intensity of the activities within the firm, and the existence of market knowledge, but no clear factor is highlighted to present the existing knowledge at the entrepreneur's level as it is introduced in Ardichvili & his co-authors' model.

### **3.2.3 Cognitive Factors Leading to Rapid Internationalization**

Acedo & Jones (2007) created a model presenting three cognitive antecedents that affect the risk perception of an individual and therefore influence the speed of internationalization: it consists of international orientation, proactiveness and ambiguity tolerance. The model presents the factors that lead a firm for an early internationalization. The notion of "*speed*" refers only to early internationalization in their model. The authors indicated that the international orientation of individuals will have an impact on his or her proactiveness and also his/her tolerance at ambiguity. Firstly, if an individual is internationally oriented, he/she can develop a higher proactiveness compared to a person without. If the profile of an individual contains an international orientation, he/she will tend to have a higher tolerance for ambiguity. In both situations, it will reduce the

potential risk perceived by the managers at dealing overseas and therefore it will accelerate the internationalization process of a firm (early internationalization).

There are two possibilities for gaining international orientation among the employees of a firm: hiring the appropriate managers (with international experience, high education and easiness at speaking many languages) or promoting language sessions, assignments with geographic rotations which will improve their level of expertise with foreign markets. (Acedo & Jones, 2007) If the individual traits of the entrepreneur can fulfil most of the criteria mentioned as above, it will orientate the decision making process of a firm to expand overseas as he/she accumulates knowledge, attitude and preference toward foreign markets.

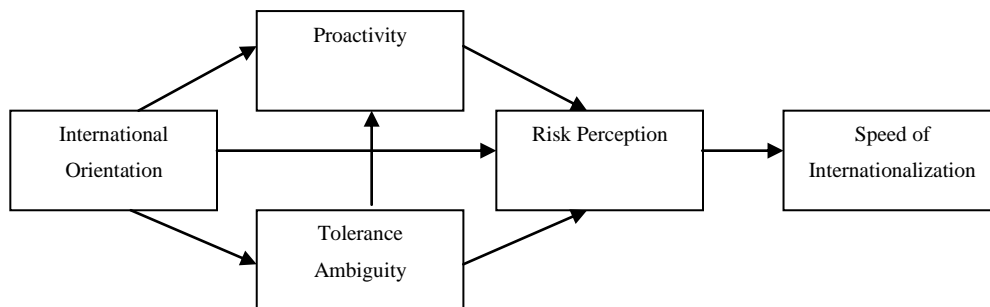
Bulck (1979) presented his findings on the importance of international orientation. He notified that there are two important aspects related to the attitude and capabilities of managers of a firm. Bulck argues that if the managers have a positive attitude towards international trade and if they have the ability at handling multicultural situations, it is possible to sense a global orientation within the corporation. Nummela and her coauthors (2004) demonstrate that this concept includes two attributes: first, the behavioural characteristics of managers are presented with the basic fundamentals of entrepreneurship (proactiveness, risk taking and innovativeness), responsiveness, commitment, customer oriented and use of advanced technology. Second, the attitudinal distinctions of managers are introduced. In that regard, the educational backgrounds of managers and their ability at speaking foreign languages are investigated in addition to their appreciation of psychic distance and capacity to adapt to changes. Besides, Reid (1981) found that there are correlations between individual antecedents of entrepreneurs and foreign expansion of a firm. Certain characteristics of the decision maker are examined like his/her education backgrounds (type and level), whether he was born abroad, proficiency for foreign languages, and scope of engagement in foreign travel.

Second, the findings of Acedo & Jones (2007) highlight that, an individual with high proactiveness can reduce his/her perception of risk when he/she is internationally oriented, and it tends to accelerate the internationalization of their firm (precocity). The authors define an individual as proactive if he/she looks out for opportunities in the market environment and takes initiative to make changes or take advantages of changes implemented in the firm.

Thirdly, the tolerance of ambiguity of individuals is another driver that can lower the perception of risk and lead to rapid internationalization of a firm. When an individual is involved in business, he/she can face an unknown and risky situation at anytime in his/her work environment. Each individual will have his/her own capacity at handling such ambiguous situations. Either he/she can appreciate working in such surrounding and pursue taking decisions or the other possibility is that he/she can be irritated and might not be capable at proceeding further in his/her decision making process. The level of tolerance at ambiguity can be evaluated by looking at the individual capacity to take decisions in an ambiguous situation/ environment.

Acedo & Jones (2007) discovered that an individual with a higher tolerance for ambiguity is more exposed for proactiveness towards internationalization than a person with a lower tolerance for ambiguity. (See Figure 5)

Figure 5: The Cognitive Drivers of Speed of Internationalization- Acedo & Jones (2007)



### 3.2.4 Extended Literature- Revisited

**After having confronted the existing theories with the Suzlon case about the driving factors leading to accelerated internationalization, we dug into the network approach as we perceived that it could potentially be more highlighted to add in the conceptualization of our model regarding the factors explaining the speed and precocity of internationalization of a firm.**

#### 3.2.4.1 Definition of Networks

A social network of a person contains a group of people that interact with each other. This web can consist of social exchanges but also information and business exchanges. (Bjorkman & Kock, 1995) A firm can have a relationship with different counterparts like customers, distributors, suppliers, competitors and governmental officials. It is possible for a company to cooperate with



other corporations that are involved in the same or different sectors of industry (Chetty & Holm Blankenburg, 2000). This constitutes the business network of a company (Johanson & Mattsson, 1988). Firms can be related to one another through different variations of alliances. It can be formal collaborations or informal relationships (Gomes-Casseres, 1994). Those social webs have an impact on other formal and informal relationships in which entrepreneurs deal with, for instance family and friends (Kiss & Danis, 2008). Some researches stressed on the importance of personal, informal contact between counterparts as center of gravity of networking activity (Benito, Solberg, & Welch, 1993).

#### **3.2.4.2 Internationalization and Network**

In the network approach, to overcome barriers to internationalize, a firm forms and develops relationships with its counterparts that are either home based or internationally based. This approach emphasizes that organizing activities across borders for a firm can be handled with the use of those business relationships. By looking at the network in which an entrepreneur and his/her corporation is embedded, it is possible to predict the decisions made in regard to the internationalization of the firm. (Forsgren, Holm & Johanson, 2005)

Many researchers identified that network is a factor explaining the rapid internationalization of firms (Arenius, 2005; Oviatt & Mc Dougall, 1994, 2005; Chetty & Blankenburg Holm, 2000). Social ties have direct, positive effects on the speed of INV (Kiss & Danis, 2008; Sasi & Arenius, 2008; Arenius, 2005). Zhou, Wu & Luo (2007) argued that social networks that are locally based can facilitate the success of early internationalization of SMEs. Besides, it can be applicable to inward and outward internationalization as well.

Freeman and her co authors (2006) presented that there are some constraints for rapid internationalization for SME's such as lack of economies of scale, finance & human resources and disinterest in risk taking. They argue that those difficulties are overcome by strategies such as "*Extensive personal network contacts, Collaborative partnerships with large foreign suppliers and customers, Client followership, Use of advanced technology, Multiple modes of entry*" (pp.49).

Looking at the inward internationalization of a firm means that there will be an examination of all the foreign sourcing activities of the firm (Silseth et al., 2003). If a company actively uses the knowledge accumulated through its inward activities, it will be possible to consider starting to

spread outward foreign operations and penetrate foreign markets (Silseth et al., 2003; Welch & Luostarinen, 1993).

Welch and Luostarinen (1993) also insisted that inward connections over the years could yield to formal contractual links such as inward foreign licensing followed by outward technology sales which can also lead to formal cross licensing arrangements. The inward licensing rights could be given for exporting of products into specific foreign territories as per the agreement.

#### **3.2.4.3 Resource-Based Viewpoint**

In the resource-based perspective, if a firm is engaged in a relationship with another firm, it illustrates its voluntary intention to develop exchanges with this business partner. The aim of the transactions occurring between a firm and other companies are deliberately decided. The exchanges between firms are generally formal and the business networks are clearly defined. When a firm faces some threats coming from its environment, it will respond by using its resources. If a firm decides to form a relationship with a business actor that can complement its existing resources, they will be more competitive against their rivals and could gain benefits from these transactions. (Chetty & Patterson, 2002)

#### **3.2.4.4 Business Network Perspective & Johanson and Mattsson**

In the business network perspective, there are two significant features that represent a business network: its informal character and the resource dependence aspect. First, business relationships of a firm tend to be unstructured and informal. With the dynamics of its environment, the firm's network is in constant reconfiguration. The second characteristic about the business network perspective refers to the notion of interdependence between the business counterparts that cooperate with each other. Their common central interest will concern the exchange of resources. Through this cooperation, each firm will make some readjustment to each other and could experience some potential changes in the structure of its network. (Chetty & Patterson, 2002) When a firm cooperates with other firms, it can invigorate its ability at detecting business opportunities (Blankenburg, Holm & Eriksson; 2000).

The work done by Johanson and Mattsson (1988) can illustrate this perspective. They established a theoretical framework about internationalization process and pointed out the importance of having

international relationships and interaction between counterparts. Those authors consider that when a firm is progressing in its internationalization, the relationship with the actors of its business network will be deeper and the business web will expand in size. Creating and retaining a relationship with different actors is a real challenge during the internationalization of a firm. This can be managed in three ways: foreign market extension, penetration and international integration. Firstly, international extension is a question of establishing new relationships with counterparts overseas. Secondly, a company can develop its commitments in its existing networks across borders (penetration) or the third option is to make use of its web in multiple countries in order to be connected to new networks. (Johanson and Mattsson, 1988)

Johanson and Mattsson (1988) established a typology of level of internationalization. They classified a firm into four categories depending on its level of internationalization and contextual environment. It contains *the Early Starter*, *the Lonely International*, *the Late Starter* and *the International Among Others*. (See Figure 6)

**Figure 6: Business Network Perspective- Johanson & Mattsson (1988)**

	Degree of Internationalization of network		
		Low	High
Degree of Internationalization of a Firm	Low	Early Starter	The Late Starter
	High	Lonely International	International Among Others
Source: Johanson and Mattsson (1988)			

The first category called *the Early Starter* includes a firm that has a limited interaction on the international level with different actors and this situation is similar for its competitors and suppliers. Those limited foreign relationships generate little knowledge of markets overseas. Using agents in this situation is a mean for the firm to acquire the missing knowledge to be able to enter foreign markets. Its distributors or customers can motivate the top leader of this firm to spread its activities overseas.

The second group, *the Lonely International*, refers to a firm with internationalized business activities while its market environment remains home based. So, the firm evolves alone abroad and is capable to promote internationalization of the market (the production net). This gives the firm an advantage compared to its domestic competitors by acquiring prior knowledge and experience overseas.

*The Late Starter* represents the third category, in which the firm operates in a market environment that is internationalized. The firm is mainly locally based, and follows the influence of its counterparts that are already internationalized. Johanson and Mattsson (1988, pp.302) stated that "*If the suppliers, customers and competitors of the firm are international, even the purely domestic firm has a number of indirect relations with foreign networks*". It will strive to have an international presence, even though they face many challenges. It has a comparative disadvantage due to lesser market knowledge than its rivals.

Finally, *the International among Others* describes a firm highly internationalized evolving in a market environment that is highly internationalized. This firm has facilities at establishing its activities overseas as it has gained international knowledge. This type of firm, leading the market, is focused at expanding its global interdependent network.

## **4.COMPANY STORY TELLING**

**The complete storytelling of Suzlon's internationalization is presented in this section in a chronological order.**

### **4.1 Tulsi Tanti, his Background**

Tulsi Tanti is an Indian citizen that completed engineering and business studies (Shirsat, 2005; Singh, 2008; Wright, 2008). After returning from college in 1978, he joined his father's business in cold storage sector (Wright, 2008) which had been weakened through soaring energy costs. He found a solution to improve the efficiency of a freezer. His installation consisted of placing the condenser on the roof of the building in order to use the natural wind to cool it down. This allowed reducing the energy consumption by 30 percent. (Singh, 2008)

In 1982, when he was 24 years old, Tulsi Tanti moved to the major Indian textile center, Surat (Gujarat state). Three years later he set up his own textile business (ibid), with his three younger brothers, all engineers (Wright, 2008; Bisserbe, 2007; Forbes, 2008; Bradsher 2006). Only Tulsi and Girish Tanti completed some of their studies abroad. Tulsi Tanti attended the Pace University in New York (Forbes, 2008). His youngest brother, Girish completed a university degree in management in Cardiff (Forbes, 2008; Red Herring 2005, p.99)

Tulsi designated his company Suzlon Synthetics (Singh, 2008). The brand name Suzlon is a combination of two words: The prefix, a Hindi word, "*soojh-boojh*" meaning intelligence and the suffix "*lon*" derived from the English word loan (Wright, 2008; Singh, 2008). Tanti considered that those two elements constituted what he needed for being successful in business (Singh, 2008).

### **4.2 Suzlon Synthetics with 2 Wind Turbines**

In 1993, the state government of Gujarat in India started an incentive program to motivate the private sector to participate in the development of the wind energy sector. Incentives could be received by private players if the wind farm installed had a capacity of at least 150 MW. (GEDA, n.d.; ADB, 2008) With the soaring costs of electricity, the profitability of Tanti brothers business was badly affected (Baker, 2007). Suzlon bought two wind turbines from the Danish manufacturer, Vestas in 1994 (Schiessl, 2008). Unfortunately, due to limited number of Vestas' manpower, the

installation of the turbines was done by the Suzlon employees (Singh, 2008). The experience gained during the installation of the first two wind turbines provided the foundation of future knowledge for Tulsi Tanti as he and his brothers gained practical insight to the issues faced by the end users.

#### **4.3 Market Research and Creation of Suzlon Energy in Pune in 1995**

During early 1990s, wind energy represented only one percent of the power generated in India (ibid). While the Tanti brothers were managing their textile business, they devoted some time to develop their business idea in power generation (Ghosh, 2007; Economist, 2006). Tulsi Tanti visited some of the existing installations in India and started talking with different counterparts of this industry. By talking to equipment makers and potential customers, he understood the structure of the wind power industry. (Singh, 2008) He sensed the high potentials in India (low cost activities and highly trained labour force (Randeep, 2008), and detected a potential demand to target. Most of the manufacturers of windmills in India were not offering maintenance services or even technicians available to make the wind turbines work (Bisserbe, 2007). Tulsi's business idea was revolutionary, consisting of offering a complete package of wind energy services; building turbines, installing and operating them (Singh, 2008; Schiessl, 2008). The conviction of the Tanti brothers for achieving their project was so strong that they created Suzlon Energy in 1995 with USD 1 million (mostly from bank loans) and signed up a technical agreement with a German company, Südwind, to gain knowledge for manufacturing wind turbines (Singh, 2008). Another source mentioned that the Tanti brothers collected only USD 600,000 when they sold some family properties and used this capital for forming Suzlon (Karmali & Stone, 2006). When Suzlon started its operations, its role consisted of distributing wind turbines that were manufactured by Südwind (Schiessl, 2008). This business entity was established in Pune (State of Maharashtra) (Karmali & Stone, 2006; Schiessl, 2008; Wright, 2008).

#### **4.4 Unfavorable Environment for Suzlon and the Use of Tulsi's Network**

Most people considered wind power as ineffective and costly (Ghosh, 2007). People were surprised that a businessman like Tulsi Tanti bought wind turbines costing more than his textile business (Kishore, 2008). Tulsi Tanti contacted other companies and banks, but unfortunately it resulted quite often in a failure. *“It turned out that the first years were really difficult. No banker wanted to fund our projects and we missed high qualified labour force”* explained Tulsi Tanti. (Bisserbe,

2007) In December 1995, Tulsi Tanti contacted the petrochemical company called IPCL (second biggest chemical manufacturer in India, Indian Petrochemical Corporation Limited) that was part of Tulsi's former business network. Indeed, IPCL provided raw materials for Tulsi's polyester yarn activities. He presented his project but did not know how to concretely achieve this project. He assured IPCL that his idea could revolutionize the way companies supply electricity in India with the use of windmills. Tulsi Tanti convinced IPCL to sign up a contract. Thus IPCL became Suzlon's first customer. (ibid)

#### **4.5 Bankruptcy of Südwind, an Opportunity Seized by Suzlon**

Südwind sunk into a complete bankruptcy in 1997 (Rediff India, 2006). This opportunity was perceived by Tanti and he acquired parts of this company's R&D activities in 1997/98 (Schiessl, 2008; Ali, 2008). Finally Suzlon began producing its own wind turbines which was the primary objective of the Tanti's brothers. (Karmali & Stone, 2006) Their plan consisted of enhancing their research efforts at that period by hiring the former Südwind employees and establishing a R&D center in Rostock (Germany) (Schiessl, 2008).

#### **4.6 1999: Government Incentives and Large Local Orders**

In 1999, Suzlon started the production of components and the government of India passed a law reducing taxes for wind energy industry (Schiessl, 2008). Suzlon did not achieve significant sales until 1999. But the situation changed as soon as it established relations with two large local companies: Tata Finance Ltd. (part of Tata group) and Bajaj Auto Ltd. (second largest manufacturer of motorcycles in India). Suzlon was contracted to develop and operate large wind farms for these companies. (Singh, 2008)

#### **4.7 Stronger Conviction of Tulsi and the Plan for a Vertical Integration**

In addition to Tulsi's strong belief in the wind power industry with the increase of oil and gas prices, he also sensed the growing importance of environmental issues like global warming (Asiamoney, 2006). By 2000-2001, he decided to leave the textile industry entirely and liquidated his yarn business activities. Since 2001, his priority has been based on wind power sector. (Baker, 2007; Singh, 2008)

As the cost of production for Suzlon remained high, it was difficult for the company to be competitive in international markets. Tulsi Tanti decided to acquire new resources for production with a strategy based on vertical integration in the wind turbine value chain. *“The normal business model in the industry is turbine technology and assembly. Companies then outsource the components required for the wind turbines. They do not have access to the component technology. The real technology part is in the components. So, if you own the two technologies and integrate to the two, then you have the most competitive product”* clarified Tulsi Tanti. (Satish, 2008) He explained that the combination of technology involved in the turbine and the component results into a fully vertically integrated company. So, he developed a significant competitive advantage compared to his rivals. (Satish, 2008) Besides, this integration process could permit Suzlon to reduce its production costs and improve its logistics (Satish, 2008; Bisserbe, 2007). Gradually, not only Suzlon could manufacture wind towers but also it could use the competitive advantages of different European countries in this industry for producing different key components for windmills: Aerodynamic elements from The Netherlands, Generators from Austria, Turbines from Germany, and IT from India. (Bisserbe, 2007) (See Appendix 2)

#### **4.8 Running few Operations Overseas**

In 2001, Suzlon established one WOS in the United States (Suzlon, 2009). Suzlon also developed its presence in the Netherlands in the highly specialized field of rotor blades. Suzlon formed a WOS, AE Rotor Techniek Company (Red herring, 2005; Suzlon, 2009) and it developed agreements with the Dutch specialists in rotor blades through strategic alliances: collaborations with Enron Wind Rotor Production and licensing Aerpac B.V (Red herring, 2005). In 2002, Suzlon established two new R&D centers in Germany (Bisserbe, 2007). 2003 was a strategic year with first export order for customers (Suzlon, 2009; Bisserbe, 2007) like John Deere and Edison Mission Group in the United States (Kayarat A, 2009, Email, 16 May) and opening of a representative office in China (Suzlon, 2009). At the same time it succeeded in taking the lead in its local market, India (Singh, 2008).



## **4.9 Suzlon, a Company Becoming Global**

### **4.9.1 The Entire Wind Industry and Government Incentives**

In early 2000s, a clear trend emerged in the wind power industry and all the actors involved in this industry worldwide (Suzlon included) were concerned about it: dependence on the rising governmental incentives. In 2004, the Indian states began to mandate electricity utilities to include sourcing ten percent of their energy from renewable sources. During that first year of mandates, the wind energy companies were able to reduce significantly their equipment costs, with around 80 percent depreciation. (Singh, 2008)

### **4.9.2 Initial Public Offering and further Expansion Overseas**

During 2004, the top managers felt the need for an IPO in order to raise capital and pursue a growth strategy to compete with its international rivals (Singh, 2008). Suzlon attracted two private equity investors: ChrysCapital III LLC (capital of USD 20 million) and Citicorp International Finance Corporation Inc (capital of USD 20 million) (Suzlon, 2009) Suzlon opened two new WOS in 2004: one in Australia and one in Denmark (ibid).

### **4.9.3 Further Cooperation with Foreign Firms**

Suzlon established access to valuable assets by dealing with other companies through strategic alliances (Lewis, 2007). First, in 2004, The Austrian Elin EBG Motoren entered into a Joint Venture with Suzlon to develop, manufacture and supply generators to Suzlon (Red Herring, 2005). Second, thanks to the collaboration with the German Winergy, Suzlon could use gearboxes that were manufactured in India (Moneycontrol, 2006; Lewis, 2007). Suzlon formed its international marketing headquarter in Denmark in 2005 (Jayakumar, 2008).

#### **4.10 More Foreign Orders and more Capital Gained**

In 2005, Suzlon received new orders from foreign conglomerates totaling more than USD 725 million. In the United States, its turnover represented USD 70 million in that year. In the same year, Suzlon floated its IPO and was listed on the Indian stock exchange. (Bisserbe, 2007) Its shares received a tremendous response and ended up oversubscribed 46 times. Suzlon was able to raise an equity capital of USD 338 million from the Indian stock market. It rose 94 percent on the Bombay Stock Exchange during the first year. 66 percent of its total shares are owned by the Tanti's family. (Singh, 2008)

#### **4.11 The Expansion of Suzlon Empire**

Suzlon invested in manufacturing plants in India, China and the US markets (Singh, 2008). In 2006, it acquired Belgium Hansen Transmission (Forbes, 2006; Singh, 2008), a world leader in transmission systems. *“This acquisition was following our integration strategy at Suzlon and gave us access to the technology that we did not own yet”* says Tulsi. (Bisserbe, 2007) After acquiring this company, in December 2007 Suzlon raised EUR 400 million by floating an IPO of its own subsidiary Hansen transmission in London Stock Exchange. (Business Standard, 2007) By 2006, Suzlon was an enterprise valuing USD 7 billion (Forbes, 2006).

The second biggest acquisition for Suzlon took place in 2007. Suzlon competed with French nuclear-reactor conglomerate Areva, for acquiring RE Power. After five months of fierce bidding war, Areva backed out the bidding, Suzlon emerged as the winner to control 75 percent of equity for EUR 1.35 billion (Business Line, 2007 & Businessworld, n.d). This acquisition was aimed at improving quality of existing Suzlon turbines, and a possibility for Suzlon to become one of the world's top three firms in wind energy while completing its product portfolio (RE Power wind turbine offered the highest kilowatt single wind turbine rated at 6 MW) (Satish, 2008). As a consequence, Suzlon succeeded in expanding significantly its manufacturing capacity and development of a global presence. Its manufacturing capacity of wind power grew six fold in a 4 years period: it shifted from a gross manufacturing of wind power from 600 MW in 2004 which was exclusively installed in India, to reach 3,768 MW in 2007 with a global dispersion. (Singh, 2008).

In 2007, its transnational organization was further developed with the establishment of the global management headquarters in the Netherlands while the corporate headquarter in India remained based in Pune. This configuration “*offers (us) locational and operational advantages in the context of the nature of our business*” claimed Tulsi Tanti. (Jayakumar, 2008) The former senior executive for General Electric in Europe, Mr. Andre Horbach, joined the Suzlon group and was appointed to become the CEO for the new global management headquarter in Amsterdam (Economic Times, 2007).

#### **4.12 2007-2008: Turbulence Time for Suzlon**

##### **4.12.1 Flawed Equipments: Reluctant Customers & Panic Investors**

In 2007, Suzlon’s reputation was damaged due to bad performance of turbines sold to its US customers. Components of some turbines delivered to the American market had quality issues. (Satish, 2008) The value of the Suzlon shares plunged almost by half during spring semester 2008, from 387 rupees (end December 2007) to 216 rupees (mid July 2008). Its global customers became hesitant at buying its products. The biggest loss happened for Suzlon when Edison International which is one of his key customers, cancelled an order for 150 turbines due to the recent quality defaults. (Singh, 2008)

##### **4.12.2 Management Upheaval**

In 2008, there were some turbulent times at the top management level in Suzlon in Europe. During the spring, two resignations of top executives occurred. First, it concerned the CFO, Patrick Krähenbühl. The acting CFO, Mr.Vagadia, explained that this resignation happened due to some arguments between him and the former CEO, Mr. Horbach. Second, one month later, this Suzlon's CEO himself resigned after 16 months after taking the job. (Singh, 2008; Poddar, 2008) Seven million Suzlon shares were sold by I.G. Investment when the two of Suzlon's top executives left the company. With a slump in share values indicative of the companies problems. A new CEO, Toine van Megan was hired. (Singh, 2008) He was originally from the Netherlands but had spent more than 25 years in India, the hope was that a strong CEO with a Dutch-Indian background could reunite the strongest parts of the international operations that now comprised Suzlon. (Satish, 2008)

#### **4.13 Suzlon Managing Human Challenges**

The top management at Suzlon is aware of the human challenges at integrating RE Power. Tulsi Tanti explained in an interview that *“this is a cultural issue. It is a different way of thinking. Their business strategy is also different.”* Tulsi Tanti argued that *“To manage people is a key competency. It is very difficult to manage people from two different geographies, so initially there is a problem. The problem is to understand them if you are communicating and ensure that we understand each other. We have not faced any problem with Hansen and RE Power. We had expected some concerns on that count but we are fortunate that such issues never crept up”*. (Satish, 2008)

#### **4.14 Governmental Encouragement Towards Green Power Energies in 2008**

With the rise in price of barrel of oil touching USD 147 in July 2008 and people’s ever increasing awareness about global warming, governments continued to provide incentives to the development of greener alternatives like solar and wind power (Singh, 2008).

#### **4.15 Extending more the Business Overseas**

By 2006, Suzlon occupied the 5<sup>th</sup> position in the ranking of the Global sales of wind turbines (Rediff, 2008). In 2007, Europe represented the largest market for wind energy in the world, and Germany remains the leading market in this regard. *“We will continue to focus our efforts on US and Chinese markets”* said Tulsi Tanti. Even though Europe accounts for almost half of the wind energy production, the Asian and American markets progressed rapidly. (Bisserbe, 2007)

Currently, Suzlon’s empire is spread across the five continents, with a presence in 20 countries (Suzlon, 2009). Suzlon is ambitious at setting up business in 51 new countries by 2011. Tulsi says *“For achieving this goal, we are ready to enter the markets where there are no competitors”* Suzlon also has the plan to extend its activities in Europe especially in France, Italy, Greece, Germany and Portugal. (Bisserbe, 2007)

## **5. ANALYSIS**

### **5.1 ANALYSIS ON RAPID INTERNATIONALIZATION**

**This section presents our analysis about the applicability of the Oviatt & Mc Dougall's and Acedo & Jones's models regarding the rapid internationalization to Suzlon case study. Then, we provide our own definition on the concept of accelerated internationalization of a firm.**

#### **5.1.1 Oviatt & Mc Dougall's (2005) and Speed of Internationalization**

In the Oviatt & Mc Dougall's (2005) model, three different characteristics were introduced to clarify the notion of speed of internationalization. First we will look at the notion of initial entry, review afterwards the term country scope before examining the commitment aspect.

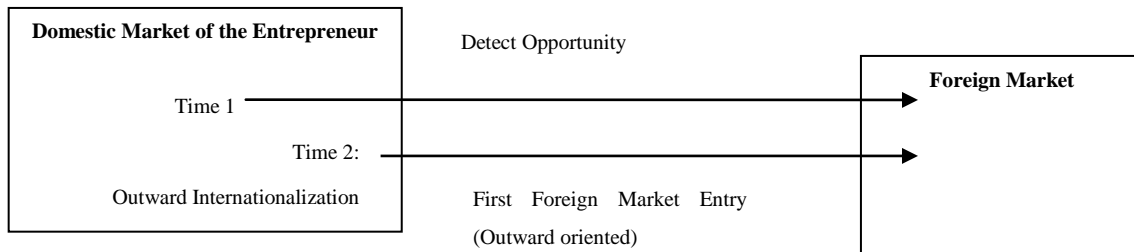
##### **5.1.1.1 Initial Entry**

First, according to Oviatt & Mc Dougall, initial entry refers to the time needed when a business opportunity is detected and the moment where the first market entry takes place overseas. It was possible for us to get the information needed on the Suzlon case to look at the initial entry from this model. We consider that the initial entry as suggested by Oviatt & Mc Dougall's (2005) model could be a potential way to look at the precocity of internationalization. So, in our conceptual model, the initial entry will refer to the early internationalization, and not the speed of internationalization (continuously fast internationalization).

By reading about the initial entry, we interpret that they look at a firm in which the entrepreneur will detect an opportunity abroad (phase 1), and develop its outward internationalization process with the establishment of a particular foreign market entry mode (phase 2) (See Figure 7).

If we follow this assumption, the opportunity detected in the foreign market in the case of Suzlon refers back to the moment when Tulsi Tanti seized the bankruptcy of the German Südwind in 1997. Its first foreign market entry would highlight the moment when Suzlon invested in Germany in the partial acquisition of Südwind R&D activities in 1997/98.

**Figure 7: Initial Entry by Oviatt and Mc Dougall (2005)**



### 5.1.1.2 Country Scope

Second, Oviatt & Mc Dougall’s (2005) suggested looking at the notion of country scope. According to them, if an investigator evaluates how fast the firm has entered a certain number of new markets, the country scope is analyzed. We consider that the country scope presented could be a potential way to look at the speed of internationalization (continuously fast internationalization). The data collected indicated that Suzlon used export, licensing, joint venture and FDI (R&D centers, WOS and M&A) to enter foreign markets. From 1995 to 2001, Suzlon was mainly involved in Germany through its technology inward licensing with Südwind, the acquisition of parts of its R&D division and the establishment of an R&D center. Afterwards, from 2001 to 2004, we perceived that it was a transition period for Suzlon. It boosted the expansion of its operations overseas by opening one WOS in two new countries at the same time: United States and Netherlands in 2001, Australia and Denmark in 2004. It developed presence in Netherlands thanks to strategic alliances between Suzlon and Dutch specialists in rotor blades in 2001 (agreement with Enron Wind Rotor Production and licensing with Aerpac). In 2003, Suzlon’s first export orders were registered to the United States. In 2004, the Austrian Elin EBG Motoren entered into a Joint venture with Suzlon, and collaborations between Suzlon and the German Winergy. Later, between 2006 and 2007, Suzlon became more and more involved globally, and it dramatically expanded its business size with the acquisition of two companies: the Belgium Hansen Transmission (2006) and the German RE Power (2007). It appears to us that the scope of a company could potentially be a good indicator for looking if a firm has achieved a continuously fast internationalization or not. So it will be inserted in our conceptual model.

### **5.1.1.3 Commitment**

Third, Oviatt & Mc Dougall's (2005) suggested looking at the notion of commitment to observe the speed of internationalization of a firm. It refers to observe how fast the rate of foreign revenue augments. We perceived that this aspect refers to continued internationalization of a firm in various markets instead of early internationalization of a firm entering its first foreign market.

As we miss some empirical data from the Suzlon case to evaluate its commitment to foreign markets. But by reading the whole story of Suzlon, we perceived that the commitment of Suzlon towards foreign markets started late in its internationalization (outward movement) and is characterized for having expanded dramatically thereafter.

Its first export orders, which was destined to the United States was registered in 2003, nearly 8 years after its formation. Before 2003, the firm did not generate any foreign financial revenue in favor of gaining a large amount of knowledge. From 1995 to 2003, the company was in its phase of inward internationalization. Suzlon was just a distributor of wind turbines for the Indian market and established some R&D centers abroad (1997, 2002). So, the financial revenue was domestically based instead of being international oriented during the first years. The first reason to explain its late foreign revenue refers to the need that Suzlon had to develop first some inward activities to compensate his lack of technical knowledge. The second potential explanation of late foreign revenues is the nature of the wind power industry itself. Indeed it is relatively highly knowledge oriented, so time is needed to develop innovation with the existing amount of knowledge those firms have. Once those firms have enough knowledge to elaborate innovative concepts, they will be able to gain strong revenues. In 2005, Suzlon received new orders from foreign conglomerates for a total amount of more than USD 725 million. In the United States, its turnover represented USD 70 million in that year. So, possibly the commitment might be appropriate. Therefore, we will include it in our conceptual model to examine the speed of internationalization (continuously fast).

### **5.1.2 Acedo & Jones (2007) and Rapid Internationalization**

Acedo & Jones elaborated their model by investigating the speed of internationalization with an exclusive focus at the foreign market entry, in other words, they examined only the early internationalization of a firm. But we perceive that their model can also explain the continuously fast internationalization of a firm.

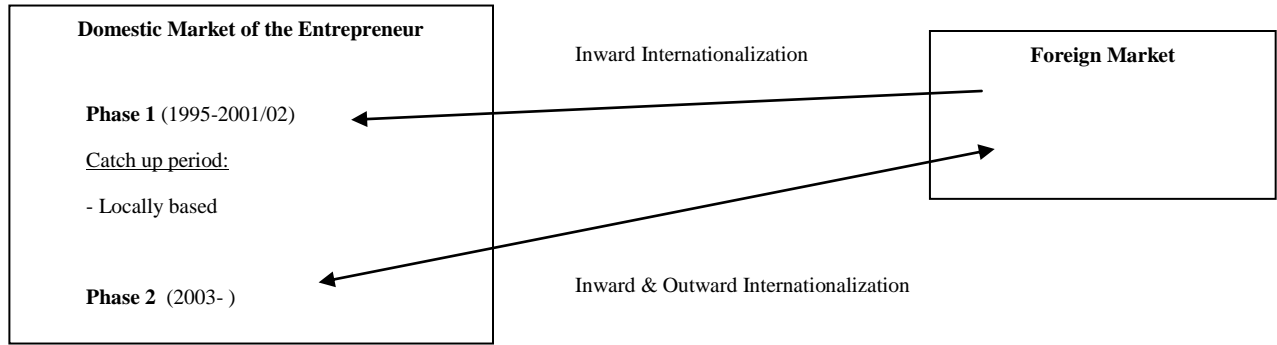
### 5.1.3 Importance of Inward Internationalization

By looking at the Oviatt & Mc Dougall's model, and the one introduced by Acedo & Jones, we do not think they actually thought of inward internationalization. In general, this direction is rarely discussed in the literature and investigators tend to extensively develop the literature about the outward internationalization (Welch & Luostarinen, 1993).

We observed that the findings of Silseth, Karlsen, Benito & Welch (2003) and Welch & Luostarinen, (1993) were present in the Suzlon case. It was visible that its inward activities helped/orientated Suzlon to develop its outward internationalization. We would like to highlight the importance of the evidence of the inward process of Suzlon during its first years of existence. *“Suzlon approached internationalization as a two way process: bringing in people, skills, technology and other assets and pushing out products, services and solutions across the world”. “It started with inward internationalization starting earlier in the company's life cycle.” “It started in two phases, with inward internationalization starting earlier in the company's life cycle – however, growing in today's dynamic business landscape – both modes exist simultaneously.”* (Kayarat A, 2009, email, 16 May). We could see that from 1995 (year of creation) until 2001/2002, the firm developed exclusively its inward activities (See Figure 8) and developed its local market. Suzlon established few R&D centers in Germany (1997, 2001), contracted different agreements with foreign companies from Western Europe from 2001 (Enron Wind Rotor Production, Aerpac, Elin EBG Motoren and Winenergy). This step of development was preparing the firm to move to outward internationalization later on. So, the company could absorb the missing internal resources, especially the technical knowledge from abroad and gain financial resources by improving its sales domestically. Then it started developing its outward activities by establishing WOS in foreign markets, and its first export orders were registered in 2003. At that period, Suzlon succeeded to take the lead in its domestic market. Later on, it continued its outward activities by acquiring foreign companies like Hansen transmission and RE Power and by establishing global units in Western Europe in Denmark (2005) and the Netherlands (2007) for receiving further knowledge and become a bigger global player.



**Figure 8: Suzlon Internationalization Process (Inward and Outward Internationalization)**



#### 5.1.4 Our Definition of Rapid Internationalization

We realized that there is a real need to make a clear distinction between the notion of precocity and speed in literature. We believe that the future researchers should make a clear distinction between precocity, speed and rhythm as it is presented in the work of Zucchella and her coauthors (2007). As a consequence, it will become easier to converge towards closer findings of a precise aspect of the phenomenon of internationalization.

Thanks to those recent findings about time concept from Zucchella's work, and our case study, it should help to clarify and narrow down the meaning behind the speed of internationalization. Our definition of rapid/accelerated internationalization refers to the internationalization process of a firm that has been continuously fast. The terms country scope and commitment used by Oviatt & Mc Dougall can give an idea on how to look at this phenomenon.

In parallel to this rapid/accelerated internationalization, we identify and define the precocity of internationalization. This means that the early internationalization of a firm will be examined. The use of the initial entry presented by Oviatt & Mc Dougall could be a potential idea to analyze the precocity of a firm.

As we have perceived that the antecedents leading a firm to internationalize early could also be the drivers for a firm to internationalize continuously fast, we assembled these two terms together in our conceptual model. In addition, our framework covers the notion of internationalization in a broader context, meaning that we include the importance of inward internationalization as a crucial pillar within the process of internationalization.

## **5.2 ANALYSIS: DRIVERS OF RAPID INTERNATIONALIZATION**

**In this section, we investigate each aspect presented in the existing theoretical framework about the driving factors leading a firm to internationalize early and continuously fast. We examine each factor to know if it could be applicable in the case of Suzlon or not. In addition, we introduce new variables that emerged from the confrontation between the theories and the case.**

In this section, the meaning behind the notion of speed and internationalization will refer to our own perspective, meaning that rapid internationalization of a firm means that a firm that has internationalized continuously fast. Regarding the broad term internationalization, it will include the inward and the outward internationalization.

### **5.2.1 The Drivers of Speed of Internationalization**

#### **5.2.1.1 Enabling Technology**

Any entrepreneur cannot neglect all the benefits gained over the recent years thanks to advanced technology and the containerization of ocean & land freight and the development of commercial aircraft. The founders at Suzlon did not seem to really observe and interpret the potential of technology that could enable them to internationalize. And we could not see if the enabling technology had an influence on the entrepreneurial actor perception. In the Suzlon case, we have not found facts highlighting the importance of this factor. Nowadays, it is relatively common, in matured economies but also more and more in developing markets to have the enabling technology to act on the global scene. So, we believe it is not really crucial to indicate anymore this aspect nowadays as it appears somehow obvious in a globalized world in which we are currently embedded.

#### **5.2.1.2 Motivating Competition**

We collected some information to identify if the threats from Suzlon's competitors could be a motivating force to influence the perception of the top leaders. If we apply the work of Johanson and Mattsson (1988) to our case, we observe that before Suzlon was involved in the wind power energy, the market environment seemed internationalized. In 1994, when the Tanti brothers bought

the two turbines from the Danish supplier Vestas which was already internationally oriented. From inception, Suzlon started developing relations with the German Südwind. It was locally based and followed the influence of its counterparts that were already internationalized. At that time, Suzlon was a “*late starter*”. So we believe that the motivating competition factor could influence the perception of an entrepreneur, leading to early internationalization.

Later on, Suzlon became an active player involved in the global wind power industry, seeking to become more highly internationalized. Presumably, the market environment was also becoming highly internationalized at this period. From 2001, the firm had developed its facilities in establishing its activities overseas. During this period, it was difficult for the company to be competitive in international markets as the cost of production for Suzlon remained high; therefore Tulsi implemented his strategy based on vertical integration in the wind turbine value chain for his firm. When Suzlon was running few operations overseas (2001 to end 2003), the company wanted to become bigger and remain competitive with its rivals. Therefore it acquired two large firms, market segment leaders in the wind power sector. We observed that there was a fierce bidding war with Areva to obtain RE Power. This illustrates the existing competition within this industry. Over the years, Suzlon became one of the leading companies in the wind power market and expanded its global interdependent network. It became “*International among Others*”. So, we accept that the motivating competition factor could affect the perception of the top leader, leading to continuously fast internationalization. This observation shows that Suzlon’s network has been continuously redefined and reshaped by the dynamics of its environment. Our company case illustrates the business network approach introduced in the literature section earlier.

### **5.2.1.3 Entrepreneurial Opportunity and Mediating Entrepreneurial Actor Perception**

A repetitive theme in the Suzlon story was Tulsi Tanti seizing opportunities as they presented. First he developed an understanding of the structure of the wind power industry, he sensed the high potentials of India (low cost activities and highly trained labor force) and detected a potential demand to target. As Tulsi explained “*I have been able to see the opportunities in general, here no one would have expected*” (Bisserbe, 2007). Second, Tulsi Tanti seized the coming opportunity of Südwind sinking into bankruptcy in 1997. Third, he identified the growing importance of environmental issues like global warming and therefore decided to leave his textile business to

focus exclusively on wind power industry in 2001. Tulsi Tanti was able to interpret the market and see opportunities; therefore his perception was oriented in a certain direction. We agree about the relationship between the opportunity identification and the mediating entrepreneurial actor perception. But we believe that they might have possibly led the company to internationalize early and continuously fast as well. We will further investigate the connections between those two factors thanks to the model of Ardichvili and his coauthors later on.

Very briefly, Oviatt & Mc Dougall argued that the personal backgrounds of the entrepreneur (years of international business, experience) and psychological attitude (risk-taking, propensity) will affect his/her perception. As those aspects are more deeply investigated in the model of Ardichvili, Cardozo & Ray (2003), and the one introduced by Acedo & Jones (2007) it will be presented later on in the analysis.

#### **5.2.1.4 Moderating: Knowledge and Network**

Regarding the moderating forces attributed to knowledge and the network factors, no clear definition of the term moderating was apparent in this model. We gave our own interpretation about the moderating force for these factors as it could be interpreted in different ways. It could mean that the amount of knowledge in a firm and its network would potentially influence its pace of internationalization (slowing but enabling). As the moderating force appears to us to be a neutral force, we will not use the term moderating force in our conceptual model.

##### **5.2.1.4.1 Knowledge**

Oviatt & Mc Dougall (2005) estimated that knowledge is a moderating influence to the accelerating internationalization of a firm.

They highlighted that the nature of the knowledge matters regarding the speed of internationalization. We perceive that Suzlon is a knowledge based and knowledge intensive firm. Suzlon has a strong competitive advantage as it offers a complete package of wind energy services; building turbines, installing and operating them. *“The normal business model in the industry is turbine technology and assembly. Companies then outsource the components required for the wind*

*turbines. They do not have access to the component technology. The real technology part is in the components. So, if you own the two technologies and integrate to the two, then you have the most competitive product” [Tulsi Tanti].* Gradually the company gained access to knowledge, received patents and succeeded at offering a larger product portfolio of wind turbines. Suzlon was successful at becoming a fully vertically integrated company. As Suzlon is a knowledge based and knowledge intensive firm, this could affect the precocity and the speed of internationalization of Suzlon.

The existence of market knowledge was an aspect that was highlighted by Oviatt & Mc Dougall as well. Over time, the firm will tend to improve its knowledge about the foreign markets and will be more likely to develop further its involvement in those markets and accumulate gradually more insights into international trade. We consider that the existence of market knowledge could affect the early internationalization of a firm. Thanks to its stage of inward internationalization, Suzlon was well prepared to develop its outward activities. During that stage, it could gain technological knowledge but also improve its knowledge on foreign markets. In reconstituting the Suzlon story, we observe that its first foreign market was Germany. After that it entered two countries at the same period: the United States and the Netherlands in 2001, followed by Australia and Denmark in 2005. Possibly, the firm improved its knowledge for dealing abroad and knew how to pursue further its involvement in overseas markets. We can agree that the existence of market knowledge would affect the speed of internationalization in the Suzlon case.

In the Oviatt & Mc Dougall’s model, only the outward activities are considered. As presented earlier, if we consider the inward internationalization of a firm, it accumulates market knowledge through interactions with its foreign partners before developing its outward activities. Therefore, it can help the firm to internationalize early in its life cycle as well.

#### **5.2.1.4.2 Network Relationships**

It has been challenging for us to reconstitute the whole network of Suzlon and estimate the size, the density, and the ties of its networks. But we collected sufficient information to evaluate the importance of network in the internationalization process of Sulzon. In fact, it appeared to us to be a solid pillar leading to early and rapid internationalization.

We noticed that Suzlon has strong ties internally. We can see that the business idea developed from Tulsi Tanti's mind over time (leveraging air flow in his father business to gain efficiency and then as a wind turbine customer). It was shared with his three brothers and together they formed the Suzlon Company. So, we perceived there is a strong core within the top echelon of management due to the family ties between the top leaders.

Suzlon also has strong ties externally, such as with local and federal governments and with foreign firms due to a licensing, joint ventures or acquisitions that they contracted together. First, the governments are important actors in this particular industry. They can influence the dynamics of the industry by legislating reduced taxes for wind energy; develop incentive programs which could affect the behaviour of the customers, business entities and attract the wind power companies. In 1993, the state government of Gujarat in India launched an incentive program to motivate the private sector to participate in the development of the wind energy sector. Incentives could be received by private players if the wind farm installed had a capacity of generating at least 150 MW. We assume that this incentive program did not directly concern the Tanti's brothers as they bought only two turbines for their textile firm with limited power generation capacity. But the government might have influenced indirectly the Tanti's brothers to interpret the feasible opportunity in the wind power market. Second, in 1999, the government of India passed on a law with reduction in taxes for wind energy industry. In the same year, Suzlon received two important local orders from large companies: Tata Finance and Bajaj Auto. We could speculate that this state support might have motivated companies like Tata Finance and Bajaj Auto to install wind turbines. Third, in early 2000s, a clear trend emerged in the wind power industry and all the actors involved in this industry worldwide (Suzlon included) were concerned about it: the dependence of the rising governmental incentives. In 2004, the Indian states started to mandate that utilities buy as much as 10 percent of their power from renewable sources. During that first year of mandates, the wind energy companies were able to reduce significantly their equipment costs, with around 80 percent reduction in manufacturing costs.

We found that the local network of the founders played an important role for consolidating Suzlon's activities and appeared as facilitators for moving towards outward internationalization. When Tulsi Tanti seized an opportunity in producing wind energy for other companies, Tulsi Tanti contacted IPCL, a large local company that was part of Tulsi's former business network and was able to convince IPCL to make an investment in wind power, thus it became Suzlon's first customer. We

do not know how the relationships between Suzlon and the two large Indian companies started (Tata Finance and Bajaj Auto) but thanks to the strong orders that Suzlon received from them, it gained benefits of scale and could expand its activities overseas.

One of the most appealing characteristics about Suzlon is, that it was created and grew later in overseas market, thanks to its interactions with foreign firms. Any relationship that Suzlon has created with foreign companies through different entry modes was clearly planned with clear goals from both sides. This is illustrated in the resource based perspective presented earlier in the extended literature section. As mentioned, without the inward technical licensing with Südwind, Suzlon would have not been able to be created. The Tanti's brothers were depending on this relationship with the German firm for achieving their plan of creating a firm in the wind industry. Its relationships with the foreign firms included licensing agreements with Südwind (1995) and Aerpac (2001), collaboration with Enron Wind Rotor Production (2001), a joint venture with Elin EBG Motoren (2004) and acquisitions of Südwind (only parts of its R&D division in 1997/1998), Hansen Transmission (2006) and RE Power (2007). Network Factor will be included in our conceptual with a strong emphasis and we will shed light on the crucial role played by governments, the importance of strategic alliances and the local business firms.

## **5.2.2 The Antecedents of Opportunity Identification**

The mediating entrepreneurial actor perception factor presented in Oviatt & Mc Dougall's model and the entrepreneurial alertness introduced in Ardichvili's model refers to the same factor but it is titled differently. In our model, we will simply name this factor as entrepreneurial alertness.

### **5.2.2.1 Prior Knowledge**

In the Suzlon case, technical knowledge was the most crucial element that was missing at the company formation. None of the Tanti brothers had existing wind industry knowledge at the beginning (domain 2 highlighted by Ardichvili et al., 2003). From inception, Tulsi Tanti knew that the knowledge will be one resource he will need for being successful in achieving his business goals.

But Tulsi Tanti developed an incremental special interest (domain 1 highlighted by Ardichvili et al, 2003) in this sector and therefore accumulated some knowledge. When Suzlon bought two wind turbines from Vestas in 1994, the employees at Suzlon had to install these turbines themselves as Vestas did not have any services available in India. Not only Suzlon accumulated some practical experience at installing wind turbines but it also gained insight at identifying problems faced by the end users of wind turbines. He visited some of the existing installations in India and started talking with different counterparts in the industry. By talking to equipment makers and potential customers, he understood the structures within the wind power industry and detected potential areas of demand to target. The more Tulsi Tanti explored the wind energy sector, the more he developed his interest in this industry. Gradually, he devoted more and more time to extend his knowledge in this field, thanks to his personal interest. He was so attracted by this sector that he finally decided to leave his comfort zone, his textile firm in 2000-01 to focus exclusively on the wind power industry.

As the Tanti's brothers were lacking knowledge in the wind power industry, they hired appropriate executives that could bring knowledge in this field to the company (domain 2). That was the case when Mr. Andre Horbach was selected, formerly a senior executive for General Electric in Europe, he was the perfect person to integrate Suzlon and occupy the position as CEO for the new global management headquarter in Amsterdam. By observing the Suzlon case, we agree that the prior knowledge affect the perception of the entrepreneur. We will insert the prior knowledge within the entrepreneurial alertness factor in our model.

With the prior knowledge presented by Ardichvili and his co authors, they highlighted the importance of industry knowledge of an entrepreneur (domain 2). But from our view point, if an entrepreneur has prior business knowledge, it could help him/her to understand other businesses more easily and he/she will be flexible and able to move relatively fast. We know that Tulsi Tanti ran his own textile company called Suzlon Synthetics for ten years when he created the Suzlon Energy Company. During this period, we assume that Tulsi developed some skills to form a business network and obtain information to expand effectively. The general business knowledge of an entrepreneur could be investigated by looking at the work experience/educational background of the entrepreneur. We will add the background of the entrepreneur in the entrepreneurial alertness factor, in the prior knowledge subsection. But it could have been inserted in the subsection entitled "*personality traits*" of the entrepreneur.



### 5.2.2.2 Personality traits

Thanks to our data collection, we can see that Tulsi Tanti was creative. When his father experienced soaring energy costs in his business in the cold storage sector, Tulsi elaborated a creative installation for the business of his father. He ameliorated the efficiency of a freezer by putting the condenser on the roof of the building in order to use the natural wind to cool it down. This allowed reducing the energy consumption.

We believe that Tulsi has this “*inside view*”. He appears to have the courage to seize opportunities instead of viewing them as threats to his current status quo. As Tulsi said, “*I have been able to see the opportunities in general, here no one would have expected it and I was courageous to take calculated and considerable risks*” (Bisserbe, 2007).

Thos two traits of Tulsi’s personality could explain why Tulsi had this ability to perceive opportunities and it might have contributed to his early drive to internationalize. We assume that these personality traits are well established and will not disappear over time. Therefore we believe that it can lead a firm to internationalize continuously fast. We will insert these two personality traits within the entrepreneurial alertness factor in our model.

From the case, we could accept that possibly Tulsi’s Tanti personal interest in wind power, his work experience, his creativity and his optimism oriented him in certain directions and guided him to contact people involved in the wind power industry. So we will add to our conceptual model arrows from the entrepreneurial alertness factor to the network factor to capture this idea.

### 5.2.2.3 Social Network

The model of Ardichvili, Cardozo & Ray (2003) presents the network factor affecting the entrepreneurial alertness. As presented earlier, the network of Suzlon played a crucial role. According to them, weak ties, action set, partnership and inner circle are antecedents of entrepreneurial alertness. Suzlon has incrementally spread its network. The entrepreneurial alertness of Suzlon management was raised through the involvement of the three Tulsi’s younger brothers at the management level, the growing number of transactions with large local companies (IPCL, Baja Auto and Tata Finance) but also interactions with foreign firms (Südwind, Aerpac, Enron Wind Rotor Production, Elin EBG Motoren, Hansen Transmission, RE Power) and the calculated recruitment of Mr Horbach and Mr Toine van Megan. Possibly, the Suzlon’s network affected the

entrepreneurial alertness of Tulsi Tanti. As mentioned earlier, this factor will be part of our conceptual model. And one arrow will be inserted from the network factor to the entrepreneurial alertness factor.

#### **5.2.2.4 Entrepreneurship Alertness**

As it was examined earlier, we will move to the next factor.

#### **5.2.2.5 Type of Opportunity**

When Tulsi Tanti had this revolutionary idea of offering a complete package of wind services, he identified the value sought and was able to define the value creation capability of his project. He started directly at the opportunity stage called Business Formation by Ardichvili and his coauthors (stage 4). As we believe that other aspects are more essential to investigate than the type of opportunity, this factor will not be included in our conceptual model.

### **5.2.3 The Cognitive Factors Leading to Rapid Internationalization**

#### **5.2.3.1 Speed of Internationalization**

All three factors introduced by Acedo & Jones were observed in the Suzlon case. As we perceive that Tulsi Tanti was internationally oriented, proactive and tolerant of ambiguity, we assume that his risk perception was low. But we will not try to demonstrate that the international orientation, proactiveness and tolerance of ambiguity can affect risk perception as we are not able to see clear facts supporting the risk perception factor in the case. The findings of Acedo and Jones showed that tolerance of ambiguity can influence the proactivity of the individual. This could not be clearly demonstrated in our case. The risk perception factor will not be inserted in our model and the correlation between tolerance of ambiguity and proactivity will not appear in our model. The only issue concerned the notion of “*speed*” that referred in this model only to early internationalization. By looking at the Suzlon case, we could see that these factors are suitable also to explain a continuously fast internationalization.

### 5.2.3.2 International Orientation

As Acedo & Jones did not give any clear definition about international orientation, we used the work of other researchers to analyze this aspect. Nummela and her coauthors (2004) demonstrate that international orientation includes two attributes: first, the behavioural characteristics of managers and the attitudinal distinctions of managers. Some of the behavioural characteristics of managers presented by Nummela and her coauthors (2004) are obviously appearing in the Suzlon story. Indeed, many aspects of the Suzlon story illustrate that Tulsi Tanti was proactive, risk taker, innovative. In this subsection, only the risk taking aspect of Tulsi's behaviour will be highlighted. The innovativeness (creativity) was introduced earlier in the analysis and the proactiveness will be presented in the next subsection. Tulsi Tanti is not afraid at taking risks. In fact, when Tulsi Tanti bought the two wind turbines, it cost more than the value of his textile business. Tulsi explained with simplicity his route to success: *"I have been able to see the opportunities in general; here no one would have expected it and I was courageous to take calculated and considerable risks"* (Bisserbe, 2007). The attitudinal distinctions of managers presented earlier in the theoretical framework are present in Tanti's brothers, so this factor is accepted in our case. Indeed, all of them are highly educated. Tulsi Tanti is an Indian citizen that completed some engineering and business studies. He created the textile industry with his three younger brothers, all engineers. Only Tulsi and Girish completed some of their studies abroad. Tulsi Tanti attended the Pace University in New York. His youngest brother, Girish completed a university degree in management from Cardiff. Bulck (1979) argues that if the managers have a positive attitude towards international trade and the ability at handling multicultural situations, there is a global orientation within the corporation. The story of Suzlon tells us that the top management has the positive attitude toward international trade and is able to handle multicultural situations. The top management at Suzlon is aware of the human challenges at integrating the German RE Power. Tulsi Tanti explained in an interview that *"this is a cultural issue. It is a different way of thinking. Their business strategy is also different."* Tulsi Tanti described what differ between businessmen from Asia and Europe. *"To manage people is a key competency. It is very difficult to manage people from two different geographies, so initially there is a problem. The problem is to understand them if you are communicating and ensure that we understand each other. We have not faced any problem with Hansen and RE Power. We had expected some concerns on that count but we are fortunate that such issues never crept up"* explained Tulsi Tanti. (Satish, 2008)

To increase international orientation among employees of the firm, the top managers at Suzlon were careful during recruitment to ensure appropriate managers with international experience and proficiency in languages were hired. When the firm was enlarged, the top managers at Suzlon chose a candidate that could bring his international work experience in wind industry in the company. So, they selected Mr. Andre Horbach, the former senior executive for General Electric in Europe to be the CEO for the new global management headquarter in Amsterdam. Mr. Toine van Megan designated as new CEO after Mr. Horbach fitted perfectly for this executive function. He is a Dutch national but with orientation towards India, having spent more of 25 years living in India, he was the perfect interface to deal with the Indian founders and coordinate the Suzlon activities in Europe (Singh, 2008).

We know that two of the founders (Tulsi and Girish) studied abroad. We assume that their personal international orientation might have improved the level of expertise in foreign markets and it most likely helped the firm to internationalize early. After Tulsi Tanti was familiarized with entering foreign markets (Germany through acquisition of Südwind), he felt ready to target a new market, the Netherlands. Following these successes he might have gained enough confidence and international experience that he boosted the expansion of his activities overseas by opening one WOS in two new countries at the same time: United States and China in 2003 and Australia and Denmark in 2004. Presumably, the more Tulsi gained international experience at dealing overseas, the more his international orientation increased. So, it could orientate the company to continuously accelerate its involvement overseas.

We will include the international orientation aspect in the entrepreneurial alertness factor, in the subsection called personality traits. This term will only refer to the definition given by Bulck (1979), meaning that an entrepreneur is internationally oriented if he has the positive attitude toward international trade and is able to handle multicultural situations. Some of the behavioural characteristics of managers presented by Nummela and her coauthors (2004) could be clearly seen in our case like proactiveness, risk taking and innovativeness. Therefore, they will be included in the personality traits section of our model. Regarding the attitudinal distinctions of managers, we will designate it as entrepreneur's backgrounds (years of international business, experience) and will also be presented in the entrepreneurial alertness factor in the prior knowledge subsection.

### 5.2.3.3 Proactivity

Acedo & Jones (2007) argued that the proactiveness of an entrepreneur could be a factor influencing the early internationalization of a firm. We know that his proactiveness facilitated him to get to know the industry well, but also to get his first local order in 1995. First, when Tulsi Tanti started exploring the wind power industry, he did not wait for information to come to him, he simply went out and searched for information. He visited some of the existing installations in India and started talking with different counterparts of this industry (equipment makers and potential customers). Second, Tulsi contacted IPCL Company, presented his project, and convinced the firm to order some turbines. It ended that IPCL became Suzlon's first customer.

It looks like whenever Tulsi has a question in mind, he will search for getting the answer, so he generally succeeds at reducing his knowledge gaps and it might have lead his firm to internationalize early. When we questioned Mr Kayarat (2009, email, 16 May) about how Suzlon came into contact with Südwind at the beginning, he mentioned that it was achieved through "research" (of the founders). If Tulsi appeared to us as proactive before setting up the Suzlon Energy firm, we assume that this personality trait do not disappear later on. The proactiveness of Tulsi was a key aspect that helped the company to further develop Suzlon's foreign activities. Presumably, he travelled a lot, went out, and sought potential business partners which would be interested in dealing with Suzlon in forming licensing, joint-venture or being subject of acquisition, and to gather necessary information related to foreign markets (market research, government rules implemented overseas, etc.). Perhaps, Tulsi Tanti's proactiveness facilitated Suzlon to internationalize continuously fast as well. The proactiveness of the entrepreneur will be included in the entrepreneurial alertness factor of our model, especially in the personality traits section.

### 5.2.3.4 Tolerance of Ambiguity

Right after the creation of Suzlon Energy in 1995, the environment in which the firm was embedded remained uncertain. Most of people considered wind power as ineffective and costly. People were surprised that a businessman like Tulsi Tanti bought wind turbines costing more than the his textile company. Tulsi Tanti mentioned that "*It turned out that the first years were really difficult. No banker wanted to fund our projects*" (Bisserbe, 2007) Apparently Tulsi Tanti managed well working in this uncertain surrounding and continued searching for getting orders and finding bank loans. Luckily, he convinced IPCL and got his first order in the end of the year 1995. We can

observe that Tulsi was tolerant at ambiguity; we assume that this personality trait is constant in his behaviour over the years. Probably, his tolerance of ambiguity helped him to evolve more easily in overseas markets. Not only did the tolerance of ambiguity, help Suzlon to internationalize early but it facilitated the progress of the firm to operate internationally continuously fast. Therefore we will add this aspect in the entrepreneurial alertness factor, in the personality traits subsection.

## **5.2.4 Insertion of new variables**

### **5.2.4.1 Government Support as a Motivational Factor**

We perceived that there was another potential external motivating force that it could influence the decisions taken by Tulsi Tanti. Possibly the governments and their encouraging policies regarding the wind power energy have helped indirectly Suzlon's founders to react and internationalize their firm early and pursue the expansion of its activities in foreign markets. When we gathered data to reconstitute the story telling of Suzlon, we could observe that governments are important actors in this particular industry. They can influence the dynamics of the wind power industry by passing some laws reducing the taxes for wind energy; develop government incentives which could affect the behaviour of the customers, business entities and attract the wind power companies.

First, in 1993, the state government of Gujarat in India started an incentive program to motivate the private sector to participate in the development of the wind energy sector. Incentives could be received by private players if the wind farm installed had a capacity of generating electricity power of at least 150 MW. We assume that this incentive program did not concern the Tanti's brothers when they bought only two turbines for their textile company because they could not fulfill the requirement relating to minimum capacity of the wind turbines installed. We know that by 2007, RE Power was the only company able to produce a turbine in the wind power sector with a generating capacity of 6 MW power. But the government might have influenced indirectly the Tanti's brothers to interpret the feasible opportunity in the wind power market.

Second, we could see in early 2000s in the global wind industry that all the actors involved in it (Suzlon included) were depending on the rising governmental incentives. The governments and

their enthusiasm for wind energy, we particularly noted for the year 2004 and 2008, having helped wind companies like Suzlon to diminish significantly their equipment costs and develop their business activities thanks to volumes driven by government subsidized projects. We decided to complement the motivating factor by introducing the government with the competitor aspect.

#### **5.4.1.2 Importance of Capital**

The internationalization of a firm can take place through different foreign market entry modes. When a firm wants to setup a WOS or acquire a foreign company abroad it requires a certain amount of capital. If a firm has sufficient resources in hands, it will become easy to internationalize early and continuously fast. We consider that capital could be treated as one of the vital resources requested in any industry. As observed in the empirical findings, Suzlon started with an initial capital of USD 1 million mostly from bank loans and it turned into an enterprise valuing USD 7 billion by 2006. The Suzlon case story showed us that Suzlon's fast and continued internationalization process was possible because of the availability of capital (via sale of textile business, IPO & bank finance).

This growth in monetary terms was achieved through strategic accumulation of capital from investors (Banks/Private/Public) at every stage. In 2004, Suzlon attracted capital from private equity investors ChrysCapital (USD 20 million) and Citicorp International Finance (USD 20 million). Then in 2005, Suzlon floated IPO in Indian Stock Market, It raised an equity capital of USD 338 million. The timing of raising capital from equity markets was perfect for Suzlon which is evident from the oversubscription by 46 times of its IPO. Presumably, Suzlon used this capital to invest in manufacturing plants abroad (India, China and the US markets), acquire Hansen Transmission and develop its global units. In 2007, Suzlon raised EUR 400 million by floating an IPO of its own subsidiary Hansen transmission in London Stock Exchange (LSE). We also think that Suzlon needed capital for its acquisition of RE Power, so by floating IPO of Hansen Transmission in the LSE, they accumulated interest free capital which could support the acquisition of RE Power. We assume that the capital could be one of the driving factors leading to fast and continued internationalization. Though we have not succeeded in finding appropriate theories in literature in that regard, we think that strategic accumulation of capital could be an influential factor

in a firm's fast and continued internationalization. This factor we propose could be investigated in future research.

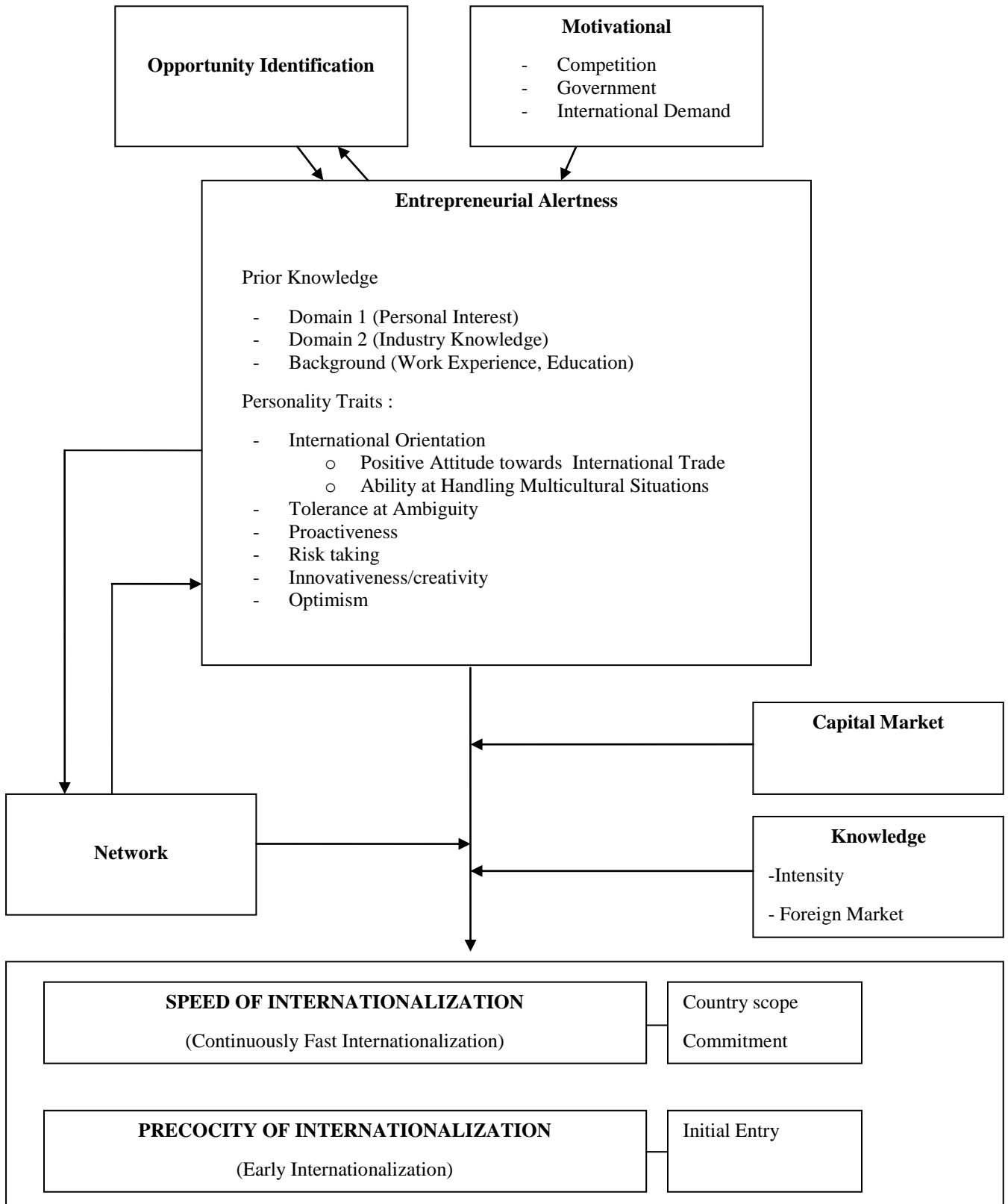
#### **5.4.1.3 Motivating International Demand**

When we asked to Mr. Kayarat to tell us his opinion about the drivers that could explain that the firm develop its overseas activities continuously fast, he replied that it could be "*high demand, mature international markets, high growth, aggressive growth drivers*" (Kayarat A, 2009, email, 16 May). This short answer that was given from Mr. Kayarat about the international demand could be interpreted for being a motivating factor that, once it was detected by the entrepreneur (Tulsi) could generate an early and continuously fast internationalization. Suzlon is a firm from an emerging market and it had to target international market in order to gain benefits available in the mature markets. Mr Kayarat commented that "*There was a greater potential for high growth in foreign markets while the Indian market was relatively less mature. And with all major wind turbine makers already present in India, it was also geared to diversify the company's growth*" (Kayarat A, 2009, email, 16 May). This factor will be included in our conceptual model.



As highlighted in the model above (Figure 9), there are few components that can determine the early and continuously fast internationalization of a firm.

**Figure 9: Our Conceptual Model, the influencers of Early and Rapid Internationalization**



## **CONCLUSION**

Here is a clear overview of what we presented in this paper. Not only did we clarify the difference between speed and precocity of internationalization for a firm, but we also examined the potential drivers that lead a firm to internationalize early and continuously fast. We highlighted the general findings that emerged from the confrontation between the theories and the case study.

Firstly, we discussed the definition of speed in the academic literature. We generally observe that the term speed remains unclear today. This section ends by making the reader aware of the distinction between precocity (early) and speed (continuously rapid) of internationalization of a firm. As those two aspects of the internationalization are quite close to each other, both are included in our model.

Secondly, even though few outward activities of Suzlon occurred in 1997/98, its outward internationalization accelerated within 6 years after its inception. The general impression that can emerge from the perspective of Oviatt & Mc Dougall is that Suzlon did not immediately internationalize from its creation, it took some time (initial entry, nearly one or two years, between 1997 and 1998) to start internationalizing (outward movement) but then its foreign activities exploded in 2001/2002. If its inward activities are taken into consideration, we could argue that the firm was internationalized from inception. In other words, we would argue that Suzlon was very early to internationalize since its formation through its agreement with the German Südwind. This viewpoint introduces the two phases of internationalization of Suzlon case which started exclusively with inward activities (1995-2001) and then developed its outward activities (2003-). So this view can give a clear understanding for knowing why Suzlon has achieved such a rapid and aggressive development of its activities in foreign markets.

Then, we investigated the drivers leading to early and rapid internationalization. First, we use the Oviatt & Mc Dougall's model (2005) as a starting point to elaborate our conceptual model which is elaborated on the firm level with a little insight on the entrepreneurial level. All the factors they presented were inserted in our model except the enabling technology variable. As no clear definition of the forces applied on the factors were given, we interpreted them as being quite neutral and therefore we removed these forces except the motivating one.

We gained some insights with the model of Ardichvili and his coauthors regarding the antecedents of opportunity identification on the entrepreneurial level. This model helped us to complement the opportunity factor and mediating entrepreneurial perception factor of Oviatt & Mc Dougall's model. We added connection between social network, entrepreneurial alertness and opportunity factor in our conceptual model which was inexistent in Oviatt & Mc Dougall's model. The personality traits and prior knowledge of the entrepreneur are inserted in the entrepreneurial alertness factor. We also added in it a new aspect to consider: backgrounds of the entrepreneur (work experience and studies) which is inserted in the subsection entitled prior knowledge.

Acedo & Jones (2007) introduced three cognitive factors of the entrepreneur that could explain the early internationalization of a firm. Those factors are included in our model within the personality traits presented in the entrepreneurial alertness factor. And we considered that those factors can also influence a firm to internationalize continuously fast.

From the empirical findings, we suggested to include the strategic accumulation of capital in our model as it could be another potential variable that possibly influenced Suzlon's continuously fast internationalization. We considered that the international demand and the government support could be inserted as part of the motivating factor that could be sensed by the entrepreneur and influence the precocity and speed of internationalization of the firm. These new variables will be added in our conceptual model.

## **FURTHER RESEARCH**

When we investigated the existing theoretical framework related to rapid internationalization, we found out that the term “*speed*” of internationalization remains unclear. And, by scrutinizing a variety of business journals, we observed that the academic literature related to internationalization of firms from emerging countries is at its primary stage of development. So, we invite researchers to develop the literature with a focus of study based on the internationalization of firms from emerging countries and investigate more in depth how the notion of speed of internationalization could be defined.

Very recently, an article was published by Duysters and his coauthors<sup>1</sup>(2009), this article we found that the internationalization of two MNEs from emerging markets (the Chinese Haier and Indian Tata Motors) have some similarities with our case, so we could be tempted to generalize our conceptual model. But we kept in mind that we limited our research on a single case study because of restricted resources (time, accessibility to companies, experience). We suggest academic investigators to test our conceptual model by analyzing more company cases from emerging countries and evaluate if our model can be applicable on a general level or not.

Our conceptual model was formulated by looking exclusively at the Indian firm. We invite the academic world to confront also our conceptual model with case companies from matured economies to evaluate if our conceptual model can be applied to them or not.

---

<sup>1</sup> Duysters G, Jacob J., Lemmens C, and Jintian Y (2009), “Internationalization and technological catching up of emerging multinationals: a comparative case study of China’s Haier group” *Industrial and Corporate Change journal*, Volume 18, Number 2, April 2009

# LIST OF APPENDIX

## Appendix 1: Questionnaire for Suzlon India

Questionnaire sent by email to Suzlon India on the 8<sup>th</sup> of April 2009.

Answers received by email from Mr Anoop Kayarat (Senior Manager) on the 16<sup>th</sup> of May 2009.

Internationalization
----------------------

**Q1. How do you define the internationalization process of a firm?**

Anoop Kayarat: Suzlon approached internationalization as a two-way process: bringing in people, skills, technology and other assets a pushing out products, services and solutions across the world.

**Q2. To become international, what were the foreign market entry modes used by Suzlon? (Exports/Wholly owned subsidiary)?**

Anoop Kayarat: Suzlon's first international footprint came with the establishment of its (wholly owned subsidiary) research and development centers in Europe. In terms of product export, the process started with export of wind turbines from India to a project in the US, soon followed by the set-up of a dedicated wholly-owned subsidiary network around the world.

**Q3. There are two kinds of internationalization: Inward activities (imports of machinery, raw materials, and semi finished goods and acquisition of knowledge) and outward operations related to export.**

**How do you see the internationalization process at Suzlon when considering those two aspects?**

**Was it conducted in 2 phases (stage 1: inward, stage 2: outward focus) or do you think that inward and outward internationalization have occurred simultaneously?**

Anoop Kayarat: It started in two phases, with inward internationalization starting earlier in the company's life cycle – however, growing in today's dynamic business landscape – both modes exist simultaneously.

**Q4. What were the motives of the Suzlon top management to go overseas as the local market was not saturated?**

Anoop Kayarat: There was greater potential for high growth in foreign markets – while the Indian market was relatively less mature. And with all major wind turbine makers already present in India – it was also geared to diversify the company's growth.

**Q5. When and where did you obtain its first foreign sales? Name of the customer and country or origin?**

Anoop Kayarat: John Deere and Edison Mission Group (project first partnered by DanMar Associates) in USA, 2003.

**Q6. When Suzlon was created in 1994, what was its export ratio?**

Anoop Kayarat: No exports.

Speed of Internationalization

**Q7. According to you, what were the main factors that lead Suzlon to develop its activities overseas continuously fast?**

Anoop Kayarat:

- High demand
- Mature international markets
- High growth
- Aggressive growth drivers

**Q8. Can you rank those criteria as below in order of importance that are, according to you, the most relevant in explaining the accelerated internationalization of Suzlon?**

**Managerial characteristics: Attitude (Global mindset) and behaviour (Entrepreneurial)**

**Network**

**Collaborative skills**

**Learning capacity- absorptive capacity**

**Capital market (Availability of cheap credit in the money markets)**

**Global strategy--Post acquisition policies**

**Dynamics of the industry (government incentives, customers, competitors)**

Anoop Kayarat:

In order, from most to least.

1. Human capital:
  - a. managerial characteristics:  
Attitude (Global mindset) and behaviour (Entrepreneurial)
  - b. Management and social network
  - c. Collaborative skills
2. Knowledge sourcing, Learning capacity- absorptive capacity
3. Capital market (Availability of cheap credit in the money markets)
4. Dynamics of the industry (government incentives, customers, competitors)
5. Global strategy--Post acquisition policies

**Can you explain why you classified those criteria like this? (No answer from Anoop Kayarat)**

**Among those factors, do you perceive that some of them as irrelevant to explain Suzlon rapid internationalization?**

Anoop Kayarat: No.

**Do you think there are other variables which could explain the Suzlon rapid internationalization?**

Anoop Kayarat: Overall, the above points cover all issues.

Network

**Q9. When Tanti's brothers moved from textile to wind energy sector, did their former network facilitated them to be focused in their new business activities?**

Anoop Kayarat: To some degree

**Q10. In 1999, how did Suzlon approach Tata finance and Bajaj Auto ltd? (Personal contact or b to b relations?)**

Anoop Kayarat: Mixed.

**Q11. How did Suzlon come into contact with Südwind at the beginning? Personal contact or business relations?**

Anoop Kayarat: Research.

**Q12. We know that linkages are important, but how would you describe the linkages between Suzlon and foreign counterparts?**

Anoop Kayarat: Basic, but growing.

Founders

**Q13. We know that founders at Suzlon conducted their studies abroad. Did they work abroad as well? If yes, for how long and where?**

Anoop Kayarat: No

**Q14. We know that the founders at Suzlon are four brothers. How are the dynamics between them? What about the decision making process between the founders?**

Anoop Kayarat: N\A

Global strategy

**Q15. Can you describe the Suzlon global value chain? (Concentrated (mini replicate) or dispersed? Which activity is where?)** (No answer from Anoop Kayarat)

**Q16. How is Suzlon global value chain configured? (Multinational/Global/International/Transnational)**

Anoop Kayarat: Transnational

**Q.17 Do your subsidiaries have autonomous status or are they dependent on Suzlon India?**

Anoop Kayarat: Autonomous

**Q.18 How is configured the Suzlon global value chain for all of your acquired companies? (Autonomy vs. integration)**

Anoop Kayarat: A mixture to achieve the best quality and economies.

Collaborative skills

**Q17. In your opinion, does Suzlon have a significant strength in collaborating with counterparts or not? The counterparts involved in strategic alliance with Suzlon in particular.**

Anoop Kayarat: Strategic alliances have been formed over time as required. However, the company has followed a conscious vertical integration strategy which has led to what would be a strategic alliance opportunity, to be approached an integration-driven approach.

**Can you explain? And how do those collaborations have helped Suzlon for its internationalization?**

(No answer from Anoop Kayarat)

Absorptive capacity

**Q18. How would you describe the absorptive capacity at Suzlon? How is the attitude at Suzlon (*passive, active, or interactive*) to absorb the knowledge?**

Anoop Kayarat: It's a blended situation with all three states present in different teams, functions and roles across the company – the drive is to make it more active and interactive, based on need.

**Q19. Do you have any system in place to jointly develop and share knowledge in your organization?**

Anoop Kayarat: Yes, the company has an SAP based global KM portal and IT infrastructure.

Capital

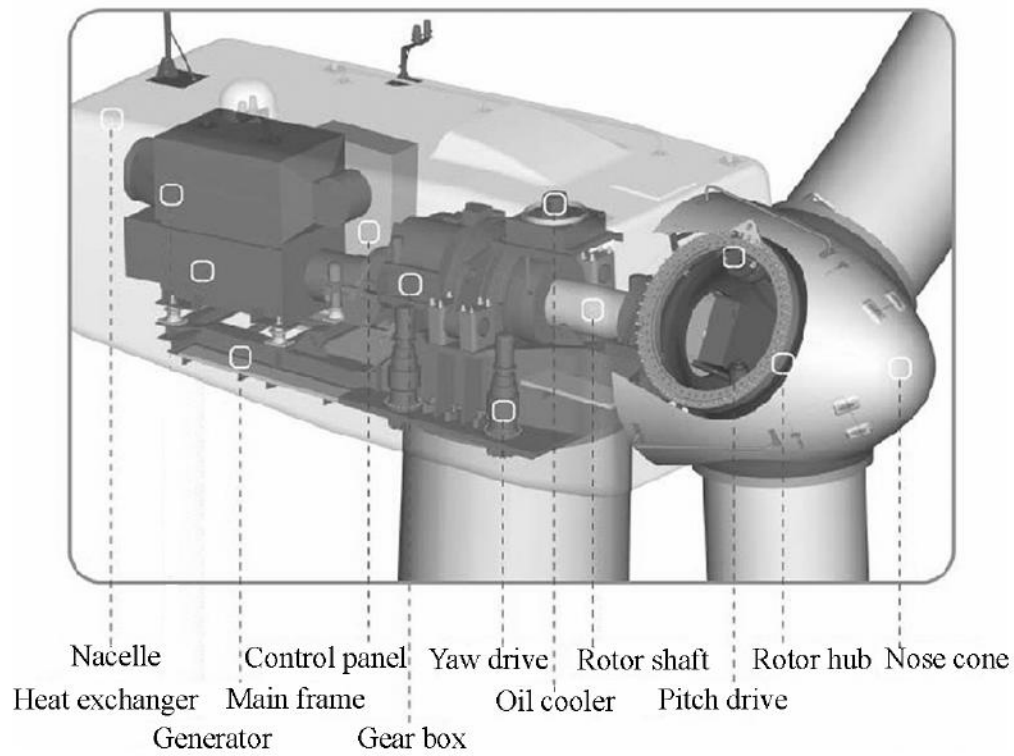
**Q20. When the Tanti brothers sold their textile business in early 2000, did they bring this capital into Suzlon Energy or not?**

Anoop Kayarat: N/A



## Appendix 2: Wind turbine and its key components

The following figure illustrates the key components of a wind turbine:



Source: Red Herring, 2005

## REFERENCES

- Accenture, 2008, 'Multi-Polar World 2: The Rise of the Emerging-Market Multinational', Viewed on 06 May 2009, <<http://www.accenture.com/NR/rdonlyres/2835C9BA-2077-4C68-B1CD-8B87DC9F009B/0/MPW2Jan08.pdf>>.
- Acedo F.J & Jones M.V, 2007, 'Speed of Internationalization and Entrepreneurial Cognition: Insights and a Comparison between International New Ventures, Exporters and Domestic Firms', *Journal of World Business*, Vol.42, No.3, pp.236-252.
- ADB, 2008, 'Proposed Loan India: Gujarat Paguthan Wind Energy Financing Facility', Asian Development Bank, Viewed on 09 May 2009, <<http://www.adb.org/Documents/RRPs/IND/42902-IND-RRP.pdf>>.
- Ali, M, 2008, 'Suzlon Energy: Emerging Multinational Conference', Viewed on 20 Dec 2008, <<http://www.gdex.dk/ofdi/PPTs/suzlon.pdf> >.
- Ancona, D.G; Goodman, P.S; Lawrence, B.S & Tushman, M.L, 2001, 'Time: A New Research Lens', *The Academy of Management Review*, Vol.26, No.4, pp.645-663.
- Ardichvili, A; Cardozo, R & Ray, S, 2003, 'A Theory of Entrepreneurial Opportunity Identification and Development', *Journal of Business Venturing*, Vol.18, No.1, pp.105-123.
- Arenius, P, 2005, 'The Psychic Distance Postulate Revised: From Market Selection to Speed of Market Penetration'. *Journal of International Entrepreneurship*, Vol.3, No.2, pp.115–131.
- Asiamoney, 2006, 'Gone with the Wind', *Business Source Premier Database*, July, Vol.17, No.6, pp.38.
- Athreye, S & Kapur, S, 2009, 'Introduction: The Internationalization of Chinese and Indian Firms—Trends, Motivations and Strategy', *Industrial and Corporate Change*, Vol.18, No.2, pp.209-221.
- Baker, A, 2007, 'Moguls & Entrepreneurs: *Tulsi Tanti*', Viewed on 05 February 2009. <[http://www.time.com/time/specials/2007/article/0,28804,1663317\\_1663322,00.html](http://www.time.com/time/specials/2007/article/0,28804,1663317_1663322,00.html)>.
- BCG, 2006, 'The New Global Challengers, How 100 Top Companies from Rapidly Developing Economies are Changing the World', Boston Consulting Group, Viewed on 06 April 2009, <[http://www.bcg.com/publications/files/New\\_Global\\_Challengers\\_May06.pdf](http://www.bcg.com/publications/files/New_Global_Challengers_May06.pdf) >.
- BCG, 2009, 'The 2009 BCG 100, New Global Challengers How Companies from Rapidly Developing Economies are Contending for Global Leadership', Boston Consulting Group, Viewed on 06 April 2009, <[http://www.bcg.com/impact\\_expertise/publications/files/The\\_2009\\_BCG\\_100\\_New\\_Global\\_Challengers\\_Jan\\_2009.pdf](http://www.bcg.com/impact_expertise/publications/files/The_2009_BCG_100_New_Global_Challengers_Jan_2009.pdf) >.
- Bell, J; Mc Naughton, R & Young, S, 2001, 'Born-again Global Firms: An Extension to the Born Global Phenomenon', *Journal of International Management*, Vol.7, No.3, pp.173–189.
- Benito, G.R.G; Solberg, C.A. & Welch, L.S, 1993, 'An Exploration of the Information Behaviour of Norwegian Exporters', *International Journal of Information Management*, Vol.13, No.4, pp.274–286.

- Bisserbe, 2007, 'Tulsi Tanti, Patient Semeur d'Eoliennes', Viewed on 16 November 2008, <<http://www.lesechos.fr/info/inter/300190776.htm>>.
- Bjorkman, I & Kock, S, 1995, 'Social relationships and business networks: The case of western companies in China'. *International Business Review*, Vol.4, No.4, pp.519–535.
- Blankenburg, Holm, D & Eriksson, K, 2000, 'The Character of Bridgehead Relationships', *International Business Review*, Vol.9, No.2, pp.191-210
- Bonaglia, F; Goldstein, A & Mathews, J.A, 2007, 'Accelerated Internationalization by Emerging Market's Multinationals: The Case of the White Goods Sector', *Journal of World Business*, Vol. 42, No.4, pp.369–383
- Bradsher, K, 2006, 'The Ascent of Wind Power', Viewed on 16 November 2008, <<http://www.nytimes.com/2006/09/28/business/worldbusiness/28wind.html?ex=1317096000&en=b0cd2c880ea2824&ei=5090&partner=rssuserland&emc=rss&pagewanted=all>>.
- Bulck, H.E.J.M.L van, 1979, 'Global Orientation as a Determinant of International Marketing Decision Making', Doctoral Dissertation, University of Georgia, Athens, GA *IN* Nummela, N; Saarenketo, S & Puumalainen, K, 2004, 'A Global Mindset: A Pre-requisite for Successful Internationalization?', *Canadian Journal of Administrative Sciences*, Vol.21, No.1, pp.51–64
- Business Line, 2007, 'Suzlon Acquires RE Power for € 1.35billion as Areva backs out', Viewed on 09 February 2009, <<http://www.blonnet.com/2007/05/26/stories/2007052605190100.htm>>.
- Business Standard, 2007, 'Suzlon Unit Hansen raises euro 400 million', Viewed on 05 February, 2009, <<http://www.business-standard.com/india/storypage.php?tp=on&autono=31020>>.
- Business Week, 2005, 'A New World Economy: The Balance of Power will shift to the East as China and India Evolve', Viewed on 05 April 2009, <[http://www.businessweek.com/magazine/toc/05\\_34/B3948chinaindia.htm](http://www.businessweek.com/magazine/toc/05_34/B3948chinaindia.htm)>.
- Business Week, 2006, 'Emerging Giants', Viewed on 05 April 2009 <[http://www.businessweek.com/magazine/content/06\\_31/b3995001.htm](http://www.businessweek.com/magazine/content/06_31/b3995001.htm)>.
- Businessworld, n.d, 'Suzlon Would Be RE Power's Best Partner', Viewed on 09 February 2009, <<http://www.businessworld.in/index.php/Suzlon-To-Be-REpower-s-Best-Partner.html>>.
- Butler, R, 1995, 'Time in Organization: Its Experience, Explanations and Effects', *Organization Studies*, Vol.16, No.6, pp.925-950.
- Chang, S.J & Rhee J.H, 2007, 'Rapid International Expansion Strategy of Emerging Market Enterprises: The Interplay between Speed and Competitive Risks on International Performance' Center for Economic Institutions, Working Paper Series, No.11, pp.1-54.
- Chetty, S & Blankenburg Holm, D, 2000, 'Internationalization of Small to Medium-sized Manufacturing Firms: a Network Approach', *International Business Review*, Vol.9, No.1, pp.77-93.
- Chetty, S & Campbell-Hunt, C, 2003, 'Paths to Internationalization Among Small to Medium-sized Firms: A Global Versus Regional Approach', *European Journal of Marketing*, Vol.37, No. 5/6, pp.796–820.

- Chetty S & Patterson A, 2002, 'Developing Internationalization Capability Through Industry Groups: the Experience of a Telecommunications Joint Action Group', *Journal of Strategic Marketing*, Vol.10, No.1, pp.68-89.
- Chittoor, R & Ray, S, 2007, 'Internationalization Paths of Indian Pharmaceutical Firms- A Strategic Group Analysis', *Journal of International Management*, Vol.13, No.3, pp.338-355.
- Christensen, P. S; Madsen, O.O., & Peterson, R, 1989, 'Opportunity Identification: The Contribution of Entrepreneurship to Strategic Management', Aarhus University Institute of Management, Denmark *IN* Ardichvili, A; Cardozo, R & Ray, S, 2003, 'A Theory of Entrepreneurial Opportunity Identification and Development', *Journal of Business Venturing*, Vol.18, No.1, pp.105-123.
- Covin, J.G, & Slevin, D.P, 1991, 'A Conceptual Model of Entrepreneurship as Firm Behaviour', *Entrepreneurship Theory and Practice*, Vol 16, No.1, pp.7-25.
- Daniels, J & Cannice, M, 2004, '*Handbook for Qualitative Research Methods for International Business*', Edward Elgar Publishing, London.
- Denzin, N.K, 1978, 'The Logic of Naturalistic Inquiry'. *IN* Denzin N K (Eds) *Sociological Methods- A Sourcebook*. Mc Graw-Hill, New York, 54-73'
- Dicken, P, 2007, 'Global Shift: Mapping the Changing Contours of the World Economy', Fifth Edition, Sage Publications Ltd, UK.
- Dubois, A & Gadde, L-E, 2002, 'Systematic Combining: an Abductive Approach to case research', *Journal of Business Research*, Vol.55, No.7, pp.553-560.
- Economic Times, 2007, 'Suzlon Energy gets new CEO', Viewed on 05 February 2009, <<http://economictimes.indiatimes.com/articleshow/1524772.cms> >.
- Economist, 2006, 'Wind Power has Propelled Tulsi Tanti Into the Ranks of India's Corporate Titans', *Business Source Premier Database*, Vol.379, No.8482, pp.72-72.
- Ellis, P, 2000, 'Social Ties and Foreign Market Entry', *Journal of International Business Studies*, Vol.31, No.3, pp.443-469.
- Ellis, P & Pecotich, A, 2001, 'Social Factors Influencing Export Initiation in Small and Medium-sized Enterprises', *Journal of Marketing Research*, Vol. 38, No.1, pp.119-130.
- Forsgren M; Holm U & Johanson J, 2005, '*Managing the Embedded Multinational, a Business Network view*', Edward Elgar Publishing, Cheltenham, UK.
- Forbes, 2006, '#562 Tulsi Tanti', Viewed on 15 November 2008 <<http://www.forbes.com/lists/2006/10/QD9Q.html>>.
- Forbes, 2008, 'Special Report: The Worlds Billionaires', Viewed on 03 February 2009, <[http://www.forbes.com/lists/2008/10/billionaires08\\_The-WorldsBillionaires\\_CountryOfCitizen\\_11.html](http://www.forbes.com/lists/2008/10/billionaires08_The-WorldsBillionaires_CountryOfCitizen_11.html)>.
- Freeman, S; Edwards, R & Schroder, B, 2006, 'How Smaller Born-Global Firms Use Networks and Alliances to Overcome Constraints to Rapid Internationalization', *Journal of International Marketing*, Vol.14, No.3, pp.33-63.

GEDA, n.d, 'Wind Power Generation Programme', Gujarat Energy Development Energy, Viewed on 09 May 2009, <[http://www.geda.org.in/wind/wind\\_power.htm](http://www.geda.org.in/wind/wind_power.htm)>.

Ghuri, P & Gronhaug, K, 2005, 'Research Methods in Business Studies: A Practical Guide', Third Edition, Prentice Hall International, London.

Ghosh, A, 2007, 'Winds in the Will', The Association of Mechanical Engineers, IIT Kanpur, Vol.2, No.3.

Global Wind Energy Council, 2007a, 'Global Wind 2008 Report', Viewed on 02 May 2009, <<http://www.gwec.net/fileadmin/documents/Global%20Wind%202008%20Report.pdf> >.

Global Wind Energy Council, 2007b, 'Global Wind Energy Markets will Continue to Boom', Viewed on 07 February 2009, <[http://www.gwec.net/index.php?id=30&no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=189&tx\\_ttnews%5BbackPid%5D=4&cHash=acbd5fcd72](http://www.gwec.net/index.php?id=30&no_cache=1&tx_ttnews%5Btt_news%5D=189&tx_ttnews%5BbackPid%5D=4&cHash=acbd5fcd72) >.

Gomes-Casseres, B, 1994, 'Group Versus Group: How Alliance Networks Compete', Harvard Business Review, (July–August), pp.62–74.

Guth, W.D; Kumaraswamy, A & Mc Earlean, M, 1991, 'Cognition, Enactment, and Learning in the Entrepreneurial Process. *IN* Churchill, N.C; Bygrave, W.D & Covin, J.G. (Eds.), 'Frontiers of Entrepreneurship Research' Babson College, Babson Park, MA *IN* Ardichvili, A; Cardozo, R & Ray, S, 2003, 'A Theory of Entrepreneurial Opportunity Identification and Development', Journal of Business Venturing, Vol.18, No.1, pp.105-123.

Hills, G; Lumpkin, G.T & Singh, R.P, 1997, 'Opportunity Recognition: Perceptions and Behaviours of Entrepreneurs', Frontiers of Entrepreneurship Research. Babson College, Wellesley, MA, pp. 203–218 *IN* Ardichvili, A; Cardozo, R & Ray, S, 2003, 'A Theory of Entrepreneurial Opportunity Identification and Development', Journal of Business Venturing, Vol.18, No.1, pp.105-123.

Jayakumar, PB, 2008, 'Amsterdam to Power Suzlon Growth', Viewed on 07 February 2009, <<http://www.business-standard.com/india/storypage.php?autono=312037> >.

Johanson, J. & L. Mattsson, 1988, Internationalization in Industrial Systems - a Network Approach. Reprinted (1993) in: P. Buckley & P. Ghauri (Eds), *The Internationalization of the Firm*, pp.303-321. London: Academic Press Ltd.

Johanson, J & Vahlne, J-E. 1990, 'The Mechanism of Internationalization', International Marketing Review, Vol.7, No.4, pp.11-24.

Jones, M.V, 2001, 'First Steps in Internationalization Concepts and Evidence from a Sample of Small High-Technology Firms', Journal of International Management, Vol.7, No.3, pp.191-210.

Karmali, N & Stone, A, 2006, 'Wind Man', Business Source Premier Database, Vol.177, No.13, pp.124-126.

Kishore, R, 2008, 'Tulsi Tanti the Man with the Power of Wind', Viewed on 02 February 2009, <<http://www.bharatentrepreneurs.com/2008/05/21/tulsi-tanti-man-with-power-of-wind/>>.

Kiss, A.N & Danis, W.M, 2007, 'Country Institutional Context, Social Networks, and New Venture Internationalization speed', European Management Journal, Vol.26, No.6, pp.388-399.

Kumar, V & Singh, N, 2008, 'Internationalization and Performance of Indian Pharmaceutical Firms', *Thunderbird International Business Review*, Vol.50, No.5, pp.321-330.

Lewis, J.I, 2007, 'A Comparison of Wind Power Industry Development Strategies in Spain, India and China', Viewed on 12 February 2009, <[http://www.resource-solutions.org/pub\\_pdfs/Lewis.Wind.Industry.Development.India.Spain.China.July.2007.pdf](http://www.resource-solutions.org/pub_pdfs/Lewis.Wind.Industry.Development.India.Spain.China.July.2007.pdf)>.

Lewis, J.I, 2007a, 'Technology Acquisition and Innovation in the Developing World: Wind Turbine Development in China and India', *Studies in Comparative International Development*, Vol.42, No.3-4, pp.208-232.

Long, W & Mc Mullan, W. E, 1984, 'Mapping the New Venture Opportunity Identification process', *IN Hornaday J, Vesper K, Tarpley and Timmons J (Eds.), Frontiers of Entrepreneurship Research*. Wellesley, MA: Babson College, pp.567-590.

Madsen, T.K & Servais, P, 1997, 'The Internationalization of Born Globals: An Evolutionary Process?' *International Business Review*, Vol.6, No.6, pp.561-583.

Mathews, J. 2006, 'Dragon Multinationals: New Players in 21<sup>st</sup> Century Globalization', *Asia Pacific Journal of Management*, Vol.23, No.1, pp.5-27.

Mathews J.A. & Zander, I, 2007, 'The International Entrepreneurial Dynamics of Accelerated Internationalization', *Journal of International Business Studies*, Vol.38, No.3, pp.387-403.

Moneycontrol, 2006, 'Suzlon Rises to world#5 among WTG Manufacturers', Viewed on 07 May 2009, <<http://www.moneycontrol.com> >.

Neck, C.P & Manz, C.C, 1996, 'Thought Self-Leadership: the Impact of Mental Strategies Training on Employee Cognition, Behaviour and Affect', *Journal of Organizational Behaviour*, Vol.17, No.5, pp.445-467.

Nummela, N; Saarenketo, S & Puumalainen, K, 2004, 'A Global Mindset: A Pre-Requisite for Successful Internationalization?' *Canadian Journal of Administrative Sciences*, Vol.21, No.1, pp.51-64.

OECD, 2006, 'Emerging Multinationals: Who Are They? What Do They Do? What Is at Stake?' organization for Economic Cooperation and Development, Viewed on 05 April 2009, <[http://www.oecd.org/document/33/0,3343,en\\_2649\\_37467\\_36223265\\_1\\_1\\_1\\_37467,00.html](http://www.oecd.org/document/33/0,3343,en_2649_37467_36223265_1_1_1_37467,00.html) >.

Ostrander, S. A, 1993, 'Surely you Are Not In This Just To Be Helpful: Access, Rapport, And Interviews In Three Studies of Elites', *Journal of Contemporary Ethnography*, Vol.22, No.1, pp.7-27.

Oviatt, B.M & Mc Dougall, P.P, 1994, 'Toward a Theory of International New Ventures', *Journal of International Business Studies*, Vol. 25, No.1, pp. 45-64.

Oviatt, B.M & Mc Dougall, P.P, 2000, 'International Entrepreneurship: The Intersection of Two Research Paths', *The Academy of Management Journal*, Vol.43, No.5, pp.902-908.

Oviatt, B.M & Mc Dougall, P.P, 2005, 'Defining International Entrepreneurship and Modeling the Speed of Internationalization', *Entrepreneurship Theory and Practice*, Vol.29, No.5, pp.537-554.

Patton M.Q, 1990, '*Qualitative Evaluation and Research Methods*', Second Edition, Sage Publication, Newbury Park, CA.

- Pla-Barber, J & Escriba-Esteve, A, 2006, 'Accelerated Internationalization: Evidence from a Late Investor', *International Marketing Review*, Vol.23, No.3, pp.255-278.
- Poddar, N, 2008, 'Suzlon CEO Resigns for Personal Reasons', Viewed on 05 February 2009, <<http://profit.ndtv.com/2008/05/28232952/suzlon-ceo-resigns-for-persona.html?id=4914948d-b6c8-44fe-bdf9-ec13629f660d> > .
- Preece, S.B; Miles, G & Baetz, M.C, 1999, 'Explaining the International Intensity and Global Diversity of Early-stage Technology Based Firms', *Journal of Business Venturing*, Vol.14, No.3, pp.259–281.
- Randeep, R, 2008, 'Winds of Change Come To Country Plagued By Power Blackouts', Viewed on 05 February 2009, <<http://www.guardian.co.uk/environment/2008/dec/30/renewable-energy-alternative-energy-wind>>.
- Red Herring, 2005, 'Prospectus: Suzlon Energy Limited', Viewed on 20 December 2009, <<http://www.sebi.gov.in/dp/suzlon.pdf> >.
- Rediff India, 2006, 'Tulsi Tanti: India's 'Wind Man'', Viewed on 03 February 2009, <<http://ia.rediff.com/money/2006/jun/09forbes.htm?q=bp&file=.htm>>.
- Rediff, 2008, 'Tulsi Tanti on Suzlon, life, and business', viewed 05 February 2009, <<http://specials.rediff.com/money/2008/aug/01slde7.htm>>.
- Reid, Stan. D, 1981, 'The Decision Maker and The Export Entry Expansion', *Journal of International Business Studies*, Vol.12, No.2, pp.101-112.
- Reuber, A.R & Fischer, E, 1997, 'The Influence of the Management Teams International Experience on the Internationalization Behaviours of SMEs', *Journal of International Business Studies*, Vol.28, No.4, pp.807–825.
- Ryen, A, 2002, 'Cross Cultural Interviewing', pp.335-353, *IN* Gubrium, J.F & Holstein, J.A (Eds), 2002, '*Handbook of Interview Research: Context and Methods*', Sage Publication, Thousand oaks, CA,
- Sasi, V & Arenius P, 2008, 'International New Ventures and Social Networks: Advantage or Liability?' *European Management Journal*, Vol.26, No.6, pp.400–411.
- Satish, J, 2008, 'Integration of Suzlon And Repower Is Required For Our Growth Strategy', *The Wall Street Journal*, Viewed on 05 March 2009, <<http://www.livemint.com/2008/09/10001834/Integration-of-Suzlon-and-Repo.html?d=1> >.
- Schiessl, M, 2008, 'The Rise of Indian Wind Power', Viewed on 05 February 2009, <<http://www.spiegel.de/international/business/0,1518,559370,00.html>>.
- Shirsat, B.G, 2005 'Suzlon's Tanti is 4th Richest Indian' Viewed on 15 November 2008 <<http://www.rediff.com/money/2005/nov/17bs6.htm> > .
- Shrader, R.C; Oviatt, B.M. & Mc Dougall, P.P, 2000, 'How New Ventures Exploit Trade-offs Among International Risk Factors: Lessons For The Accelerated Internationalization of The 21st Century', *The Academy of Management Journal*, Vol.43, No.6, pp.1227–1247.

- Silseth P.R; Karlsen T; Benito G.R.G & Welch L.S, 2003, 'Knowledge, Internationalization Of The Firm, and Inward–Outward Connections', *Industrial Marketing Management*, Vol.32, No.5, pp.385-396.
- Singh, A. 2008, 'Pune Billionaire Chases GE With Wind Turning On Cracked Blades', Bloomberg, Viewed on 04 March 2009, <<http://www.bloomberg.com/apps/news?pid=20601102&refer=uk&sid=a9B6qZ1liwwc>>.
- Stake, R.E, 2003, Case Studies, pp. 509-535, *IN* N. K. Denzin & Y. S. Lincoln (Eds.), '*Handbook of Qualitative Research*', Second Edition, Sage Publications, Thousand Oaks, CA.
- Suzlon, 2009, 'Milestones of Suzlon Group', Viewed on 04 February 2009, <[http://www.suzlon.com/Milestone.aspx?cp=1\\_5](http://www.suzlon.com/Milestone.aspx?cp=1_5)>.
- Thomas, R. J, 1993, 'Interviewing Important People In Big Companies', *Journal of Contemporary Ethnography*, Vol.22, no.1, pp.80–96.
- UNCTAD, 2006, 'World Investment Report 2006: FDI from Developing and Transition Economies, Implications for Development', United Nations Conference on Trade and Development, Viewed on 16 February 2008, <<http://www.unctad.org/Templates/Page.asp?intItemID=1485&lang=1>>.
- Vietor R H.K & Seminerio J, 2008, 'The Suzlon Edge', Harvard Business Publishing, Viewed on 22 April, 2009, <[http://harvardbusinessonline.hbsp.harvard.edu/b01/en/common/item\\_detail.jhtml?id=708051](http://harvardbusinessonline.hbsp.harvard.edu/b01/en/common/item_detail.jhtml?id=708051)>.
- Wagner, H, 2004, 'Internationalization Speed and Cost Efficiency: Evidence From Germany', *International Business Review*, Vol.13, No.4, pp.447-463.
- Welch, C; Marschan-Piekkari, R; Penttinen, H & Tahvanainen, M, 2002, 'Corporate Elites as Informants In Qualitative International Business Research', *International Business Review*, Vol.11, No.5, pp.611-628.
- Welch, L.S & Luostarinen, R, 1988, 'Internationalization: Evolution Of A Concept', *Journal of General Management*, Vol.14, No.2, pp.34-55.
- Welch, L.S & Luostarinen, R.K, 1993, 'Inward and Outward Connections In Internationalization', *Journal of International Marketing*, Vol.1, No.1, pp.46–58.
- World Bank, 2007, '*Dancing With The Giants, China, India And The Global Economy*', Winters L.A and Yusuf S, < <http://www.worldbank.org/> >.
- Wright, T, 2008, 'Suzlon's Windmill Empire Begins To Show Some Cracks', Viewed on 1 February 2009, <http://www.livemint.com/2008/04/18235933/Suzlon8217s-windmill-empire.html?pg=1>.
- Yin, R.K, 1994, '*Case Study Research: Design and Methods*'. Second Edition, Sage Publications, UK.
- Yin, R.K, 2009, '*Case Study Research: Design and Methods*', Fourth Edition, Sage Publication, Thousand Oaks, CA.
- Zalan T & Lewis G, 2004, 'Writing About Methods In Qualitative Research: Toward A More Transparent Approach' pp.507-528 *IN* Handbook Of Qualitative Research, Methods For



International Business', Edited by Marschan-Piekkari R and Welch C, Edward Elgar, Cheltenham, UK.

Zhou, L; Wu, W.P & Luo, X, 2007, 'Internationalization And The Performance Of Born-global SMEs: The Mediating Role Of Social Networks', Journal of International Business Studies, Vol. 38, No.4, pp.673–690.

Zucchella, A; Palamara, G & Denicolai, S, 2007, 'The Drivers Of The Early Internationalization Of The Firm', Journal of World Business, Vol.42, No.3, pp.268–280.