

SMEs and Determinants of Their Internationalization in Poland, Germany and Denmark

Submitted: 06.09.17 | Accepted: 25.01.18

Monika Jakubiak*, **Paweł Chrapowicki****

The subject matter of the present paper pertains to international cooperation of small and medium enterprises from selected countries of the European Union. The objective of the study was to identify factors determining international cooperation in European states, and to evaluate differences regarding the cooperation depending on the specific country. The desk research method was applied. Data collected between 2008 and 2014 by Enterprise Europe Network (EEN) was analysed. EEN constitutes the largest business support network in the world. Results of the analysis indicated the existence of differences among the individual forms of cooperation undertaken by companies located in selected European countries. The data collected was supplemented with a case study of a Polish technological company benefiting from the cooperation with the network.

Keywords: international cooperation, determinants of internationalization, Enterprise Europe Network.

Determinanty internacjonalizacji przedsiębiorstw z sektora MSP w Polsce, Niemczech i Danii

Nadesłano: 06.09.17 | Zaakceptowano: 25.01.18

Problematyka prezentowanego artykułu dotyczy współpracy międzynarodowej małych i średnich przedsiębiorstw z wybranych krajów Unii Europejskiej. Celem badań była identyfikacja czynników determinujących współpracę na rynku międzynarodowym w krajach europejskich oraz ocena różnic w zakresie współpracy międzynarodowej w zależności od kraju. Zastosowano metodę desk research, poddając analizie dane zgromadzone w latach 2008–2014 przez sieć Enterprise Europe Network (EEN), będącą największą na świecie siecią wspierania przedsiębiorczości. Wyniki przeprowadzonych analiz wykazały występowanie różnic pomiędzy formami współpracy podejmowanymi przez przedsiębiorstwa zlokalizowane w poszczególnych krajach europejskich. Wyniki desk research uzupełniono analizą przypadku polskiego przedsiębiorstwa z branży technologicznej, współpracującego z siecią EEN. Zastosowano metodę badań jakościowych – case study.

Słowa kluczowe: współpraca międzynarodowa, determinanty internacjonalizacji, sieć Enterprise Europe Network.

JEL: L26, L14, F23

* **Monika Jakubiak** – PhD, Institute of Management, Faculty of Economics, Maria Curie Skłodowska University in Lublin.

** **Paweł Chrapowicki** – MA, Faculty of Management, University of Warsaw.

Correspondence address: Maria Curie Skłodowska University in Lublin, Faculty of Economics, Institute of Management, Pl. M. Curie-Skłodowskiej 5, 20-031 Lublin; e-mail: monika.jakubiak@umcs.pl; p.chrapowicki@pollub.pl.



1. Introduction

Globalization of economy and technological advancements, especially with regard to new forms of communication and information transfer, result in a growing interest of businesses in international cooperation. Internationalization has become particularly visible in European countries along with the EU's enlargement. The establishment of the Single Market and free movement of goods and employees resulted in the search for technological solutions outside the home country, becoming one of the means for acquiring competitive advantage.

The subject matter of the present paper pertains to international cooperation of small and medium enterprises from selected countries of the European Union. The objective of the study was to identify factors determining international collaboration in European states, and to evaluate differences regarding the cooperation depending on country. The analysis encompassed Enterprise Europe Network (EEN) data collected between 2008 and 2014.

2. SMEs and Their Internationalization in the Literature on the Subject

Recently, entrepreneurship has become of interest for experts from several fields, e.g. economics, social sciences, psychology. Among several definitions of the term, the one offered by S. Kwiatkowski deserves particular attention. Kwiatkowski observes that entrepreneurship revolves around the creation of material wealth from non-material resources (Kwiatkowski, 2000). In light of the above, the role of the entrepreneur as an agent tracking opportunities, able to identify and exploit these, accumulate and organize resources, take risks and implement innovations, becomes critical (Shane, 2003; Shane and Venkataraman, 2000; Glinka and Gudkova, 2011).

The literature on the subject emphasizes the significant role of the entrepreneur in shaping socio-economic growth (Lichniak, 2011; Dominiak, 2005; Henderson, 2002). Researchers indicate a series of roles performed by entrepreneurs in economy, especially shaping the condition of the labour market, positive impact upon their surrounding environment (e.g. development of local communities), acceptance of risk, appropriate exploitation of resources ensuring effectiveness of markets, development of new products, and creation of prosperity (Glinka and Gudkova, 2011; Burns, 2007; Bratnicki, Zbierowski and Kozłowski, 2007).

Enterprises significantly contribute to the creation of gross domestic product (GDP). In Poland, they generate 73% of the GDP (data of the Central Statistical Office of Poland (GUS), valid for 2012). The number of registered businesses in Poland has been growing steadily each year. According to GUS data (valid for 2013), there are 1.77 million non-financial enterprises in Poland. The majority of these (99.8%) is constituted by small

and medium enterprises (abbrev. SMEs). In addition, according to Eurostat, there are 1.5 million enterprises in Poland. This ranks the country in the 6th position among European states¹. Poland loses only to Italy (3.83 million entities), France (2.57 million), Spain (2.39 million), Germany (2.2 million) and Great Britain (1.7 million) (Łapińska et al., 2015).

The present definition of SMEs was adopted by the European Commission in Regulation No 651/2015 of 17th June 2014. The regulation highlights the significance of the SME sector for the development of economies. According to the regulation, small and medium enterprises play a decisive role in creating jobs, thus contributing to the development of social stability and economic growth (Commission Regulation, 2014).

In Poland, SMEs employ approx. 70% of employees in the enterprises sector. In addition, they generate 48.5% of the GDP (GUS data valid for 2012). According to experts, SMEs' contribution to the generation of gross value added is unsatisfactory and considerably lower than the EU average. As far as the significant size of the sector in Poland is concerned, when compared with other EU states, there is still room for improving the productivity of Polish businesses (Łapiński et al., 2015).

Up until recently, it was believed that due to their specific character, small size and limited resources, SMEs adjust to market conditions rather than engage in innovation. However, small and medium enterprises' role in generating innovation and technological development of individual economies has increased (Etemad and Wright, 2003; Senik et al., 2011). The fact that the present character of technological development (especially with regard to ICT) enables even the smallest businesses to operate internationally and even globally is noteworthy (Plawgo et al., 2014). Small businesses are flexible and able to adapt to international conditions swiftly, which constitutes their advantage.

The development of SMEs may be hindered by market flaws associated with e.g. difficulties in obtaining financing (investors' unwillingness to take risks). SMEs indicate access-to-capital barriers among the most frequent obstacles in internationalization (Bielawska and Łukasik, 2013). In addition, it is often noticeable that SMEs' access to information, especially that related to novel technologies and potential markets, is limited. Such internationalization barriers may lead to SMEs missing the chance to fully utilize opportunities for market development offered by international cooperation. Due to resource and competence shortages, when implementing innovations, small companies must seek these in their immediate surroundings or cooperate with a network of partners offering particular services (Lachiewicz, Łuczka and Stawasz, 2010; Shamsuddoha et al., 2009). Therefore, supporting SMEs' innovation e.g. by stimulating the establishment of small innovative companies, creating conditions for SMEs-R&D centres' cooperation, development of programmes regarding information and advice, and education and trainings for SME owners is critical (Poznańska, 2014).

Globalization of economy and accompanying technological advancements (also regarding remote communication) result in businesses increasingly deciding to pursue international operations (Kalinic and Forza, 2012; Santangelo and Meyer, 2017). Companies' internationalization is primarily associated with the pursuit of profitability and market diversification. According to studies by the Polish Agency for Enterprise Development (abbrev. PARP), internationalization of SMEs translates into improved financial results (liquidity, profit margin), and a more dynamic growth and development. At the same time, the analysis of studies indicated that the level of internationalization of Polish SMEs is unsatisfactory. Only 20% of evaluated companies developed links with international markets (Plawgo et al., 2014).

Meanwhile, the capability of facing international competition is considered as one of the determinants of enterprises' competitiveness. International cooperation and presence of companies on an international market may prove their international competitiveness (Nowiński and Nowara, 2011; Toulouva, Votoupalova and Kubickova, 2015). According to experts in the field, the establishment of factors impacting companies' internationalization may facilitate the development of effective forms of assisting SMEs in their international operation. On the other hand, fostering enterprises to pursue export activities may stimulate Polish economy (Bielawska and Łukasik, 2013).

When examining issues pertaining to the subject matter of the present study, the internationalization of young, innovative companies which undertake international operations shortly after their establishment seems worth making a reference to. The literature on the subject refers to the phenomenon as born global. It denotes the pursuit of international activity as a means for rapid growth. Some companies of this type achieve spectacular success ensuing from e.g. the implementation of innovative technologies (Cieślik, 2011).

The analysis of conditions determining the decision regarding international cooperation being undertaken or suspended may be conducted in light of internal and external factors. Internal factors encompass companies' strategies, entrepreneurial focus, resources, features and competences of organizations and their managers and employees. On the other hand, conditions on national and international markets, and national and international policies regarding support of such actions belong to external factors (Rembiesz, 2013; Plawgo et al., 2014; Fink, Harms and Kraus, 2008; Cieślik, 2011; Głód, 2014).

The analysis of studies conducted among Polish SMEs proves that companies' strategies, interest in becoming independent from national trade of products and services, growing competition on the national market, and underdeveloped national demand constitute the most frequent stimulus for undertaking international cooperation. The decision may also be motivated

by the interest in the improvement of the company's image and development of market trust (Plawgo et al., 2014; Głód, 2014).

In addition, small, young enterprises may undertake international activities in order to search for an attractive idea for an innovative business. Such an idea, validated on a foreign market, is then adapted by the company to the conditions of the national or another foreign market. Moreover, the necessity of supplementing their resources in terms of technology (know-how), equipment, devices or apparatus constitutes yet another reason for innovative companies engaging in internationalization (Cieślik, 2011).

Both the literature on the subject and business practice offer examples of a positive impact of networks upon companies' internationalization (Musteen, Francis and Datta, 2010; Chetty and Stangl, 2010; Ciravegna, Lopez and Kundu, 2014; Krawiec and Bereś, 2015). Frequently, SMEs face problems with finding useful contacts and with the pursuit of cooperation. It often results from the lack of access to information or apprehension regarding becoming involved in cooperation with unknown partners. In order to support SMEs in internationalization, the Enterprise Europe Network was established in 2008². Currently, it is the largest business support network, especially with regard to international cooperation in three key areas: research, business, and technological collaboration. At present, there are over 600 offices of the network in more than 60 countries in the world. They employ approx. 3000 experts. EEN works by combining international experience and the familiarity with local markets. In Poland, there are 30 EEN offices (at least one in each voivodeship). The network offers comprehensive services for SMEs. The support is to facilitate the development of potential for innovation. EEN also acts as an intermediary enabling EU institutions to obtain a full picture of SMEs' needs. EEN offices are non-profit and are affiliated with business support organizations such as chambers of industry and commerce, regional development agencies, entrepreneurship support centres, etc. Operations of the network are financed by the EU and national financial resources.

3. Methodology of Own Studies

The objective of the present study was to identify factors determining SMEs' international collaboration in selected European countries.

Studies were conducted by means of desk research analyses. Data collected by the Enterprise Europe Network (EEN) between 2008 and 2014 was used as a source material. The data consisted of reports of individual countries presenting the demand for services regarding internationalization. Interpretation of the reports was supplemented by interviews with EEN consultants from Poland, Denmark and Germany. Semi-structured interviews were conducted over the telephone with experts having at least 8-year experience in SME internationalization support from Lublin (Poland),

Copenhagen (Denmark) and Saarbrücken (Germany). When searching for factors determining internationalization of companies from individual EU states, a comparative analysis of the demand for support regarding international collaboration in Poland, Germany and Denmark was conducted.

The results of desk research were supplemented with a case study of a Polish technological company cooperating with the EEN office at Lublin University of Technology. In order to examine the opinion of the company benefiting from the assistance in internationalization, an interview with the company CEO was conducted. The interview took place in July 2017 in Lublin at the headquarters of the company. An interview questionnaire containing questions regarding activities undertaken by the company in the framework of international cooperation, determinants of the activities, outcomes of internationalization and difficulties associated with it was developed for the purpose of empirical studies.

4. Results and Discussion

In analysing the determinants of international cooperation, the authors of the study selected three most relevant indicators from the report of the Enterprise Europe Network, the largest business support network financed by European Union, which offers assistance and services for companies intending to undertake technological, business or research cooperation within the EU and beyond. The indicators were:

- 1) Specialized advisory services,
- 2) Clients and meetings at brokerage events,
- 3) Partnership agreements produced.

Out of nearly 30 performance indicators, the interviewed EEN consultants enumerated the above ones as those which are most relevant for evaluating the efficiency of internationalization support. Apart from these indicators, EEN services were described by indexes that marked the use of internet tools in international partnerships, participation in local training events and SMEs' feedback to EU legislation changes, among others; however, they can be considered supplementary indicators that were not directly related to SME internationalization support.

In the analysed period from 2008 to 2014, the EEN network was co-financed from the EU Competitiveness and Innovation Programme (CIP). Consultants offering internationalization support answered more than 840,000 enquires from SMEs and had more than 230,000 first company meetings. They also gave nearly 240,000 specialized advisory services such as IPR, technology audits and business reviews or financial services. The number of participants in the local and regional events organized by the EEN network exceeded 1.5 million over seven years. All these activities generated the outcome of over 14,000 international cooperation agreements between companies in a 7-year period. The achieved results show that EEN

support is a significant factor stimulating international cooperation of SMEs in Europe. Selected indicators of EEN activities in the whole network and the analysed countries are presented in Table 1.

Indicator	The whole network	Denmark	Germany	Poland
First company meetings (EEN consultants' meetings with representatives of companies)	230,191	4,694	16,538	13,544
Partnership proposals made	73,844	950	6,076	6,424
Partnership proposals received	137,595	2,109	15,919	9,383
Clients receiving international and innovation support	271,433	2,276	31,135	8,984
Clients in brokerage events and missions	164,347	2,225	15,878	4,780
Meetings at brokerage events and missions	471,596	5,883	42,076	13,746
Clients receiving IPR services	37,619	134	3,475	927
Total number of partnership agreements concluded	14,475	253	1,663	846

Tab. 1. Selected performance indicators of EEN activities in the 2008–2014 period for the whole network and the analysed countries. Source: Own findings on the basis of the EEN reports.

The analysis of the EEN network indicators allowed for selecting countries whose performance in internationalization of SMEs generates significant reference points for Polish SMEs and institutions responsible for designing the internationalization support policy. Firstly, over 11% of all contracts between companies receiving support of the EEN network were concluded between a German partner and another company and over 11% of all companies receiving specialized internationalization and innovation support were German companies. Thus, German companies are active in taking every opportunity to receive state-aided support in doing business and benefit from this help. Secondly, the analysis of the network report shows that the efficiency of Danish support actions was the highest in the whole network, i.e. the largest percentage of companies receiving internationalization support succeeded in concluding a cooperation contract. For the above reasons, Germany and Denmark were selected as significant

reference countries whose examples can mark the direction of changes in SME support for other growing economies, such as Poland.

Specialized advisory services are services intended to support a company in undertaking cooperation with a foreign partner and fostering long term business relationships. The services included three types of supportive actions: intellectual property rights (IPR) services, technology audit or business review, and support in financing innovative projects from EU funds. A detailed analysis of trends in using specialized advisory services by SMEs in the analysed countries (Denmark, Germany and Poland) shows that starting in 2008, i.e. the first year of the EEN network functioning, German companies used the service a lot more than SMEs from the other two countries and from the whole network area. In the case of Poland and Denmark, respectively 20% and 40% of companies that were first met by EEN consultants in 2008–2010 used specialized services supporting their internationalization in the first reporting period, while in case of Germany, each of those companies took advantage of a specialized advisory service at least once (the value of “First company meeting” to “Specialized advisory services” ratio is 140% for Germany). Consequently, from the very beginning of the functioning of EU-aided internationalization support, German companies were determined to use the offered EU help in undertaking international cooperation.

The results of desk research analyses are confirmed by the interviewed EEN consultant from Germany. According to the respondent, network clients were more interested in specialized services than in general information services or brokerage event support. She admitted that the most frequently used services were technology audits and business reviews. The outcomes of these services were business or technology requests or offers that were promoted in EEN databases and distributed among SMEs that used network services. These activities, together with engagement in fair events and company missions, generated good results for the network clients, according to the interviewed German consultant. Additionally, the interview proved that German companies are conscious that the functioning of the network is co-financed by the European Union and national government, i.e. from their own taxes. For this reason, they demand the same quality of services as they expect from any commercial products offered by consulting companies. The opposite attitude is seen in the CEO of the Polish company who was interviewed. He admitted that: “As I receive the service for free, I cannot press the consultants to try harder because it’s not me to pay them. I’m grateful to get anything, because it doesn’t cost me a cent.” Consequently, the service that is offered in the framework of state aid is valued less, even though its ultimate cost is comparable to the cost of commercial services offered by large consulting companies.

This raises an important question concerning the financing of business support in the European Union. Even though the interviewed entrepre-

neur from Poland declared that he was satisfied with the support service he received, he would prefer to obtain a “voucher” for a service that he could use to pay for commercial services and value the price and conditions he would like to receive. Alternatively, internationalization support might be more adaptable to an individual company’s needs. The interviewee admitted that tailor-made services would be much more efficient than the attitude of “one-size-fits-all”. The Danish EEN consultant reported that the company that is “taken care of by EEN” receives a dedicated consultant who is expected to know the company’s needs and who is responsible for taking part in all the supportive activities, including participation in company missions or assisting during negotiations at fair events.

Dedication to quality does not always comply with quantitative indicators that need to be met in the framework of a given grant contract. The fact that Danish internationalization support focused on quality, rather than quantity, results in situations when not every company that demands support is able to receive it. The interviewed EEN consultant admitted that before they start cooperation with a client, they verify the internationalization potential of the company. If the company is not innovative enough, does not have sufficient human resources to guarantee good communication or is not sufficiently determined to undertake business or technological cooperation, the company is refused further assistance. They can take part in trainings and they can be offered a chance to go to a fair event; however, they will not be able to use all the range of specialized internationalization services that the network offers. “If we dedicate our time to companies that dream of trading with the USA or China but are not ready to spend 1,000 euros to go to a brokerage event to a neighbouring country, we will not have enough time and resources to support those which are already half way to a prospective contract. There are situations when we tell a company owner that they are not ready to be a partner for a company from another part of Europe or from Asia”, says the interviewed consultant from Denmark. This is in line with the current European regional development policy to support development locomotives, rather than any entity that requires help.

Another form of supporting SME internationalization by EEN is organizing brokerage events and company missions. This form of support allows companies to meet or visit prospective business/technological/research partners during a fair event (usually at large fair events in Europe) or in the host company’s venue. The service includes organizing pre-scheduled meetings between companies and a possibility of using support of a consultant, who facilitates communication or advises on such aspects as IPR, taxation, etc. According to the authors of the analysed reports, there is no direct link between the number of brokerage meetings and the number of contracts concluded between their participants. The interviewed EEN consultants claim that there are more factors that determine successful business coop-

eration than only the fact of meeting a potential client face to face. On the other hand, they admit that it is easier to present a company's offer and receive reliable feedback while meeting in person.

Participation in such events generates financial expenses which may be an obstacle for some companies. The interviewed company owner from Poland admitted that taking part in company missions and brokerage events is expensive and does not generate an expected return in the form of contracts or sales. This is why for Polish companies the question of making international contacts is not only the problem of its efficiency but also costs. The interviewed consultants from all three countries report that their clients from SMEs keep asking for possibilities of receiving financial support for participation in company missions and fair events. Such opportunities do not happen often; however, there are cyclical events where part of participation costs is covered by organizers (e.g. a food sector brokerage event in Bologna in September), who expect the participating companies to start cooperation with local producers. This shows that SMEs look forward to any initiatives that allows them to share the risk of internationalization with supporting institutions, i.e. the state institutions. The CEO of the interviewed Polish company also admits this and adds that risk-sharing is more important in terms of internationalization than any specialized services which can be bought in the market.

The result of supportive actions undertaken by EEN and the company is a contract for exchange of goods/services, purchase/sales of technology or for a mutual research collaboration, frequently within a 7th Framework Programme research project. These three types of contracts (Partnership Agreements) were the ultimate objectives of the EEN network in the analysed period (Figure 1). Out of over 14,000 cooperation contracts concluded with EEN support in the 2008–2014 period, more than 1,600 were contracts whose one party was a German company. This proves an outstanding performance of German SMEs in making international links with business partners. The analysed report indicates that both in Germany and Denmark all the types of cooperation were distributed evenly (around 1/3 of contracts were business cooperation contracts, 1/3 – technological cooperation and 1/3 – research cooperation).

Both the analysed data and interviews with German and Danish EEN consultants show that looking for traditional import and export of goods is the most common motivation to undertake international cooperation. Companies perceive foreign trade as an opportunity to enter a new market. The interviewed consultants admit that most companies ask for support in selling, rather than buying goods and services. They add that the companies which already have some experience in foreign trade still use state aid in taking part in company missions and brokerage events. On the other hand, Polish consultants notice that they usually support companies which do not have sufficient experience in starting and maintaining international

collaboration. After receiving support with 2–3 foreign partners, they get enough self-esteem and experience to continue without further support.

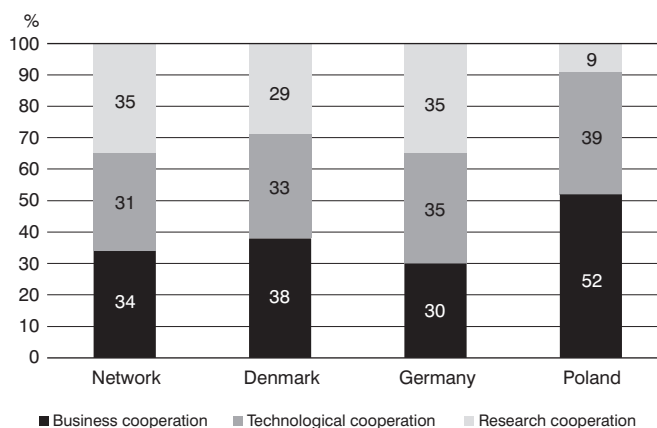


Fig. 1. Types of cooperation contracts concluded by Danish, German and Polish companies in 2008–2014. Source: Own findings on the basis of the EEN reports.

For Polish SMEs, traditional foreign trade is also the most frequent motivation to undertake cooperation with a foreign partner; however, it is a much more common reason to establish such a relationship (over 52% of support services rendered by the EEN network were services related to trade, whereas it was 38% for Danish and 30% for German network clients). According to the interviewed EEN consultants, this is caused by two reasons. Firstly, during the economic crisis Polish companies were desperate to search for new markets for their products. Secondly, they were not much interested in technological or research cooperation because they considered foreign technological solutions to be more expensive than the local ones. In most cases when Polish SMEs looked for a foreign technological partner, these were technology offers, rather than requests.

All in all, the most frequent business cooperation which involved purchasing and sales of goods and services does not bind the two parties in long-lasting collaboration. The second type, technological cooperation, gives prospects of further mutual undertakings, whereas the third one, research cooperation, is purely based on lasting partnerships. In the case of Polish companies using EEN support, only 9% of their contracts were those aimed at common research projects. German and Danish EEN consultants share the opinion that this form of international cooperation is the most prospective for companies. Once they start implementing a common research initiative, they become more open to continue the cooperation in other fields (e.g. sales of goods) or they develop a product that is offered by

each of the research consortium member in their country of origin. The CEO of the interviewed company noticed that the decision to undertake a research cooperation with a foreign partner is not an easy one. It takes reliable partners and a common objective, which can be reached by merging the potential of all the parties involved. On the other hand, Polish EEN consultants emphasize that in their opinion Polish companies will not be undertaking cross-border research cooperation as long as there are sufficient structural funds for individual projects. Once they finish, Polish SMEs will also look for other funding opportunities, regardless of obstacles that are enumerated now by their owners and managers. Nevertheless, all the respondents agreed that this form of international cooperation is the most prospective and lasting and that future efforts should be focused on building such kinds of cooperation, rather than single transactions which may not be continued.

While Polish companies usually intended to sell their technological solutions to a foreign partner, Danish and German companies submitted both technology offers and requests for demanded solutions. The interviewed German consultant admitted that her clients had already come to a conclusion that it was cheaper and more efficient to adapt a ready and verified technological solution that had been developed by an expert company than to develop a technology from scratch on your own. For this reason, a lot of instances of international cooperation supported by EEN network were cases when an SME intended to build an international consortium to submit a project proposal to the European framework programme for research and innovation (previously: 7th Framework Programme, now: Horizon 2020) in collaboration with other companies and research institutions. For Germany, it was as many as 35% of all the supported international contracts, while for Poland it was only 9%.

The situation was exceptional for the company whose CEO was interviewed in the framework of the present research project. In 2008, the board of the company adopted a new development strategy that assumed entering the sector of used tire processing and the construction of a new processing factory. Up to then, the company bought new tires from top world producers and held c.a. 10% of internet sales of tires in Poland. Another step was to start a new technological line for tire processing to recycle more than 15,000 tons of old tires. Surprisingly, the largest challenge was to find a technology donor who would not only supply technology but also open the door to the sales market for the company. The CEO admits that he first looked for a partner in Poland, also at Polish universities; however, he soon realised that the right direction was to search abroad.

Using their own business contacts and the EEN network, the interviewed company started cooperation with an Austrian company specializing in rubber recycling. Wil A.G supplied a complete processing line and contracted the reception of the whole production for another 2 years. Such

a kind of cooperation allowed not only securing Orzeł's position in the market but also making further business connections in the sector. Close cooperation lasted until the crisis prevented the extension of the contract for another year. According to the CEO, the major risk of such cooperation is the problem with communication hindered by lack of physical proximity. When the company has problems, the first to lose a contract is the foreign partner. This was also the case of the interviewed company, which lost the contract when problems arose. Still, even when after some time further cooperation cannot be continued, the experience you have gathered stays and allows undertaking another partnerships, says the CEO of the company.

The interviewed company followed a typical transition from an SME that used institutional help in concluding foreign contracts to a company that is self-reliant in internationalization. The major difference between Polish companies and their Danish and German counterparts is that they do not refrain from using help of supporting institutions. Danish and German companies, even if experienced, are willing to take part in brokerage events and use other specialized services helping in internationalization. Another important difference is the interest in technological and research cooperation, rather than trade exchange. Getting involved in research project cooperation links a company with foreign research and development partners (both research institutions and companies) for a number of years (at least 3 years) and gives an opportunity to develop a new product as a consequence of cooperation.

5. Conclusions

The concern of the paper is the factors determining the undertaking of international cooperation by small and medium-sized enterprises. Looking for answers to the questions about the determinants of such cooperation, the data on internationalization services collected by the EEN network in 2008–2014 were analysed. Desk research results were supplemented by interviews with network representatives in selected European countries and the representatives of a Polish technological firm operating on an international scale.

The analysis of the results of the conducted data showed that companies from different countries choose different forms of support for international cooperation. Undertaking international co-operation is influenced by the entrepreneurial culture of the country as well as the conditions of doing business. In the analysed period, German and Danish entrepreneurs were primarily interested in technology audits and business reviews. The consultants also acknowledge that network customers expect very high quality of services provided by EEN consultants, tailored to their needs. This is also the difference in the entrepreneurial culture of Poland and the analysed

Western European countries. In the opinion of the Polish entrepreneur, he should not expect too much from the network services, knowing that he does not have to pay for them.

Another difference was observed in the context of the availability of network services. Danish companies are verified prior to joining the support program in the context of their potential. Firms that do not pass this assessment are only given access to trainings or meetings but cannot use specialized internationalization services. This kind of approach could also be investigated in the Polish context, where entrepreneurs often fail to take advantage of the capabilities of the EEN network.

The interviewed EEN consultants emphasize that the most common type of internationalization is cooperation in purchasing or selling products of the company. It is, however, at the same time the least favoured type of internationalization for long-term cooperation. More benefits in this respect are provided by technological cooperation and definitely the most advantageous (because of the time when partners are bound by a contract) is the research cooperation. It is therefore worth looking for institutional solutions in the future to support Polish entrepreneurs in search of foreign partners for research cooperation. As the researchers emphasize, in the case of technology and research collaboration, high competences of the human resources involved (including the consultants involved in the process) are primarily important (Araújo and Teixeira, 2014).

International business can affect many aspects of the company's competitiveness, including in terms of cost-effectiveness, development of know-how and technological competence, use of outlet markets or access to cheaper labour in other countries (Mikołajczyk and Zabłocki 2011). Internationalization of enterprises is often linked to their proactivity and innovation (Daia et al., 2014). It is clear from the research conducted among Canadian companies that international cooperation is associated with greater innovation (Shearmura et al., 2015). At present, under conditions of global economy, it is necessary to integrate internationalization into the strategic management system (Nowakowski, 2003; Hunger, 2014).

In conclusion, it can be stated that Polish companies are increasingly aware of the opportunities offered by the internationalization of their business. However, the differences in the cooperation between the Polish SMEs and the Western European countries are visible. Poland does not have such a developed culture of entrepreneurship, and the local companies are only at an early stage of development of their strategies of internationalization. It is worth bringing models of internationalization from Germany or Denmark to Polish entrepreneurs. Of course, they cannot be transferred directly, but some proven solutions could be implemented by adapting them to local conditions. Finally, entrepreneurs have the opportunity to use the services of specialized EEN consultants while engaging in international cooperation, whilst limiting the risk of failure.

This article is merely a contribution to the discussion on the factors affecting the internationalization of enterprises. It would be advisable to conduct further in-depth studies of both determinants and effects of the internationalization of small and medium-sized enterprises.

Acknowledgement

The authors would like to express their gratitude to Enterprise Europe Network consultants from Lublin University of Technology for their support and for providing access to EEN reports that are not available in the open access form.

Endnotes

- ¹ The discrepancy in the number of entities stems from the fact that Eurostat applies a different methodology than GUS, one which does not encompass all sectors of economy.
- ² The Enterprise Europe Network was established in the framework of 2007–2013 Competitiveness and Innovation Framework Programme. At present, it operates in the framework of 2014–2020 Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises.

References

- Araújo, C. and Teixeira, A. (2014). Determinants of international technology transfer: An empirical analysis of the Enterprise Europe Network. *Journal of Technology Management and Innovation*, 9(3), 120–135, <http://dx.doi.org/10.4067/S0718-27242014000300009>.
- Baxter, P. and Jack S. (2008). Qualitative case study methodology: Study design and implementation for novice researchers. *The Qualitative Report*, 13(4), 544–559.
- Bielawska, A. and Łukasik, G. (2013). Eksport mikro i małych przedsiębiorstw szansą polskiej gospodarki. *Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 752, Ekonomiczne Problemy Usług nr 102*, 13–21.
- Bratnicki, M., Zbierowski, P. and Kozłowski, R. (2007). Czynniki wpływające na kształtowanie przedsiębiorczości w kontekście badań Global Entrepreneurship Monitor. In: P. Wachowiak, M. Dąbrowski and B. Majewski (eds), *Kształtowanie postaw przedsiębiorczych a edukacja ekonomiczna* (pp. 267–276). Warszawa: FPIAKE.
- Burns, P. (2007). *Entrepreneurship and small business*. Houndmills: Palgrave MacMillan.
- Chetty, S. K. and Stangl, L. M. (2010). Internationalization and innovation in a network relationship context. *European Journal of Marketing*, 44(11/12), 1725–1743, <http://dx.doi.org/10.1108/03090561011079855>.
- Cieślik, J. (2011). Motywy i formy internacjonalizacji młodych innowacyjnych firm. Uwarunkowania Rozwoju przedsiębiorczości opartej na wiedzy. SOOIPP Annual 2010. *Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 642, Ekonomiczne Problemy Usług nr 64*, 169–191.
- Ciravegna, L., Lopez and L., Kundu, S. (2014). Country of origin and network effects on internationalization: A comparative study of SMEs from an emerging and developed economy. *Journal of Business Research*, 67(5), 916–923, <http://dx.doi.org/10.1016/j.jbusres.2013.07.011>.

- Commission Regulation (EU). (2014). http://ec.europa.eu/competition/state_aid/legislation/gber_regulation_en.pdf, 20.08.2017.
- Creswell J.W. (2007). *Qualitative inquiry and research design: Choosing among five approaches* (2nd Edition). California: SAGE Publications, Inc.
- Daia, L., Maksimov, V., Gilbertc, B.A. and Fernhaber, S.A. (2014). Entrepreneurial orientation and international scope: The differential roles of innovativeness, proactiveness, and risk-taking. *Journal of Business Venturing*, 29(4), 511–524, <http://dx.doi.org/10.1016/j.jbusvent.2013.07.004>.
- Dominiak, P. (2005). *Sektor MSP we współczesnej gospodarce*. Warszawa: Wydawnictwo Naukowe PWN.
- Etemad, H. and Wright, R. W. (2003). Internationalization of SMEs: Toward a new paradigm. *Small Business Economics*, 20(1), 1–4.
- Fink, M., Harms, R. and Kraus, S. (2008). Cooperative internationalization of SMEs: Self-commitment as a success factor for international entrepreneurship. *European Management Journal*, 26(6), 429–440, <http://dx.doi.org/10.1016/j.emj.2008.09.003>.
- Glinka, B. and Gudkova, S. (2011). *Przedsiębiorczość*. Warszawa: Wolters Kluwer business.
- Głód, W. (2014). Internacjonalizacja w procesie rozwoju małych i średnich przedsiębiorstw-wybrane wyniki badań empirycznych. *Studia Ekonomiczne*, 184, 80–92.
- Główny Urząd Statystyczny. <http://stat.gov.pl/> (11.08.2017).
- Henderson, J. (2002). *Building the rural economy with high-growth entrepreneurs*. Kansas City: Federal Reserve Bank Kansas City.
- Kalinic, I. and Forza, C. (2012). Rapid internationalization of traditional SMEs: Between gradualist models and born globals. *International Business Review*, 21(4), 694–707, <http://dx.doi.org/10.1016/j.ibusrev.2011.08.002>.
- Krawiec, S. and Bereś, A. (2015). Wpływ powiązań sieciowych na rozwój innowacyjności przedsiębiorstw w nowej perspektywie finansowej 2014–2020. *Barometr Regionalny. Analizy i prognozy*, 4, 99–103.
- Lachiewicz, S., Łuczka, T. and Stawasz, E. (2010). Znaczenie i obszary badań nad innowacyjnością i konkurencyjnością małych i średnich przedsiębiorstw w Polsce. *Zeszyty Naukowe Politechniki Łódzkiej, Organizacja i Zarządzanie*, 1091, 46, 5–16.
- Łapiński, J., Nieć, M., Rzeźnik, G. and Węclawska, D. (2015). Przedsiębiorczość i perspektywy rozwojowe sektora MSP w Polsce. In: A. Tarnawa and P. Zadura-Lichota (eds), *Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach 2013–2014*. Warszawa: Polska Agencja Rozwoju Przedsiębiorczości.
- Lichniak, I. (2011). *Determinanty rozwoju przedsiębiorczości w Polsce*. Warszawa: Wydawnictwo SGH.
- Mikołajczyk, B. and Zabłocki, Ł. (2011). Internacjonalizacja jako dźwignia wzrostu pozycji konkurencyjnej MSP. *Acta Universitatis Lodzianis. Folia Oeconomica*, 247/2011.
- Musteen, M., Francis, J. and Datta, D. K. (2010). The influence of international networks on internationalization speed and performance: A study of Czech SMEs. *Journal of World Business*, 45(3), 197–205, <http://dx.doi.org/10.1016/j.jwb.2009.12.003>.
- Nowakowski, M.K. (2003). Kryzys i przetrwanie przedsiębiorstwa. In: A. Skowronek-Mielczarek, (ed.), *Przedsiębiorstwo-przedsiębiorczość-rynek*. Warszawa: Oficyna Wydawnicza Szkoła Główna Handlowa.
- Nowiński, W. and Nowara, W. (2011). Stopień i uwarunkowania internacjonalizacji polskich małych i średnich przedsiębiorstw. *Gospodarka Narodowa*, 3, 29–45.
- Plawgo, B., Chilimoniuk-Przeździecka, E., Klimczak, T., Miller, A. and Rumińska, P. (2014). *Ewaluacja potencjału eksportowego przedsiębiorstw w Polsce. Raport końcowy*. Warszawa: Polska Agencja Rozwoju Przedsiębiorczości.
- Poznańska, K. (2014). Przedsiębiorczość akademicka – cechy i znaczenie w gospodarce światowej i polskiej. *Studia Ekonomiczne. Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach*, 183, part 2, 164–172.

- Rembiasz, M. (2013). Czynniki wpływające na internacjonalizację MŚP. *Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 752, Ekonomiczne Problemy Usług nr 102*, 166–176.
- Santangelo, G.D. and Meyer, K.E. (2017). Internationalization as an evolutionary process. *Journal of International Business Studies*, 48(9), 1114–1130, <http://dx.doi.org/10.1057/s41267-017-0119-3>.
- Senik, Z.C., Scott-Ladd, B., Entekin, L. and Adham, K.A. (2011). Networking and internationalization of SMEs in emerging economies. *Journal of International Entrepreneurship*, 9(4), 259–281.
- Shamsuddoha, A.K., Yunus Ali, M. And Oly Ndubisi, N. (2009). Impact of government export assistance on internationalization of SMEs from developing nations. *Journal of Enterprise Information Management*, 22(4), 408–422, <http://dx.doi.org/10.1108/17410390910975022>.
- Shearmura, R., Doloreux, D. and Laperrière, A. (2015). Is the degree of internationalization associated with the use of knowledge intensive services or with innovation? *International Business Review*, 24(3), 457–465, <http://dx.doi.org/10.1016/j.ibusrev.2014.10.004>.
- Toulova, M., Votoupalova, M. and Kubickova, L. (2015). Barriers of SMEs internationalization and strategy for success in foreign markets. *International Journal of Management Cases*, 17(1), 4–19.