

ARTICLE 8

Mathews, J. and Zander, I. (2007)
The international entrepreneurial dynamics of accelerated internationalisation

Journal of International Business Studies, 38 (3): 387-403

<http://www.palgrave-journals.com/jibs/journal/v38/n3/abs/8400271a.html>

Explanatory note

This article offers a theoretical framework for understanding the new international entrepreneurial firms which, from their inception, are exploiting the opportunities afforded by globalization. The authors argue that IB theory has been heavily influenced by the OLI (or eclectic) paradigm, which focuses on the internationalization process of companies already established in their home countries, and therefore fails to capture the dynamism of many new firms which see themselves as international players from the outset. The authors use 'international entrepreneurial dynamics' (IED) to describe their new framework. They urge that this framework can inform future research into the early stages of internationalization.

Some notes on terms

- **International entrepreneurial dynamics** (IED) is the proposed name for this new theoretical approach.
- **Path dependency** was used in Article 5 and also occurs in this article. Although it is commonly used in the context of countries, it can also be used in relation to firms (see p.396). The meaning in relation to firms is similar, suggesting that once a company is launched on a particular strategy or is adept at utilizing resources in a certain way, this pattern tends to persist.
- **Disequilibrium orientation** refers to fact that the new entrepreneurial firms find opportunities which shake up the *status quo*.

Chapter link

This article is of relevance to chapters 1, 2, 7 and 12. The OLI paradigm is discussed in Chapter 2, and market entry strategies are discussed in Chapter 7. Born globals are discussed in Chapter 12.

Questions**Part A: Grasping key points**

1. What are the new types of MNEs which the authors discuss, and what are their key characteristics?
2. How does the IED framework explain the creation and development of these new entrepreneurial firms?
3. What are the three organizing principles of the internationalization process highlighted by the authors?

Part B: Building skills in critical thinking

1. In what ways does the IED framework differ from the OLI paradigm, and to what extent is it an improvement?
2. How can the IED theory aid our understanding of internationalization in the new and uncertain environments of today's world?
3. As new firms grow older and become established, will this theory cease to apply to them? What are the implications for MNEs and internationalization theory in general?