Why do western SMEs internationalize through springboarding? Evidence from French manufacturing SMEs

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This study applies both the internationalization and regulatory focus theories to understand what motivates SMEs to implement springboard strategies – i.e. to invest in a country to re-export to third countries. While some academics emphasize the importance of free trade agreements and cost differentials, others highlight the role played by the individual and network dimensions. We conducted 66 in-depth interviews and five days of non-participant observations with five French manufacturing SMEs and ten investment promotion agencies. Our analysis revealed the existence of firm, network and country-related motivations – springboard strategies being mainly firm-driven – as well as common, partially-shared and specific motivations. Public policy to promote and/or attract springboard-oriented foreign direct investment (FDI) should look at developing dedicated support and educational programmes for SMEs, offering better access to promising markets by removing barriers and enforcing transparency and trade agreements.

Keywords: internationalization, locations, small and medium-sized enterprises, SMEs, springboarding

1. Introduction

Springboard strategies can be defined as strategies in which the level of commitment is influenced by the host market's potential to serve as springboard to other countries (Javalgi et al., 2010). Their implementation has strong implications for both SMEs' locational choice and management of foreign operations. Indeed, they do not necessarily select their location based on host markets' classical specificities (size, growth, etc.) but rather on the possibility these markets offer to access a set of neighbouring countries. It constitutes a new, relatively underexplored way of internationalizing (Javalgi et al., 2010). Locational factors aside, understanding SMEs' strategic choices also requires paying particular attention to chief executive

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officers' (CEOs') demographics and attributes (Li and Gammelgaard, 2014) as "the CEO of an SME is invariably the person who has the authority for all major decisions taken" (Mesquita and Lazzarini, 2008: 306).

SMEs' internationalization is a complex phenomenon that cannot be captured adequately through a unique theoretical framework (Jones and Coviello, 2005). Scholars agree on the need to differentiate SMEs from large firms, as "SMEs represent the antithesis of 'predictable, stable environments', with small firm size and relatively low capital costs resulting in low-entry barriers for an industry, low-monopoly power and high turnover rates of firms" (D'Angelo et al., 2013: 83). They are more flexible and dynamic but also more vulnerable than their larger counterparts owing to their liabilities of smallness, newness, foreignness and outsidership (Hollender et al., 2017). Their lack of international experience, resources and competencies, and their specialization and sensitivity to external changes tend to make SMEs highly vulnerable to costly failures abroad. SMEs' internationalization received widespread attention over the last 30 years. The majority of studies conducted tend to focus on non-equity modes of entry because of their flexibility (Lu and Beamish, 2006; D'Angelo et al., 2013). However, an increasing number of SMEs tend to favour equity modes in order to internalize transaction-related risks, protect their assets, get closer to their customers and gain competitiveness (Laufs and Schwens, 2014). In a highly turbulent context, they have to be creative and implement strategies – like springboard strategies – allowing them to be competitive and enter untapped markets. In this context, combining international business and managerial psychology theories is relevant to comprehend what motivates SMEs to implement springboard strategies. More precisely, we use both internationalization and regulatory focus theories to identify the main drivers influencing SMEs' expansion strategies. In this way, the study aims to enrich the literature by applying the concept of springboarding to SME internationalization and highlighting the main drivers leading SMEs to use this approach.

A multiple-case study was conducted with five French manufacturing SMEs from the Auvergne-Rhône-Alpes (AURA) region, all of which are at different stages of implementation of the springboard strategy as labelled by Leonidou and Katiskeas (1996) – i.e. the pre-implementation stage and the initial, transition, advanced-engagement and withdrawal stages. The AURA region is one of the most dynamic industrial and international regions in Europe. The decision to focus on manufacturing SMEs is linked to the size of the investments required to create a subsidiary abroad and their hardly reversible nature. The results show that these strategies can be firm, network or country specific. The implementation of springboard strategies is mainly internally motivated and aimed at reinforcing firms' competitiveness and valuing their expertise globally. The study also noted the existence of common, partially shared and specific motivations. Those motivations evolve over time as networks become increasingly important compared to country-related motivations. The results show that, when considering a new strategy, firms are affected by their managers' international orientation, experience, and personal networks and by the perceived distance. These results have policy implications at both the domestic and international levels. Domestic and host governments need to adapt their support policies in order to integrate springboard strategies in their toolboxes. Developing special economic zones, ensuring local transparency and reinforcing bilateral and/or multilateral trade agreements are of key importance in order to attract foreign SMEs and help them build the networks needed to successfully springboard.

The rest of the article is structured as follows. After presenting the theoretical blocks on which the paper is structured, we explain and justify the methodology used, i.e. a multiple-case study conducted with five manufacturing French SMEs. Then we present the results of the intra- and cross-case analysis before concluding on the implications, policy recommendations and suggestions for further research.

2. Theoretical perspectives on springboard strategies

2.1. Internationalization and springboard strategies

Locational decisions are complex and dynamic strategies that affect the scope, pattern, organization, growth and competitiveness of firms' activities (Dunning, 2009; Schotter and Beamish, 2013). They receive widespread interest in the literature, scholars mainly referring to Dunning's eclectic OLI (ownership, location and internationalization) paradigm and taxonomy (Dunning, 1988, 1993, 2000), Buckley and Casson's (1976) model of MNE internationalization and the Uppsala internationalization model (Johanson and Vahlne, 1977, 2009; Vahlne and Johanson, 2013, 2017). The first two frameworks consider locational decisions as a rational choice and study them using a static perspective: these choices are planned strategies primarily intended to make or protect profits (Buckley et al., 2007). Thus, firms tend to select locations offering privileged access to markets, resources, networks or efficiency outcomes at a given time (Dunning, 1993, 2000; Lei and Chen, 2011).

The Uppsala model considers locational choices as a dynamic and evolutionary process. They are influenced by the notions of psychic distance, experiential learning and risk avoidance. Firms start their internationalization in countries that are in proximity to them before expanding their geographical scope after accumulating experience. They seek to access new markets (Johanson and Vahlne, 1977) or networks (Filatotchev et al., 2007; Johanson and Vahlne, 2009; Vahlne and Johanson, 2013, 2017). However, those frameworks offer only a partial explanation of the locational choice process. First, they are based on the case of large firms and may not be fully valid for SMEs. Second, they do not integrate the individual managerial dimension into the analysis (Schotter and Beamish, 2013). However, understanding locational behaviour is not possible without taking individual characteristics into account (Felin and Foss, 2005) – notably for SMEs – as personal capabilities, experiences, goals and attitudes have a major impact on their strategic choices (Mesquita and Lazzarini, 2008; Li and Gammelgaard, 2014).

With regard to the rising complexity of the environment in which they operate, firms have to use highly sophisticated FDI strategies. The classical econometric models – i.e. horizontal and vertical FDI – are not sufficient to explain current investment trends. Locational decisions are not only based on particular market characteristics but rather on the neighbouring countries' ones (Baltagi et al., 2007; Ito, 2013). This echoes the concept of springboard strategy, conceptualized by Ekholm, Forslid and Markusen (2007), Luo and Tung (2007, 2018) and Javalgi et al., (2010) on the basis of Motta and Norman (1996). Observing the geography of FDI and exchanges between Triad countries (the United States, European Union and Japan), Motta and Norman (1996) argue that the rising number of free trade agreements changed firms' behaviour toward international markets, thereby bringing into question the validity of existing FDI theories. According to them, the creation of barriers to entry to a free trade area induces outsider firms to locate in one of the member countries and to re-export to the rest of the area in order to reduce production, delivery and trade costs. Motta and Norman (1996) highlight the role of free trade agreements and claim that springboard strategies come to palliate firms' liability of foreignness by reducing their trade costs.

However, their approach remains purely economical and relies uniquely on the observation of developed countries. It does not explain the impact of markets' degree of development (i.e. emerging vs. developed) nor the selection of the final location within the specific free trade zone (Ekholm, Forslid and Markusen, 2007). Their research addresses those limitations by developing a three-country model involving both emerging and developing countries. Their findings show that, owing to the co-existence of emerging and developed countries within a particular free trade zone, firms may face different levels of costs, pushing them to reconsider their locational strategies. Investing in a springboard country appears to have three possible outcomes: re-export to the home country, to a third country or both. Fragmentation costs are a key determinant when selecting the strategy. According to Ekholm et al., (2007), firms will re-export to third markets when the country used as springboard presents advantages in terms of production, transport and transaction costs and moderated fragmentation costs. Firms will opt for a mixed strategy (re-export to the domestic and third markets) when the springboard country presents significant advantages in terms of both fixed and variable production, transport and transaction costs, and low fragmentation costs. In line with Motta and Norman (1996), Ekholm et al., (2007) argue that strategies might differ under the influence of free trade agreements owing to the asymmetries of costs they cause (protectionism). Thus, free trade zones create disequilibrium that external companies counter in a two-stage process: they serve the domestic market using facilities located in the home country and enter common areas, and they open facilities in the most advantageous member country (production costs, distance, etc.). Locating in a neighbouring country reduces the transportation and trade costs as well as the distance – both geographical and cultural – to final consumers. Barry (2004) found the same results and claims that springboard strategies are profitable only if they offer cheaper access to skilled workers and if the transportation costs between the country used as springboard and the target markets are low to moderate. Yokota and Tomohara (2009) support those statements and found that the adoption of a springboard strategy is positively correlated with a low level of customs taxes, which contribute to reducing the final production costs. Thus, free trade agreements encourage the use of springboarding strategies by outsider firms as the agreements reduce firms' liability and cost of foreignness.

While the model developed by Ekholm et al., (2007) palliates the limitations identified in Motta and Norman (1996), it does not integrate the managerial nor organizational dimensions in the analysis. Luo and Tung (2007, 2018) and Javalgi et al., (2010) are the first to explain the phenomenon from a managerial perspective. According to them, springboard strategies answer firms' necessary tradeoff between risks and return. Firms can potentially reduce their exposure to international risks by investing in countries that are in cultural (Pla-Barber and Camps, 2012) and geographical proximity. The experience gained in the country used as the springboard turns into a "stepping-stone-entry that initiates further entry into connected markets" (Javalgi et al., 2010: 211), reinforcing firms' capacities to identify and seize opportunities in third emerging markets.

Initially developed in the context of emerging market multinationals, the springboarding perspective sheds light on new kinds of motivations, processes and behaviours of international firms (Luo and Tung, 2018). The core rationale is that firms consider internationalization as a springboard to acquire the critical resources they need to be competitive at the global scale and make the most efficient use of their foreign investment while simultaneously reducing their vulnerability to domestic constraints at home. As mentioned by Luo and Tung (2007, 2018), the uniqueness of springboarding lies in its deliberated nature, these strategies being designed and implemented with a long-term perspective to facilitate firms' growth, optimize the investments already realized, maximize the value of their offer and, in the end, establish more solidly their competitive positions at the global level.

According to Luo and Tung (2007, 2018), firms that springboard mainly originate from emerging economies owing to the institutional specificities of their domestic market. Domestic institutions and market conditions both push them to expand quickly and access the resources needed to accumulate international experience and knowledge. As mentioned by Ricard and Zhao (2018), internationalization speed and absorption capabilities are of crucial importance as they influence firms' overall performance.

The implementation of springboard strategies stems from the combination of push and pull factors at both the micro and macro levels, such as companies' size, market growth expectations and international experience (notably in the springboarding country – i.e. the country in which SMEs decide to establish a subsidiary to re-export to the final target market). Resources, trade agreements and countries' degree of openness are key determinants as they contribute to stabilize the area, facilitate the access to emerging or dynamic markets and reduce the exchange costs and risks perceived. N'Guyen (2011) and Minda and N'Guyen (2012) support these findings and establish a typology of the macro-level factors leading to springboard strategies. According to them, springboard strategies are motivated by six main factors, i.e. (i) markets characteristics, (ii) labour, (iii) political stability, (iv) local FDI policies, (v) infrastructure, and (vi) other external factors. In other words, springboard strategies appear to be relevant in case of institutional stability; market openness, integration and similarity; lower labour costs; low trade costs and technology transfer between the springboard and the target markets (Ekholm et al., 2007; Javalgi et al., 2010; Luo and Tung, 2007, 2018; N'Guyen, 2011). It can help firms overcome the risks linked to the quality of infrastructure, to the protection of intellectual property and realize economies of scale (Yokota and Tomohara, 2009; Minda and N'Guyen, 2012). Combining the Uppsala and springboard perspectives, Ricard and Zhao (2018) concluded that firms' internationalization can result from push and pull factors influencing the speed, the level of commitment and the experiential knowledge.

In spite of their utility, research studies conducted on the topic suffer from several limitations. First, they were mainly conducted at the macro level and paid scant attention to micro and individual variables. Second, little is known about SMEs. Javalgi et al., (2010) observed that, owing to the complexity and the amount of resources needed, springboard strategies would mainly be implemented by large firms. Considering the fact that SMEs are more flexible and innovative than their larger counterparts, this question needs to be addressed. In the same vein, previous studies, owing to their specificities, focused mainly on emerging market multinationals (Luo and Tung, 2007, 2018). Our knowledge remains limited to the motivations driving western SMEs to implement springboard strategies. Third, the temporal dimension is missing from the analysis. Indeed, most of the studies were conducted from a static perspective. However, locational choices do not have to be considered as static and permanent but rather as dynamic by nature, subject to constant examination and adjustment (Kang and Jiang, 2012). They may stem from a rational logic but can also be linked to subjective factors such as managers' preferences and experiences (Schotter and Beamish, 2013; Nowinski and Rialp, 2015). Thus, more attention needs to be paid to understand what might lead western SMEs to implement springboard strategies.

2.2. Regulatory focus theory

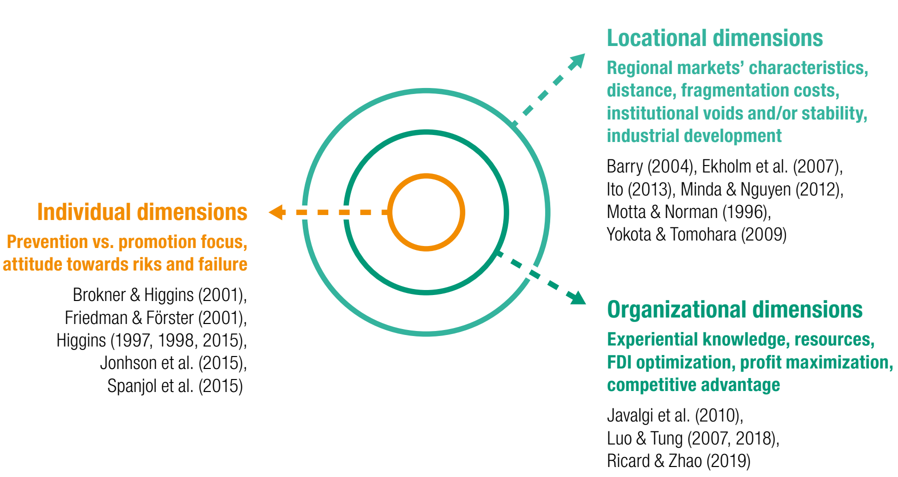
Understanding managers' behaviour amounts to analysing the impact of emotional experiences on their choices. While being a key element, international business (IB) scholars devoted scant attention to the psychological process affecting both the nature and the magnitude of managers' experiences and emotions (Brockner and Higgins, 2001). Regulatory focus theory might help to fill the gap. Regulatory focus is a prominent theory in psycho-sociology to analyse self-regulatory motivation at the individual, collective and organizational levels (Johnson et al., 2015). Individuals' regulatory foci have an impact on the strategic choices they make as well as on their ability to manage change and growth (Spanjol et al., 2015). Thus, introducing regulatory focus theory is relevant in our case as it deepens understanding about the nature of and the role played by psychological factors on SMEs' internationalization paths.

According to Higgins (1997, 1998), individuals can have two attitudes towards the same situation: they can try to maximize their satisfaction (i.e. promotion focused) or avoid losses (i.e. prevention focused). Their regulatory foci will be influenced by the needs they seek to satisfy, the goals they try to achieve and the psychological situations that matter for them (Brockner and Higgins, 2001). Promotion-focused managers will be particularly concerned by satisfying growth and development needs, reaching an ideal and motivated by positive outcomes (i.e. pleasure of the gain). They tend to be more creative (Friedman and Förster, 2001), take the risks needed to reach their objectives (Higgins, 1997, 2015) and, therefore, intensify escalation behaviours (Altintas and Royer, 2009; Brockner, 1992) – i.e. a set of successive decisions to pursue an action despite negative information or returns from markets (regarding SMEs' products/services, strategy, etc.) leading to a failure – as their projects near completion (Barsky and Zyphur, 2016). They follow "eager strategies"[1] and do not see failures as

[1] Eager strategies can be defined as proactive, risk-taking and opportunity-driven attitudes dedicated to seize opportunities despite the risks existing on the market. SMEs implementing these strategies consider failing as an opportunity to learn rather than as a negative result. Vigilant strategies tend to be adopted by risk-averse firms, the objective being to limit as much as possible the exposure to risks by targeting mature economies in order to avoid failure – since failing abroad is perceived as a sign of the firm's inability to meet the market-specific needs.

negative but rather as opportunities for experiential learning. By contrast, prevention-focused managers are driven by security needs, fulfilling duties, obligations and responsibilities, and aim to avoid negative outcomes. In contrast to their promotion-focused counterparts, they have a negative attitude towards failure and avoid risk-taking initiatives by following "vigilant strategies". Whether managers are promotion or prevention-focused is an individual variable (Higgins, 1998) but these motivational states can also be situation induced, i.e. influenced by external events (Brockner and Higgins, 2001). Therefore, environmental shocks can lead promotion-focused managers to adopt a preventive attitude and vice versa. Thus, by mapping regulatory focus theory onto springboard strategies, one should expect that risk-averse managers (prevention-focused) would opt to implement springboard strategies in reaction to the degradation of their market conditions. They might belong to traditional industries and target markets that are in proximity in order to reduce the negative impact of psychic distance. Promotion-focused managers might, by contrast, belong to creative industries and implement springboard strategies proactively. They should be able to take risks, behave opportunistically and target emerging markets in order to reach their growth objectives (Das and Kumar, 2010). In sum, our approach provides an important bridge between understanding how SMEs internationalize and what motivates decision-makers to implement a springboard strategy. Paying attention to SMEs' internationalization shows how existing theories are not sufficient to fully understand decision-makers' strategic choices. A more thorough explanation requires combining IB and psychological theories to get a better understanding of what drives SMEs to implement springboard strategies. Our conceptual framework is summarized in figure 1.

Figure 1. Conceptual framework



3. Methodology

To understand *why* manufacturing SMEs implement springboard strategies, we conducted exploratory qualitative case-study research (Ghauri and Gronhaug, 2005; Yin, 2009). Because of the multidisciplinary nature of our work, we adopted an abductive approach, that switches constantly back and forth between our conceptual and our empirical frameworks. Abduction is a form of reasoning particularly relevant when trying to identify the origins of phenomena or to find explanations for social actions (Catellin, 2004). In this vein, multiple case studies are one of the most appropriate tools for exploring critical, emerging or early phases phenomena (Einsenhardt, 1989; Gibbert, Ruigrok and Wicki, 2008; Yin, 2009) as they provide insights that are hardly producible with quantitative data (Gephart, 2004). They provide rich, detailed descriptions of actions in their real-life contexts, preserving the meanings actors give to these actions (Denzin and Lincoln, 1994). Thus, they reinforce our understanding about human interactions and social process drivers (Gephart, 2004).

3.1. Selection of the empirical context and case-firms

The Auvergne-Rhône-Alpes (AURA) region is the second most dynamic, innovative and internationally open industrial region in France (French Chamber of Commerce, 2018). It is also – with Badden-Würtenberg, Cataluña and Lombardy – one of the Four Motors for Europe, i.e. one of the four strongest European regions in terms of economic as well as research performance (Four Motors, 2020). The AURA region counts nearly 40,000 manufacturing SMEs, among which the majority are internationally active. Focusing on this region helped us to access a great variety of SMEs that are internationally active, thus maximizing the generalizability of our results. For the purpose of our study, we decided to focus on independent manufacturing SMEs (as defined by the European Commission) that have at least one subsidiary abroad. Therefore, we purposely excluded firms larger than 250 employees and/or realizing more than 50 million euros turnover and/or owned by a third company, as they do not match the profile sought. We also excluded service firms and firms having their headquarters based in another region. Focusing on the manufacturing sector allowed us to minimize the impact of industry-specific factors on SME internationalization paths (Wincent et al., 2014; Zaefarian et al., 2016). Finally, we excluded SMEs that rely only on exports. Indeed, the creation of a foreign subsidiary is a complex process, notably for SMEs that are restrained by limited resources and competencies. As export and small multinational firms do not face the same issues, notably in terms of exposure to risk, distance management or even headquarter-subsidiary relationships (Vachani, 2005), we decided to exclude export SMEs from the scope of the study.

The selection of our case firms relied on a three-step process. First, we looked for the regional SMEs corresponding to our criteria. We identified 128 SMEs using financial databases (DIANE, Datastream and Factiva). Then, we conducted an exploratory study with 18 owner-managers and ten investment promotion agencies through open interviews. This second step led us to get a first understanding of what drives SMEs to implement springboard strategies, to test and refine our interview guide and to identify case firms. The empirical study was conducted with five manufacturing SMEs: Company A, Emball'iso, SLAT, Mixel Agitators and Hydrola. Each firm was selected on the basis of its springboard experience – from pre-engagement to withdrawal. The classification used is informed by Leonidou and Katiskeas (1996). Table 1 presents the main characteristics of our final sample. Our sampling strategy is in line with Eisenhardt's (1989) indications, i.e. that cross-case analysis involving four to ten case studies may be sufficient for analytical generalization.

Table 1. Main characteristics of the case firms

	Company A	SLAT	Emball'iso	Mixel Agitators	Hydrola
Stages	Pre-engagement	Initial	Transition	Advanced	Withdrawal
Date set up	2000	1953	1990	1969	1978
Type of company	Family-owned SME	Management-led SME	Family-owned SME	Family-owned SME	Management-led SME
Total sales (2019) € million	48.2	17.7	20	10	1.7
Total workforce (2019)	248	70	130	69	30
International intensity (foreign sales as % total sales)	68	26.1	70	67	47.6
First internationalization	2004 Direct exports to Spain	Late 1970s Indirect exports to Latin America	1995 Direct exports to England	1990 Direct exports to Belgium, Switzerland and Morocco	2005 Direct exports to Tunisia and Morocco
Number of foreign markets (2019)	±50	±30	20	±30	±60
First overseas expansion	2010 Acquisition of an Italian company	2011 Greenfield investment (sales subsidiary) in Germany	2000 Acquisition of a supplier in Germany	2005 Greenfield investment (production subsidiary) in China	2008 Greenfield Investment (sales subsidiary) in Mexico

3.2. Data collection and analysis

Our primary data were collected with CEOs, managers and promotion agencies. During the third step, we conducted 40 in-depth interviews with CEOs, export managers, subsidiary managers, research and development managers and other employees of these five SMEs. In parallel, we conducted 20 interviews with investment promotion agencies that accompanied the SMEs in their internationalization process. The interviews lasted between 45 minutes and four-and-a-half hours. We completed the primary data collection through five days of participatory observation in the case firms. To triangulate and enrich the primary data, extensive secondary data were used, including field notes, companies' websites, specialized newspaper articles and archives. Interviews were designed to get a better understanding about the context leading SMEs to implement a springboard approach over any other form of internationalization strategy. We used a pre-tested guide derived from our literature review and validated during the exploratory phase. This enhanced the reliability of our research by ensuring that the information collected were the same for each case firm (Miles and Huberman, 1994; Yin, 2009; Zaefarian et al., 2016). In terms of the contextuality of our research, four blocks of questions were submitted to the respondents. After a set of general questions related to the identity of the firm, we asked CEOs and managers (i) to talk about their career within the company, (ii) to trace back the SME's international development mentioning the most critical events, (iii) to explain where, why and how they implemented their springboard strategy and, finally, (iv) what were the main results and perspective over a three-year horizon. Promotion agencies were also asked questions about their current offer of ancillary services, notably their perception about the efficiency of those offers and the adaptations needed to meet SMEs' needs. Participants received – 48 hours after the initial meeting – a summary of their interview to verify their responses and, where appropriate, to clarify or rectify elements that could create confusion. Wherever possible, interviews were audio-taped and transcribed. In addition to the interviews, we conducted six days of participatory observation and data collection with the firms surveyed. Observations offer privileged access to respondents in their real-life context and allow scholars to familiarize themselves with the firms studied. This method is particularly relevant to analyse strategic topics as it allows researchers to access quickly and effectively elements not readily available to outsiders. By observing actors in their environment, we were able to identify the prevailing power games and/or internal tensions, hidden issues linked to the implementation of springboard strategies. The data collection process is derived from Schouten and McAlexander's (1995) ethnological work. As recording interlocutors might inhibit openness, we jotted down brief notes and tried to flesh them out as quickly as possible. We recorded our impressions at the end of each day in order to obtain a complete and detailed set of fieldnotes.

The primary and secondary data collected were analysed on a two-step basis. First, a case story was written of each case. We used a chronological matrix to highlight the most critical events and identify the stages of internationalization (Miles and Huberman, 1994). Second, we proceeded to a content analysis using the qualitative data analysis software NVivo.

4. Presentation of the empirical study

Company A

Company A is a family SME created in 2000 and specialized in the development of solutions dedicated to equipping and protecting ski resorts against avalanches. The company generated global sales revenue of 48.2 million euros (68 per cent abroad) and employed 248 persons in 2019. It started its first international operations in Spain through direct exports in 2004, after the arrival of a new CEO, and rapidly expanded to European and American markets. In 2013, the company sold its products in more than 50 countries through various distributors. This rapid expansion was the result of two elements, i.e. (i) the exploitation of the managers' personal networks and (ii) a patent that gave the SME a competitive advantage at the global level. To satisfy its growth objectives, Company A worked with two venture capitalists and used partial and full acquisitions as well as greenfield investments to establish eight production and sales subsidiaries abroad. The weak financial results registered in 2012 and the pressure of shareholders forced Company A to reorganize its activities, reduce the number of foreign distributors and restructure its subsidiaries in 2013. Company A is in a pre-engagement phase, i.e. considering the possibility and relevance of using a springboard strategy to enter the Argentinian, Chilean and Canadian markets via its American subsidiary.

SLAT

Founded in 1953, SLAT is a management-led SME – i.e. owned, today, by two shareholders (the CEO and the chief administrative officer (CAO)) and a venture capital firm. It designs, manufactures and sells secure power supply solutions. It operates in a highly normative field, thus its degree and path of internationalization is limited by the scope of recognition of the certifications it holds. The company generated global sales revenue of 17.7 million euros (26.1 per cent abroad) and employed 70 people in 2019. Its products are sold in more than 30 countries, primarily in Europe. The company started its international expansion through indirect exports (via its clients) in the late 1970s to Latin American, African, Asian and European markets. In 1999, SLAT decided to enter the Chinese market in order to benefit from the important growth of this industry in China and counter difficulties faced in France owing to a crisis in the telecom sector. This first attempt of proactive expansion was a failure owing to the underestimation of the different dimensions of distance between the French and the Chinese markets. Because of this failure, the SME ceased international operations to focus exclusively on the domestic market and adopted a reactive attitude towards foreign markets. First sold to a German telecom group and then to an American pension fund, the company was acquired by the American multinational 3M. A new CEO took charge of the company in 2004, who was an engineer and former French branch manager of 3M with international experience. He restructured the company, reoriented its business activities and invested in foreign operations. At that point, SLAT adopted a proactive attitude and accelerated its expansion by developing export activities and increasing its commitment to foreign markets. The SME was privatized again in 2009 through a leveraged buyout by the CEO and the CAO. The first sales subsidiary was created in 2011 in Germany, a market characterized by stringent technical norms and a strong industrial reputation. The SME aimed to gain a strong position in Germany but also, eventually, to access central and western European countries. The first step was successful owing to the privileged business relations established with the German multinational Bosch and the local certifications obtained – namely TÜV (Technischer Überwachungsverein) and VDS (Verband der Schadenversicherer). As the sales subsidiary was financially viable, SLAT engaged in the first steps to expand into neighbouring countries – notably Austria, Switzerland and Poland – via its German subsidiary at the end of 2013. SLAT is in initial engagement phase, i.e. implementing the very first steps of its springboard strategy (first exports to third countries).

Emball'iso

Emball'iso is a family-owned company created in 1990 and specialized in the conception, production and commercialization of plastic packaging, mainly for the pharmaceutical sector. In 2015, its total sales were 20 million euros (80 per cent abroad – from 20 countries) and it employed 70 people. Emball'iso began its international operations in 1994 through indirect exports in the United Kingdom and Asia, addressing orders from its French customers operating locally. Since 2000, the SME has adopted a more proactive attitude towards international markets by seizing the opportunity to acquire a German (2000) and an English (2004) supplier facing financial difficulties, to establish its first production subsidiaries abroad. This action sought to reduce the risk of dependency on a unique supplier of raw material. In 2005, Emball'iso tried to diversify its activity by purchasing a German production facility operating in the agro-food industry but this initiative failed because of a lack of market-specific knowledge. This last experience provided knowledge and convinced Emball'iso to change strategy and opt for greenfield subsidiaries. Emball'iso created its first subsidiaries in Shanghai and Singapore in 2008 and 2009, respectively, to enter Asian markets. The Chinese subsidiary was set up with the aim to reduce production costs and develop the Chinese market. The Singapore facility (a 50-50 joint venture) was set up to get closer to customers, anticipate major public investments in the biotech sector and access the Japanese and Korean markets. Emball'iso in a transition phase: the SME already has some experience but is still going through adjustments (changing the entry strategy, ownership structure, etc.) in order to make the most efficient use of its springboard strategy.

Mixel Agitators

Mixel Agitators is a family-owned company that develops, produces and sells industrial agitators. The company generated global sales revenue of 10 million euros (67 per cent coming from 30 countries) and employed 69 persons in 2019. It is the most advanced firm of our sample in terms of the implementation of the springboard strategy as it already has several years of experience – and thus experiential knowledge. Mixel Agitators started its internationalization through direct exports in 1991 after the arrival of a new, internationally-oriented CEO. He exploited client networks to export to Morocco, Belgium and Switzerland and explore, at the same time, Asian markets for opportunities. In 1995, Mixel Agitators tried to take over a sales office based in Hong Kong with three other SMEs but failed, mainly because of problems linked to the management of local staff and to the underestimation of the costs associated with the operation. After an eight-year period of reorganization, the company re-adopted a proactive attitude towards Asian markets and signed its first contracts in China with two multinational firm members of the SME's network. Increasing numbers of orders and a need to be closer to clients in Asian markets prompted the company to create a greenfield production subsidiary in Beijing in 2004, and to recruit an experienced subsidiary manager to foster its development and increase its control locally. By opening a facility in China, Mixel Agitators sought to more efficiently serve neighbouring countries, notably Thailand, the Republic of Korea, Japan and Vietnam. Mixel Agitator is in an advanced phase of internationalization: the SME accumulated a lot of springboard experience, allowing it to implement the same approach in other countries.

Hydrola

Hydrola is a management-led SME (the current CEO acquired the company from the founder in the late 1990s) that develops, produces and sells hydraulic, mechanical and pneumatic components for various industries. The company generated global sales revenue of 1.7 million euros (43.2 per cent abroad) and employed 30 persons in 2019. Hydrola started its international operation through indirect exports in

2005 in Morocco and Tunisia after the arrival of a new CEO and the creation of a website in several languages. In 2008, Hydrola used an internal opportunity to create its first sales subsidiary in Mexico, convinced by the market's promising growth perspectives. The significant distance between France and Mexico, and the lack of experience and market-specific knowledge forced Hydrola to stop the operations, restructure the subsidiary and change the management team. In parallel, the company decided to create two subsidiaries in Tunisia and Senegal. This operation can be explained by the experience previously gained locally, historical links between France and the latter two countries and the growth potential offered by the neighbouring African and Middle Eastern countries. However, the Arab Spring events and local instability forced the SME to divest and withdraw from the region.

5. Results and discussion

The objective of our research is to identify the main motivations leading SMEs to internationalize through springboard strategies. Our multiple-case study reveals the existence of common, partially-shared and unique motivations that are enterprise, network and/or country-driven.

5.1. Motivations that are commonly shared

Our content analysis highlighted the existence of eight motivations that are commonly shared by our case firms – regardless of their commitment to the implementation process. Those common motivations are mainly enterprise-driven. Indeed, the decision to implement a springboard strategy appeared to be mainly owing to managers' anticipations, competencies and/or international orientation. This decision can be assimilated in an entrepreneurial process as it results from the desire to seize opportunities previously created, identified, or network-originated while limiting the exposure to local risks. The five SMEs of our sample all explained their decision, first, by the need to accelerate their expansion and increase their overall volume of activity. The growing need for diversification and reinforcement of bargaining power is mainly related to the saturation of Western markets and the desire to ensure the company's sustainability. Those results show the key role of entrepreneurial, strategic (Vahlne and Johanson, 2013, 2017) and individual dimensions in SMEs' internationalization paths. The use of springboard strategies is also driven by the characteristics of the products sold abroad. Company A, Mixel Agitators and Hydrola sell few differentiated, heavy or voluminous products. Their competitiveness is particularly affected by the geographical distance between the home and the target markets. They rely on springboard strategies in order to reduce the total transportation delays and costs and are, thus, concerned with infrastructural quality, development and accessibility in the countries to be used as springboards and the target markets. Those results confirm the findings of Li and Park (2006), Filatotchev et al., (2007) and Minda and Nguyen (2012) about the role of infrastructure in SMEs' internationalization paths. Emball'iso and SLAT offer technical and differentiated products. Each company tries to reduce the negative impact of distance, ensuring compliance with technical standards and adding value to its offer by means of the certifications it holds. In their cases, the decision to implement a springboard strategy can be explained by the desire to benefit from the cultural, economic, geographical, historical and linguistic proximity existing between the home, the country used as springboard and the target markets to better exploit a competitive advantage. Those results show the validity and importance of distance in the internationalization process (Johanson and Vahlne, 1977, 2009) – in relation to both the decision to implement a springboard strategy and the locational choice. Serving foreign markets through a springboard strategy is a reassuring option for SMEs as it acts as a steppingstone to third, more distant, countries (Javalgi et al., 2010). The decision to use a springboard strategy also appeared to be commonly motivated by the experience previously acquired by the SMEs, their members and/or their networks in the country the company wants to use as springboard. Indeed, the five case firms had longer and stronger experience in these countries than in the target markets. The local operations enabled them to build relations with different actors and join strategic local networks. By re-exporting through their subsidiaries set up to facilitate springboarding, SMEs seek to consolidate and expand their network in the earmarked springboard country as well as obtain access to new networks in the target markets via their current partners. Those elements attest to the key role of networks and experience (Filatotchev et al., 2007; Johanson and Valhne, 2009; Lei and Chen, 2011; Vahlne and Johanson, 2013, 2017) as they both appeared to act as triggers in the decision to implement a springboard strategy. The motivations commonly shared are presented in table 2.

Table 2. Motivations commonly shared

	Company A	SLAT	Emball'iso	Mixel Agitators	Hydrola
Level of commitment	Pre-engagement	Initial	Transition	Advanced	Withdrawal
Firm	Accelerate the international expansion Increase the volume of activity globally Product sophistication Market-specific knowledge and experience				
Network	Local partners/clients Relations with clients				

5.2. Motivations that are partially shared

Our content analysis shows the existence of motivations that are partially shared by SMEs. The motivations appeared to differ according to (i) subsidiaries' activities, (ii) firms' degree of internationalization, (iii) SMEs' experience in the target market and, finally, (iv) the location of the subsidiary set up to springboard and the firm's level of commitment to the springboard strategy. First, the motivations differ between SMEs based on whether they had created commercial or production facilities. In the first case (SLAT and Hydrola – commercial enterprises), they want to increase their market-specific knowledge and internationalize their organizational culture. In the second case (Company A, Emball'iso and Mixel Agitators – productive SMEs), they essentially want to gain efficiency (Dunning, 1993, 2000), to diversify their activities and increase their flexibility. While the availability and the cost of raw materials are of key importance, the three SMEs appeared to be less concerned about local labour costs. In line with Huett et al., (2014), we found that productive SMEs (Company A, Emball'iso and Mixel Agitators) attach greater value to the competencies than the costs of the local workforce when selecting their location. However, the results show that these SMEs do not necessarily favour mature countries as the reforms engaged in by emerging countries over the last decades – catch-up strategies, integration into the world economy, etc. – stabilized them and reinforced their attractiveness. In other words, SMEs creating commercial subsidiaries (here SLAT and Hydrola) appear to be essentially motivated by an attempt to reinforce their strategic assets while productive SMEs (here Company A, Emball'iso and Mixel Agitators) are more concerned with efficiency.

Second, we also found differences in firms' degree of internationalization (see Table 1). Traditional SMEs – i.e. aged and mainly focused on the home market (SLAT, Hydrola) – are mainly concerned with protecting their competitive position in the domestic market. They seek to counter increasing competition and to access new business opportunities by exploiting their client networks. In this case, springboard strategies constitute a response to external pressures and the evolution of the competitive environment. Highly internationalized firms – i.e. realizing most of their turnover in a wide range of countries (Company A and Mixel Agitators) – intend to diversify risks, bypass entry barriers and benefit from agreements existing between the countries used as springboards and target markets. Those results confirm the key role played by free trade agreements (Ekholm et al., 2007; Yokota and Tomohara, 2009; Javalgi et al., 2010) and the interest to include the strategic dimension into the analysis to better understand the implementation process of springboard strategies. Finally, multi-country firms – i.e. firms realizing most of their turnover in a limited number of countries (Emball'iso) – are particularly concerned with the need to minimize their exposure to local risks. The springboard strategy acts, in this case, as an alternative solution enabling the company to maximize the value of its offer in a given geographical area while minimizing uncertainty linked to each target market. This is particularly true concerning emerging and/or unstable markets (Luo and Tung, 2007, 2018).

Our results show that – when springboard strategies are considered – highly internationalized SMEs can, at a given time, and accounting for experiential knowledge previously acquired, be more concerned with reducing uncertainty than maximizing profits. Thus, including the experiential and temporal dimensions as well as managerial attitude towards risks and uncertainty would be useful to understand the initiating conditions or factors surrounding springboard strategies. Third, the implementation of springboard strategies is partially linked to SMEs' previous unsuccessful experiences and/or difficulties in the target markets. Indeed, two of the case firms (Mixel Agitators and Hydrola) explained their choice by the need to maintain their access to promising or key markets despite past failures. They opted for a springboard strategy in order to diversify the operational and financial risks faced, and anticipated the potential opportunities offered by future stabilization and/or openness of the target markets. In this case, past difficulties and failures are sources of learning, attesting to the role of individual and organizational learning in firms' internationalization process (Johanson and Vahlne, 1977, 2009; Filatotchev et al., 2007; Javalgi et al., 2010; Ricard and Zhao, 2018; Vahlne and Johanson, 2013, 2017).

Finally, the motivations differed according to the location and the level of commitment to the springboard strategy. In initial stages, firms are more interested in locating a subsidiary in developed countries that are in proximity – those countries being perceived as less risky (Krauss et al., 2015) – to serve both mature and emerging markets. They are mainly motivated by the reinforcement of their product portfolio (innovation and adaptation) and securing access to dynamic but intensely competitive markets. They intend to benefit from the industrial reputation of the country used as a springboard to rapidly gain a competitive advantage in the target markets. Thus, they favour markets in proximity in order to reduce the negative impact of distance, risk and lack of experience. Conversely, the most advanced SMEs (Emball'iso, Mixel and Hydrola) tend to locate in emerging markets to serve both emerging and mature countries. They seek to access dynamic markets, increase their flexibility and reactiveness, reinforce their bargaining power and seize new business opportunities. Thus, distance and market characteristics are important dimensions. SMEs begin the implementation process in target countries close to them to reduce risks (Johanson and Vahlne, 1977, 2009) while more advanced firms are more interested in accessing new and distant markets to benefit from their dynamism.

Two observations can be made about target markets' characteristics. On the one hand, SMEs targeting mature countries appear to be particularly concerned about customers' technical knowledge, purchasing power (Jain, 2011) and value offering

(Kraus et al., 2015) as well as about the needs to protect their intellectual property, to follow their clients and to secure international operations. Local institutional stability (Svetličič et al., 2007; Meyer et al., 2009; Vahlne and Johanson, 2013) and risk mitigation are two key drivers – notably for specialized firms – for springboard strategies. Contrary to Svetličič et al., (2007) and Jain (2011), we found that SMEs offering high value added products do not hesitate to target emerging markets because of the availability of financial resources and adequate technologies on offer owing to reforms (Emball'iso, Mixel Agitatators, Hydrola). On the other hand, market size appears to have a different importance when it comes to firms' level of commitment to the springboard strategy. Market size is not a key determinant as both markets used as springboards and target markets range from small to large (cf. table 1). Thus, the role of market size needs to be appreciated in relative terms, comparative to the countries that surround the springboard country, when it comes to firms' strategy, attitude towards risks and strategic assets. Locational choice is an evolutionary and individual process, so springboard and target markets' attractiveness might be differently perceived by firms and change across time.

5.3. Specific motivations

Finally, we identified several motivations specific to each stage. Company A, in the pre-engagement stage, sought to access subventions offered by the country used as a springboard. While these motivations do not constitute a key determinant per se, financial incentives still have a strong influence on the final choice of location (Blomström et al., 2004) – notably in the case of springboard strategies. These elements confirm Luo and Tung's (2007, 2018) and Ricard and Zhao's (2018) analyses regarding the impact of resources on the decision process when it comes to springboarding. In the initial engagement stage, SLAT relied on prospective clients' appetite for German products to enter Central and Eastern European markets. The SME used the technical norms and certifications held in Germany to maximize the value of its offer in the region (Javalgi et al., 2010). Emball'iso expressly claimed to be motivated by the need to reduce its exposure to local risks – notably in terms of production quality and intellectual property protection. The location and the entry mode selected both reflect this fear. Indeed, by creating a joint venture with a local partner in Singapore, Emball'iso sought to benefit from the country's stability to access third markets that are institutionally weaker. In this case, institutional stability acts as a key determinant and attests to the growing importance of institutions both for locational choice and the implementation of springboard strategies. Mixel Agitators, the most advanced company, was mainly motivated by the need to secure its access to financial resources. The objective was to diversify the subsidiary's sources of revenue to palliate the liquidity crisis in the Chinese financial market. Thus, financial institutions had a major impact on Mixel Agitators' strategy

(Dunning and Lundan, 2008). Finally, Hydrola wished to take an upstream position in emerging markets with high growth potential but also in unstable countries. The decision to use a springboard strategy was linked to the CEO's anticipation that the target markets would stabilize. Serving unstable markets by using another country as springboard allows the firm to maintain its position locally and, when the time comes, to benefit from first mover advantage in the target market. The strategic and individual dimensions (notably the CEO's expectations) were the main factors influencing the firm's internationalization path (Vahlne and Johanson, 2013).

Our multiple-case study shows the existence of several motivations that are commonly or partially shared as well as motivations specific to each stage. Among the three levels of analysis we identified (i.e. firm, network and country), springboard strategies seem to be mainly motivated by internal factors (i.e. firm-specific motivations). It is essentially a proactive decision aimed at accelerating SMEs' international expansion by taking advantage of free trade agreements (Motta and Norman, 1996; Ekholm et al., 2007), diversifying their exposure to local risks or making use of networks that are either their own or their clients' (Li and Chen, 2011). Thus, the decision is closely linked to managers' international orientation (Mesquita and Lazzarini, 2008; Li and Gammelgaard, 2014), strategy, experience and attitude towards risks. Our results show that the most experienced companies tend to locate in emerging countries while less experienced ones show a preference for mature countries. In other words, distance and experience have an influence on the decision process.

On the psychological side, our results attest to the critical role of managers' emotions and focus on the decision process. Promotion-focused managers (Emball'iso, Mixel Agitators, Hydrola), use springboard strategies in order to reach their business ideal, to be proactive on emerging or untapped markets and to be competitive at the global level. They tend to invest in emerging markets essentially to re-export to other emerging markets. Conversely, prevention-focused managers (Company A, SLAT) appear to consider springboard strategies as vigilant approaches, ensuring access to the target market while limiting the risks of losses by investing in a country that is geographically or culturally close to them (Pla-Barber and Camps, 2012). Our results also confirm the impact of contextual factors on managers' regulatory foci. Interestingly, our case study shows that under particular circumstances, promotion-focused managers may also use springboard strategies preventively (SLAT, Hydrola) after a failure, to limit their exposure to local risks. Combining IB and psychological theories allowed us to identify the main motivations leading SMEs to implement springboard strategies at individual, organizational, network and country levels.

6. Conclusion and policy implications

This paper explores the motivations of manufacturing SMEs to implement springboard strategies. Specifically, we identified three levels of analysis, with a predominant focus on internal motivations. We combined internationalization and regulatory focus theory to get a deeper understanding of the impact of managers' psychological attitude towards SME internationalization paths. Furthermore, we identified common, partially shared and specific motivations. First, the increased pace of activity, the valuation of SMEs' expertise and the reinforcement of networks and global competitiveness appeared to be common factors motivating SMEs to use springboard strategies. We identified divergences at four levels. Second, motivations appear to differ according to the type of subsidiary created, firms' degree of internationalization, the difficulties or failures previously faced and, finally, the location of the country used as springboard or target markets and the level of commitment to the springboard strategy. Third, we highlighted several motivations – specific to each stage – underlining the rising importance of local institutional networks.

Our findings offer several contributions to our understanding of SMEs' locational and internationalization strategies. Drawing on literature on locational choice (Buckley and Casson, 1976; Johanson and Vahlne, 1977, 2009; Dunning, 1993, 2000; Dunning and Lundan, 2008) and internationalization process (Johanson and Vahlne, 1977, 2009), we introduce the concept of springboard strategies and the necessary distinction between countries used as springboards and target locations. We offer an alternative way to evaluate foreign locations' relative attractiveness. Our study shows that locations have to be considered in dynamic and relative terms (i.e. submitted to changes and comparisons across time) as firms may select their locations based on the opportunities they offer to access a whole region. Springboard strategies help SMEs palliate their liability of foreignness and outsidership (Johanson and Vahlne, 2009; Vahlne and Johanson, 2017) by allowing them to get closer to their targets, countering protectionism by benefiting from free trade agreements (Motta and Norman, 1996; Ekholm et al., 2007; Tomohara and Yokota, 2009), and entering new networks. Thus, it confirms previous findings regarding the importance of networks (Filatotchev et al., 2007; Johanson and Vahlne, 2009; Lei and Chen, 2011; Vahlne and Johanson, 2013) and strategic choices (Vahlne and Johanson, 2017) when firms internationalize. Internal and external networks offer privileged access to resources and raise firms' awareness about opportunities existing in the target region. Networks' contributions need to be evaluated beyond the traditional boundaries considered in the literature.

Applying regulatory focus theory (Higgins, 1997, 1998, 2015; Brockner and Higgins, 2001; Friedman and Förster, 2001; Spanjol et al., 2015) to SMEs' internationalization allowed us to get a deeper understanding of firms' motivations.

Depending on managers' regulatory foci, springboard strategies are either considered as eager strategies aimed at accessing new markets and increasing the firm's global competitiveness or as vigilant options aimed at limiting risks. Thus, paying attention to managers' regulatory focus offers a new angle of analysis to explain the strategic choices made in terms of internationalization.

The theoretical findings of our work have consequences for policymakers and for future research on SMEs' internationalization. First, they show the importance of designing new promotional tools integrating the specificities of springboard strategies. Extant research showed the idiosyncratic nature of SMEs and their need for special attention owing to the obstacles they face. In relation to springboard strategies, more attention needs to be paid to SMEs' specificities and uniqueness. Since these approaches are mainly driven by internal and network factors, efforts should be made at the domestic level by investment promotion agencies and governments to provide tailor-made support solutions, i.e. solutions taking into account SMEs' internal resources, past (international) experiences, and networks among other considerations. Governments can either adapt existing investment incentives and policies to the specificities of SMEs and/or springboard strategies, or create new tools to provide administrative or financial aid to re-export from the country used as springboard, and create networking programmes, among others. Furthermore, our results show that springboard strategies could be considered as part of an entrepreneurial process because it results from the desire to seize opportunities previously created or identified, or that are network-originated, while limiting the exposure to local risks. With this in mind, we believe that including springboard approaches to entrepreneurship policies could be useful, as it would give governments and support agencies the means to better help SMEs exploit their competitive advantage abroad and to maximize profits. To do so, cognizant of the complex nature of springboard strategies, it is important to formulate a regional entrepreneurship strategy (such as the EU 2020 Entrepreneurship Action Plan) to help domestic companies expand abroad and to attract foreign investors. Since managers and founders play a key role in SMEs' expansion, specific attention is warranted for training and preparedness in order to raise firms' awareness, networking and administrative capabilities. These recommendations are in line with the objectives set by the EU 2020 Entrepreneurship Action Plan to develop entrepreneurs' education, remove barriers and reignite the culture of entrepreneurship in Europe. They go deeper by extending these recommendations to other contexts and including options to springboard in the array of expansion strategies available for entrepreneurs today.

Several critical points could be addressed by the governments of countries where companies may opt to springboard. Integrated policy frameworks could be developed and implemented in order to ensure transparency and clarity for foreign businesses and investors, notably for SMEs investing in emerging countries.

This is of key importance because of the complex nature of springboard strategies. Indeed, SMEs implementing these strategies have to juggle at least three different administrative and legal frameworks. Thus, the more complex the legal framework, the harder it is for SMEs to operate compared to large MNCs. Simplifying local legislation, improving institutions, reinforcing trade agreements, ensuring IP rights and enforcing non-discrimination measures would send positive signals and attract foreign firms. Over and above transparency efforts, governments and investment promotion agencies have a role to play by including springboard strategies in their inward FDI strategies. By strengthening their institutional networks and developing transnational programmes, promotion agencies can help SMEs collect information, network and implement the first steps linked to springboard strategies.

Our theoretical and empirical analyses show that, when selecting their location to use as springboard, SMEs are often interested in the proximity of large markets and/or the opportunity to access a regional market (such as the EU, for example). Thus, they tend to favour locations that offer privileged access to these markets or confer advantages offered by some specialized structures such as special economic zones (SEZ). When well managed, SEZs have proven to be an interesting tool to attract foreign companies and ensure the transfer of resources and competencies locally, thereby supporting local economic development (Frick and Rodríguez-Pose, 2019). By factoring springboarding into SEZ planning, local governments could reinforce their countries' attractiveness by promoting their proximity to other markets and facilitating the exchange between countries. These measures would not only increase the economic stability of a given region but also promote linkages between foreign and local companies, facilitating the transfer of competencies and technologies and helping developing and emerging economies move up the value chain. SMEs have a key role to play here since they are often considered as the main drivers for economic development, innovation and employment in today's economy. Thus, facilitating the implementation of springboard strategies for SMEs (local as well as foreign ones) could generate positive outcomes for countries at the local and regional levels.

This research is not without flaws. Our sample of five manufacturing SMEs from the French Rhône-Alpes region, deserves to be extended and diversified in order to strengthen the validity of our findings. Including services firms and extending the scope to other regions and countries would broaden the scope to consider industrial and technology-specific factors. This could facilitate understanding about the role played by assets specificity (high vs. low added value) and see to what extent our results are valid in other countries. This might lead academics to identify industries in which springboard strategies are more likely to be undertaken. A great diversity of countries used as springboards and target markets were observed. This deserves further research.

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