The internationalization of Spanish SMEs from the theory of dynamic capabilities. A new management structure proposal that relates the creation of competitive advantage with the key factors that drive the process

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Abstract
The literature on strategic direction affects the study of the characteristics that define the position of the organizations in the market. In 1997, Teece, Pisano and Shuen established the Theory of Dynamic Capabilities introducing a remarkable nuance: the immediacy of response is required depending on the sector in which the company operates. This document lists the resources of SMEs with the major components of the Theory of Dynamic Capabilities and proposes a practical management structure for success at the end of the internationalization process.

Keywords: Dynamic Capabilities, SME’s, Internationalization, Competitive Advantage.

JEL codes: C33, L23, L63, O32.

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1. Introduction

In general, the literature on business organization collects and summarizes the different economic theories that define the elements that determine the strategies undertaken by companies. From the field of strategic management the fundamental question is how these companies achieve and make sustainable their competitive advantages, understood those as a source of survival and future development. These defining elements become even more specific if we refer to multinational enterprises (MNEs) and/or small and medium enterprises (SMEs). Since its initial conception, there is a clear institutional, organizational and functional division according to the number of employees or turnover. But beyond this division, it is necessary to identify those attributes that are inherent to the SMEs own business concept and help them to achieve the aforementioned survival and development.

Teece, Pisano and Shuen (1997) define those paradigms that have been a relevant source of creating and achieving competitive advantage in recent decades and therefore are recognized as dominant models in the field of strategic management. They define that the dominant paradigm in the field of strategic management during the 1980s was based on the work of the competitive strengths developed by Porter (1980). A second approach, known as strategic conflict approach (Shapiro, 1989), is closely related to the first stream but specifically based on market imperfections, strategies of deterrence against possible new entries of competitors and strategic interaction in the environment.

A third approach emphasizes the construction of competitive advantage by capturing the corporate incomes derived from the distinctive advantages of the companies due to the distinct levels of efficiency based on the accumulation of unique, sustainable, non-imitable or reproducible assets. Some of this literature, stated as the “resource-based view perspective”, focuses on specific capabilities of the company and the existence of mechanisms such as the isolation of determinant assets that are critical for the firm performance (Penrose, 1959; Rumelt, 1984; Teece, 1984; Wernerfelt, 1984).

Finally, the theory born under the initial research of Teece (1984), Teece and Pisano (1994) and completed in 1997 with the addition of Amy Shuen evolves one step further and gives a new dimension to the concept of achieving competitive advantage by introducing the paradigm of “dynamic capabilities”. The authors refer to the source of competitive advantage as “dynamic capabilities” to highlight two key aspects that were not the main focus on the prospects of the above strategies. On one hand, the term “dynamic” refers to the changing nature of the environment. Certain strategic responses are required when time-to-market and time required for this is critical, the pace of innovation is accelerating, and the nature of future competition and markets is difficult to determine. On the other, the term “capabilities” emphasizes the key role of strategic management in the form of the appropriate adaptation, integration and reconfiguration of internal and external organizational skills and the refocusing of resources and functional responsibilities to adapt to the environment in which they compete.
We have found useful to relate the process of internationalization of SMEs under the theory of dynamic capabilities for the equivalence of positions and the common denominator for the specific resources that small and medium enterprises have. Moreover, this relationship could act as a lever of interaction between the necessary academic support as a source of rigor and the business world for the real professional management in the internationalization of SMEs.

Therefore, in the first part of this paper we will differentiate the attributes that make specific the resources of the SME from its initial conception as a corporate organization in front of internationalization strategies. Secondly we will explain what it would be as a result of those, the conceptual similarities between the resources inherent in the export process of SMEs and those that are identified by Teece et al. (1997) in the theory of dynamic capabilities. Next, a third party where a proposed capacity management structure according to the particular idiosyncrasies of SMEs is established. Finally, the work would end with a chapter of conclusions and recommendations for practical application.

2. The SME competitiveness in the internationalization process. Differentiation of specific resources

Some authors like Dyer, Kale and Singh (2004), He (2009), Schwab and Porter (2009) explain why, beyond sales increasing, companies develop international strategies due to specific economic contingent situations. For example, the geostrategic situation of the chosen country, the acquisition of technology or the existence of special legislation more conducive to business development can be strong reasons too.

While SMEs have a more immediate guidance, based on the results and return on the short term, with a search of the rapid amortization of investment plans at 2 or 3 years, larger MNEs seek more sustainable stability situations, strategic and thus long-haul where sales increasing also include both financial and corporate objectives (Rubio and Aragon, 2006).

Also, it is very important the strategic consideration of time and cost-opportunity concepts to consider when the investment should be amortized. These values, together with the analysis of the environment will form one of the determining factors for the internationalization process for SME in the best possible way.

2.1. The SMEs and MNEs internationalization process. Type of resources

The characteristics to achieve high levels of competitiveness are different according to whether the organization is SME or MNE. According to Zornoza (1996), the tools that generate business competitiveness and therefore predispose to prominence in the market and business leadership are differentiated according to this differentiation.
The SME would cement its competitive advantage under the personal pillars of its managers (leadership capability, management performance) and in additional factors coming from its size (flexibility, agility or speed decisions); putting these factors together with the relationship between the management team and the entire workforce (direct, close, “human”, customized) that enhance key values in the successful development of business strategies, including the processes of international expansion, such as motivation, involvement, identification and capacity for self-management (McAdam and Reid, 2001).

Finally, in recent years and with high relevance the entrepreneurial capacity as a critical tool for business survival and as a useful risk assessment analysis methodology (Teece, 2013) has been incorporated.

MNE based their competitive position on industry factors that are more productive, financial and technological, focused on maximizing its size and achieving a more favorable position in the medium and long term superiority.

Likewise, García and Moreno (2007) set as a differential value of the SME its superior adaptability to the pricing policy which is vital to the implementation of the previously defined strategic plans.

In table number 1 are summarized the factors previously highlighted.

Table 1. Own elaboration from García and Moreno (2007)

<table>
<thead>
<tr>
<th>Typology of the preeminent resources available to address the processes of International Expansion</th>
<th>SME</th>
<th>MNE</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Caracteristics</td>
<td>-Intangibles</td>
<td>-Tangibles</td>
</tr>
<tr>
<td>-Description</td>
<td>-Intellectual capital</td>
<td>-Financing</td>
</tr>
<tr>
<td></td>
<td>-Human capital</td>
<td>-Production</td>
</tr>
<tr>
<td></td>
<td>-Leadership</td>
<td>-Technology</td>
</tr>
<tr>
<td></td>
<td>-Management Performance</td>
<td>-Logistics</td>
</tr>
<tr>
<td></td>
<td>-Adaptation</td>
<td>-Innovation</td>
</tr>
<tr>
<td></td>
<td>-Agility</td>
<td>-Implementation</td>
</tr>
<tr>
<td></td>
<td>-Direct knowledge</td>
<td>-Distribution</td>
</tr>
<tr>
<td></td>
<td>-Staff implication</td>
<td>-Fusion and/or acquisition</td>
</tr>
<tr>
<td></td>
<td>-Self-motivation and empowerment</td>
<td></td>
</tr>
</tbody>
</table>

3. The theory of dynamic capabilities and the internationalization of SME

Teece, Pisano and Shuen (1997) define the theory of dynamic capabilities as the differential ability (potential) of the company to integrate, build and reconfigure competences. These are seen as the ability that the organization has to develop both
internal and external strategies efficiently and successfully, to adapt quickly to the changing environment in which it competes. The dynamic capabilities reflect the strategic positioning and the organization capability to obtain sources of competitive advantage according to its previous business career which affects it and being aware of its position in the market in which it interacts (Leonard-Barton, 1992).

The differential variable is its responsiveness capability. The degree of speed to adapt to changing circumstances and, thus, the value that assure competitive and positive evolving scenarios, must present the set of specific organizational resources. This is what distinguishes more sharply the theory of dynamic capabilities from the theory of resources and capabilities. It also serves to explain why SMEs can increase their degree of chance against larger organizations in size and resources. Thus, the authors make a strong argument that the competitive advantage of firms lies on three defining characteristics of its strategic position:

The organizational and management processes

Organizational processes have three functions and main objectives: coordination and integration, which are static concepts; learning, which is a dynamic concept and reconfiguration, which is a concept of transformation (Aoki 1990; Henderson and Clark 1990; Clark and Fujimoto, 1991).

The position

The strategic position of a company is determined not only by their learning processes and consistency in routines and internal and external incentives, but also by its specific assets. These are the ones that are so difficult to market or exchange such as those relating to technology, financial position, knowledge, intellectual and human capital as well as the ones complementary to these assets, such as intellectual property, patents, business reputation and relational capacity (Teece, 1980, 1981, 1986; Tushman, Newman and Romanelli, 1986; Argyres, 1995).

Trajectory

The dependence of the business trajectory of the organization. When a company develops its strategy, understood as the best choice in the selection of management alternatives, it will be determined by its current position and the future strategic options available. Its current position is often formed by the path traveled since the beginning to the current moment in which it is (Rosemberg, 1982; Katz y Shapiro, 1985; Mitchel, 1989, Nelson, 1996).

3.1. The SME internationalization and its relation to the theory of dynamic capabilities

Following are the main components detailed by Teece et al. (1997) which are related to distinctive SME resources. We have tried to support them based on
academic and professional researches in order to identify those attributes that are specific inside the SME or, conversely, as a necessary component to be reinforced because they are not in its nature. The combination of both, present resources and resources needed, will generate the proposed management structure which is a priority objective of the present work.

3.1.1. The processes in the theory of dynamic capabilities and its connection with the internationalization of SMEs

As we reflected, for Teece et al. (1997) the dimension (strategic position) of the company has as a first differentiating component the overall assembly organizational processes. While the price system supposedly coordinates the economy, executives and managers are responsible for coordinating and integrating the activities within the company. The degree of effectiveness and efficiency achieved with the coordination of the activities of the company will generate a differential advantage (Aoki, 1990). Similarly it happens with external coordination. Empirical studies in the automotive sector as Garvin (1988), Clark and Fujimoto (1991) and Henderson and Clark (1990) show a significant variation from one company to another in the concept of a model entering the market taking into account both various internal organizational processes (departments, functions, working groups) and external (suppliers, logistics…) that each developed.

The coordination inside the organization as protagonist over individuals is what gives a distinct advantage that should be led by executive management oriented to internal and external integration of processes and routines, learning and reconfiguration and transformation of these.

So, we see in this first section how the inherent resources of SMEs could be identified with the reality described by Teece et al. (1997) regarding the special and distinctive capacity of small and medium enterprises through the learning, re-orientation and transformation of organizational processes with its specific attributes of managing proximity policy, structural flexibility and fluidity in communication.

We could conclude indicating that this first conditioner of the strategic position of a company according to the theory of dynamic capabilities is inside the genetic sequence of SMEs and is inherent in its business structure and organizational nature.
Table 2. Own elaboration from Teece, Pisano and Shuen (1997)

<table>
<thead>
<tr>
<th>CHARACTERISTICS</th>
<th>DYNAMIC CAPABILITIES</th>
<th>PRESENCE AT THE SME</th>
<th>CONSEQUENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral Routines</td>
<td>Coordination</td>
<td>Human capital</td>
<td></td>
</tr>
<tr>
<td>Patterns of action</td>
<td>Internal integration</td>
<td>Intelectual capital</td>
<td>Inherents at the SMEs</td>
</tr>
<tr>
<td>Transmission of information</td>
<td>External integration</td>
<td>Management leadership</td>
<td>Base of the Internationalization</td>
</tr>
<tr>
<td>Motivation and incentives</td>
<td>Organizational learning</td>
<td>Implication</td>
<td>Strengthening and effort</td>
</tr>
<tr>
<td>Planning</td>
<td>Re-configuration</td>
<td>Motivation</td>
<td>Source of Competitive advantage</td>
</tr>
<tr>
<td>Adaptation</td>
<td>Transformation</td>
<td>Adaptation</td>
<td></td>
</tr>
</tbody>
</table>

3.1.2. The position within the theory of dynamic capabilities and its connection with the internationalization of SMEs

The strategic dimension of a company is defined not only by the learning processes and the consistency of its internal and external organizational routines. It is also affected in a very relevant way by its position in relation to the assets related to the market or the specific sector in which it operates (Teece et al., 1997). This position is also conditioned by the capability to have specific resources to enable the organization to be in the forefront of leadership and the future capacity to develop its international strategy in the sector and the market in which it operates. The obtaining or the absence of these will also determine its capacity of reaching competitive success, this being understood again as obtaining competitive advantage. When we talk about resources, we mean those who are really difficult to commercialize, transfer or exchange. These resources are mainly:

Technological resources. A large part of evolution, conquest and discovery (appearence) of new business opportunities in markets where the company operates or new destinations is due to the development of innovative know-how. The ownership, protection, development and application of technology is clearly a differential value between companies to achieve competitive advantage. Those are the cases of Mayoral Moda infantil o Queserías Entrepiinas. These SMEs, leaders in their sectors, have developed their competitive advantage based on their distinctive manufacturing processes. Mayoral is specialized in young audiences through specific design patterns and sewing systems adapted to the local market that provides a rapid adaptation to the tastes of the markets in which it operates. Entrepiinas exports to...
over 20 countries around the world based on the specific composition of its cheeses and its differential production and preservation processes.

**Complementary resources.** Those that, in a tangential and parallel way, are essential to developing technological innovations that will become a real source of applicability in the business of the company. A new manufacturing system will not represent a real distinctive value without, for example, an efficient distribution system, and will not provide full value without, for example, a reliable quality control. Cases of Spanish SMEs as Ines Rosales (Sevillian company dedicated to the manufacture of oil cakes) or TOP30 (Spanish leader in the manufacture and distribution of climbing walls) combine their ability to present complementary differential resources along with specific development process that enhance their value. In the first case we highlight the company ability to vary the ingredients, flavors and formats depending on the destination market. In the second case, the commercialization contract includes specific systems of assembly / disassembly, storage and servicing.

**Financial resources.** In the short term, the treasury position and the degree of corporate leverage will entail very significant strategic implications. Consequently, many times what a company is able to face will depend on the reflection of the disposal amount in its balance sheet. Hence the importance of the knowledge, understanding and using of public companies as COFIDES or programs ICEX (ICEXnext or last PIPE) in addition to the special lines of public and private funding or alternative mutual guarantee institutions (Aval Madrid…).

**Location resources.** Geography (location and culture) is also crucial at all levels, such as in the adaptation of proposals or sales mechanisms that can be validated in some markets and be useless in others.

The disposal of the company regarding these assets will determine its strategic position and thus its capacity to gain competitive advantage. Summarizing, just as we have seen, the organizational and management processes are inherent to SMEs nature. But, on the other side, the organizational structure and some essential capabilities, especially technological, financial, geographical and cultural (emanating from the development of products and services and the specialization of these) should be the focus where SMEs would have to work in. They are vital to facing with guarantee its overseas expansion strategy because in one way or another it is more difficult to obtain precisely because of its structural nature.
Table 3. Own elaboration from Teece, Pisano and Shuen (1997)

EQUIVALENCE OF THE POSITION WITH THE RESOURCES OF THE SMEs
IN A SITUATION OF INTERNATIONALIZATION

<table>
<thead>
<tr>
<th>CHARACTERISTICS</th>
<th>DYNAMIC CAPABILITY</th>
<th>PRESENCE AT THE SME</th>
<th>CONSEQUENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic resources</td>
<td>Technological resources</td>
<td>Tangible resources</td>
<td></td>
</tr>
<tr>
<td>Difcult to transfer</td>
<td>Financial resources</td>
<td>Non inherent resources</td>
<td>Obstacle to the internationalization</td>
</tr>
<tr>
<td>Difcult to commercialize</td>
<td>Complementary resources</td>
<td>More difficult to obtain</td>
<td>Concreteness is needed</td>
</tr>
<tr>
<td>Sustainables</td>
<td>Location resources</td>
<td>No inherent to its nature</td>
<td>Specialization is needed</td>
</tr>
<tr>
<td>Related to technology</td>
<td>Reputation resources</td>
<td>No inherent to its structure</td>
<td>Leadership is needed</td>
</tr>
<tr>
<td>Related to processes</td>
<td>Institutional resources</td>
<td>No inherent to its capabilities</td>
<td></td>
</tr>
</tbody>
</table>

3.1.3. The trajectory within the theory of dynamic capabilities and its connection with the internationalization of SMEs

As a final component within the central trunk of academic and professional doctrine, Teece et al. (1997) settle as an explanatory core of the theory of dynamic capabilities, the company’s trajectory which is closely linked to the preceding paragraph. Also therefore in this case there is a real applicability to the strategic position that SMEs must address in the process of internationalization for getting success at the end of it. When talking about the trajectory the authors state that: “The strategic alternatives that a company may face are based on its current position and the path it has followed so far.”

The notion of “company trajectory dependency” implies that “history matters”. Thus, the former and previous investments, the adopted strategic plans and its repertoire of routines and processes will limit and determine its future organizational behavior. In this section we will also relate as critical to the SMEs the processes of local activities as the primary focus of its international further activities. Many SMEs do not carry out a strategic plan that reflects its previous history to know at what point it is to address the internationalization process.
Table 4. Own elaboration from Teece, Pisano and Shuen (1997)

**EQUVALENCE OF THE TRAJECTORY WITH THE RESOURCES OF THE SMEs IN A SITUATION OF INTERNATIONALIZATION**

<table>
<thead>
<tr>
<th>CHARACTERISTICS</th>
<th>DYNAMIC CAPABILITY</th>
<th>PRESENCE AT THE SME</th>
<th>CONSEQUENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business stages</td>
<td>Former trajectory</td>
<td>Light structure</td>
<td></td>
</tr>
<tr>
<td>Short term decisions</td>
<td>Future possibilities</td>
<td>Entrepreneurship</td>
<td>Special attention strategic coherence</td>
</tr>
<tr>
<td>Related to position</td>
<td>Sector constraints</td>
<td>Risk in investments</td>
<td>Higher risk exposure</td>
</tr>
<tr>
<td>Evolution</td>
<td>Environment constraints</td>
<td>Risk in funding</td>
<td></td>
</tr>
<tr>
<td>Related to technology</td>
<td>Reputation resources</td>
<td>No inherent to its structure</td>
<td>Leadership is needed</td>
</tr>
<tr>
<td>Related to processes</td>
<td>Institutional resources</td>
<td>No inherent to its capabilities</td>
<td></td>
</tr>
</tbody>
</table>

4. New management structure proposal based on the theory of dynamic capabilities

According to what we have said, graph nº 1 shows the summary of the components that define the strategic position of the company from which emanates its greater or lesser exposure to gain competitive advantage as a source of preeminence in the market, under the theory of the dynamic capabilities. The graph relates the set of key concepts of the theory of dynamic capabilities along with how we could apply them to describe what factors can determine the success in the internationalization of SMEs.

Due to the detailed and comprehensive analysis of the main components involved in the strategic positioning defined in the theory of dynamic capabilities, we suggest the set of capabilities that the SMEs should strengthen to address its internationalization strategy.

The management structure that is included below in Graph 2 shows the inherent resources closer to the SMEs and also includes those that are further away but should be part of the specific development to achieve success at the end of the process.

The management structure collects through the necessary skills, the importance of addressing the determinant factors that we considered key to the success of the international process of SMEs. According to that, we could combine in a single management structure the necessary skills for success in the internationalization of SMEs with the key factors included therein.
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Graphic 1. Own elaboration from Teece, Pisano and Shuen (1997)

**DYNAMIC CAPABILITIES**

**ESTRATEGIC POSITIONING**

**Organizational Processes**
- Coordination/Integration
- Learning
- Reconfiguration and transformation

**Position**
- Financial resources
- Technological resources
- Complementary resources
- Location resources

**Trajectory**
- Analysis
- Development
- Strategy
- Environment knowledge

**CAPABILITIES TO BE REINFORCED IN THE SMEs INTERNATIONALIZATION PROCESS**
- Leadership and management capability
- Intellectual capital management
- Human capital management
- Auto motivation/implication
- Internal communication
- Financial capability
- Technological capability
- Geographical analyst capability
- Cultural analysis capability
- Distribution analysis capability
- Environmental analysis capability
- Legal and economic analysis capability
- Entrepreneurial capability
- Development capability

Graphic 2. Own elaboration from Teece, Pisano and Shuen (1997)
We have divided the capabilities within the management structure according to the intensity and the priority of the effects they may generate in the process. Within the capabilities of first effect it would be the managerial capacity, financial capacity, technological capacity and location/culture capacity as well. In the complementary capabilities (also defined this way in the theory of dynamic capabilities) it would be the distribution capacity, cooperation capacity and legal capacity.

4.1. First effect capabilities

*The managerial capacity* will be strategically focused on getting more and better leadership skills from its managers, with special emphasis on the entrepreneurial aptitude and attitude of its CEO, and taking this as a way to position himself towards the analysis and the balance between risk and opportunity. The management team must combine the necessary analytical skills with an attitude of belief and motivation to structure in a clear, sequential and orderly way the various stages and, at the same time, have the determination to address all of them. This managing personality must consider time and cost factors under the scope of a strategic plan that will work as an overall guide during the entire process. Also, the managerial capacity will focus on the promotion of learning, transformation and reconfiguration of the systems and organizational processes of the company, with particular emphasis on the coordination and integration of these, both internally and externally. Thus, he will transfer to all the members of the organization involved in the international expansion a constant sense of security in the actions taken and foreseen. Clear examples of what the managerial leadership and performance management are can be found in SMEs as Atrápalo.com, Kukuxumuxu or recently El Ganso. They are successful projects of international development coming from the implication, preparation and concrete managerial character of their founders and current managers.

*The financial capacity* should be focused on very specific knowledge about the main casuistry surrounding the international expansion of SME. One of the most pressing problems of small and medium enterprises in addressing the internationalization process is the difficulty of the access to the sources of information about potential financing institutions and the corresponding requirements to get it. Therefore, the financial capacity will be focused not only on managing the funds (salaries, investments, treasury) but it should also include both the knowledge and the management of public and private tools that provide solutions. The set of capabilities must be highly targeted not only to the knowledge of these sources but preparing all the requirements that the company needs to be a beneficiary of them. Thus, the knowledge of the different broad institutions (national or domestic, public and private), the tools that provide with the necessary conditions, and the characteristics to request them must be part of its hard knowledge. The financial manager should be the one that meanwhile is managing the regular and functional variables of the organization adds a very specific “know how” to international activities focused on.
the knowledge and application of financing mechanisms to offset excessive exposure to the banking and therefore avoid the risk of increasing leverage.

The technological capacity would be translated in the amount of resources that revolve around innovation activities, research and development and will have special transcendence on the product global production systems and business processes (production, logistics and distribution, communication). The product or service will be the cornerstone and all the initial international activity will move around them. The product or service can give added value, accelerate or delay the process and can make it succeed or fail. All technological and product development activity is critical. Not only because it is a source of differential export activity but because it will determine the rest of the components of the international expansion. It will also determine the chosen country, prices and margins, the competitors and it will determine the main groups of customers and distributors. In the short term, the product or service is much more than the object on which the sales turn. The product must cover a core strategic policy in itself. And therefore, technological capacity, specially applied to the product should inherently involve the maximum number of resources within the company to contemplate future developments and provide it with new innovative features over competitors to achieve a sustainable position that lasts over time.

4.2. Complementary capabilities

The commercial capacity (here more focused on distribution) should be predominantly oriented towards the knowledge of the distribution system component. Reference companies like biscuits Gullón or Siro, chocolates Valor or frozen vegetables Bonduelle have settled their international success through its capillarity, distributive capacity and knowledge of the channels in the destination markets. Necessary and specific resources to facilitate such activity should be included not only based on maximizing the management of pricing, margins and advertising. By contrast, trade capacity will prioritize the knowledge of distribution channels in the destination country identifying the players that form them and therefore having a full view of what the processes, times and margins are within the complete distribution chain. The SME international trade policy should rotate specially in the perfect knowledge of the distribution. To what part of my profit can I give up in return for the savings in process costs? That is the differential element in the international business strategy of the SMEs once we have identified and offered a demanding product with specific features to generate and achieve competitive advantage. In this way, the other main variable in the equation comes out. We are talking about the bargaining power that becomes a critical factor to reach our interests. Knowing how to negotiate is an indispensable skill for the international commercial managing practice, so we should identify the profile of the people who also will try to negotiate with us safeguarding their interests.

Cooperation capacity is an SME inherent element. A necessary attribute to complement and enhance the company’s international activities allowing savings in time
and costs. The complementarity of activities in networks, clusters or associations can be translated in the strength of the amounts of actions and procedures that in a separated way would be less effective and more expensive. To have the knowledge about the existence, dedication and expertise of collaborative networks is a fundamental issue. Knowing and giving value among the SMEs in order to reach a balance of exchange for mutual benefit is a differential attribute for these organizations. Recognizing the organizational, productive or strategic processes that can be potentially shared to generate commercial and financial synergies must be a constant search in the field of small and medium enterprises. The mission and vision should be based on clarifying the value that SMEs can provide each other seeking to increase it with the confluence of suitable partners according to the base and type described in the above capacity. Therefore, the potential of agricultural exportation cooperatives, exporting consortia or even the various forms of financial cooperation are proving truly useful tools to accelerate the SMEs international operations that, in an individual way, would be very expensive to get.

The legal capacity complements the ones above by providing them with resources that facilitate and pave their effects. The legal capacity is the one that based on knowledge-based resources generates certainty and prevent problems by addressing the necessary regulatory strategy in the process of internationalization of SME. The international expansion of SME is based on the practical knowledge about the management of predictable scenarios. Those strategic lines of development should be oriented in certain legal provisions that ensure compliance in time and costs. Legal capacity is the network on which other capabilities lie. The first effect capabilities are part of the core of differentiation but must be driven, modulated and influenced by the complementary capabilities and certainly to contemplate those regulations and performance requested, especially when we are operating in different markets, make this capacity determinant and critical.

5. Conclusions

The SME has a number of characteristics and resources. Several times they will determine their activity and will reduce their ability to maneuver, limiting the potential to face with guarantees enough international expansion processes. On the contrary and due to its specific organizational and functional nature, it also has a number of attributes that make it especially predisposed to certain behavioral models. The theory of dynamic capabilities also encompasses those factors that belonging to the explanation of it, at the same time they may be regarded as critical in explaining how a company can be or not competitively strategically positioned in foreign markets. The identification in this theory of some specific organizational, leadership and intangible resources through the historical analysis of them makes it relevant to lay the explanatory basis of academic and professional success to clarify how the process would be more feasible or not. At the same time it highlights the critical
resources, prioritizing the technological and financial aspects, areas where SMEs must give special emphasis because generally, but not always, they are contrary to its structural, organizational and functional nature. The management structure divided into capabilities that we have proposed can be an element of union between what is owed to strengthen and what is to conquer among the inherent attributes to the SME and the ones harder to get to have a differential and complete set of resources. When addressing the SME process of internationalization, the management literature reviewed generally addresses the strategic development of the SME internationalization process hugging a common business and commercial thinking. We are trying, through the approach of a new management structure to help the international business practice of SMEs to have a more real and a more solid, profitable and with greater chances of success starting point. At the same time, and through it, that the head of the company or the board of directors of critical departments can have a detailed view of their specific tasks which includes the performance of them but shaped by its international specific aspects. Internationalization should have a distinctive functional management structure where the tasks can even be included in the traditional departments of the Company but with a particular vision and mission due to the independent nature of the process. All of this more justified if we speak of an SME where resources should be subordinated to cost-effectively achieve the initial objective. Summarizing, our proposal does not come from more or less real disadvantages or limitations. It comes in line with the identity of the SMEs. Abandoning the concept of better or worse approach the small and medium companies should seek international opportunities that can give competitive advantage because of its specific structural and functional nature.

References


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