Output 1

N_DIGIT2EU Self-Assessment methodology and tool

REPORT ON OUTPUT 1

Digital Based Tools Aiming at the Development of Skills for Internationalisation

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Author(s)	Rūta Čiutienė	
Contributors		
Contact name	Rūta Čiutienė	
E-mail address	ruta.ciutiene@ktu.lt	
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1. OUTPUT DESCRIPTION

The final output of this project is a report with a definition of crucial for SMEs internationalisation success factors (i.e. state of art), Self-Assessment methodology and proposal for the user guide that will be finally developed after the first draft of the training programme will be issued.

The first output O1 is IN_DIGIT2EU Self-Assessment methodology and tool that have been devloped by passing through these activities, as follow:

O1/A1 - preparing the state of art seeking to evaluate SMEs Readiness for Internationalisation basing on the best practises and empirical research carried out so far worldwide, i.e. definitions of SME and internationalisation, SME contribution to economy, eenvironment for internationalisation, motives and barriers for internationalisation as well as competences for internationalisation. Basing on the state of art, the self-assessment methodology has been developed.

O1/A2 The self-assessment tool and methodology. Self-Assessment tool description contains three parts:

1. Aims and objectives of Self-Assessment tool.
2. List of readiness for internationalisation competencies. This part presents specific competencies that are crucial for smooth internationalisation process and used for readiness of internationalization assessment.
3. Self-Assessment process. This part provides self-assessment steps and describes links to suitable training path.

01/A3 Creation of user guides for the assessment tool. It contains the instructions of the self-assessment using by end-users (i.e. learners (SMEs) and intermediate organizations.

2 RESULTS PRESENTATION

2.1 SME READINESS FOR INTERNATIONALISATION (STATE OF ART)

INTRODUCTION

Internationalisation is vital for SMEs to survive and prosper in an increasingly competitive world and could contribute to sustaining employment. Many SMEs adopt international expansion as a strategy to take advantage of business opportunities presented by target markets and increase revenue, escaping a competitive or saturated home market. However, the international expansion is challenging and usually might be unsuccessful.

SMEs internationalization has been studied from a variety of perspectives: sectors, barriers, motives, internationalisation models, processes, success factors etc. It is obvious that successful SMEs internationalisation requires capabilities and specific practical tools.

State of art contains four parts:

1. **Definitions (SME's, internationalization).** This document starts with the understanding and definitions of SMEs and internationalisation.
2. **SMEs contribution to economy**. This part explores document starts with the brief introduction to the SMEs importance in the global economy.
3. **Environment for internationalisation**. This part consists of three chapters and covers topics of motives, barriers and readiness for internationalisation. Chapter explores model of internationalisation motives, external and internal berries of SMEs internationalisation and internationalisation process.
4. **Conclusions**.

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DEFINITIONS (SME'S, INTERNATIONALIZATION)

According to EUROSTAT, enterprises can be classified in different categories according to their size; for this purpose, different criteria may be used (e.g. number of employees, balance sheet total, investments), but the one most common in a statistical context is number of persons employed:

- **small and medium-sized enterprises**, abbreviated as SMEs: fewer than 250 persons employed;

SMEs are further subdivided into:

- micro enterprises: fewer than 10 persons employed;

- small enterprises: 10 to 49 persons employed;

- medium-sized enterprises: 50 to 249 persons employed;

- large enterprises: 250 or more persons employed.

The rapid development of globalization, increased competition among enterprises and changes of business environment is encouraging these companies to internationalise their activities from the very beginning or after a short period of time since its establishment. Generally, **internationalisation** of enterprises means their involvement in the international environment. In the literature, we can find definitions that are more specific:

- ❖ **internationalisation** as a "*process of increasing involvement in international operations*" (Welch & Luostarinen, 1988);
- ❖ **internationalisation** as a "*process of adapting the firm's operations (strategy, structure, and resources) to the international environment*" (Calof & Beamish, 1995);
- ❖ **internationalisation** *as "a process of a firm's involvement in international transactions"*, i.e. the internationalization is based on the form and the level of this involvement (Kubíčková, 2014).

Internationalisation is a challenging process related with a high level of risk and thus the limited resources of SMEs are the major barrier to their foreign expansion. SMEs can cope with these obstacles for example by employing the strategy of differentiation or by involving in networks, which may be beneficial to all partners (Hutchinson et al., 2006).

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SME's contribution to economy

Globally, Small and Medium Scale Enterprises (SMEs) are a tool for empowering the citizens and economic growth. SMEs are associated with rapid economic growth of countries in all the world (Schaper, 2002). Available evidence points that, SMEs occupy an important and strategic place in economic growth and development in all countries (Abor & Quartey, 2010) constituting as high as 90% of enterprises in most countries worldwide. SMEs are the driving force for a large number of innovations and contribute to the growth of the national economy through employment creation, investments and exports . SMEs play an important role in the EU economy. In addition, EU observes SMEs as an important tool in achieving the Lisbon Strategy goal, i.e. making EU "the most competitive and dynamic knowledge-based economy in the world capable of sustainable growth with more and better jobs and greater social cohesion" The importance of the SME sector is well recognized worldwide due to its significant contribution to reaching various socio-economic objectives, such as higher growth of employment, output, promotion of export and fostering entrepreneurship.

Annual Report on European SMEs 2016/2017 reports that almost all (93 %) of the SMEs were micro enterprises employing less than 10 persons. Within the non-financial business sector, SMEs play a particularly important role in the 'accommodation and food services', 'business services' and 'construction' sectors, in each of which they accounted for more than 80 % of EU-28 employment in 2016. Furthermore, SMEs accounted for 70 % of EU-28 employment in the 'retail and wholesale trade' sector.

Overall, in 2016, SMEs in the EU-28 non-financial business sector accounted for:

• almost all EU-28 non-financial business sector enterprises (99.8 %);

 • two-thirds of total EU-28 employment (66.6 %);

Total economy SME employment grew almost 50 % faster than economy-wide employment from 2013 to 2016. In 2016, SMEs accounted for 67 % of employment and 57 % of value added in the nonfinancial business sector. Support for SMEs is one of the European Commission's priorities for economic growth, job creation and economic and social cohesion.

EUROSTAT and worldstopexports.com and provide statistic data about international trade and export of EU members:

- *Exports from the current 28 EU members totaled US$5.719 trillion for 2017.*
- *EU sales of exported goods represent almost one-third (32.5%) of total world exports which amounted to $17.585 trillion during 2017.*
- *Latest trade statistics show that the global tally declined in value by -6.9% from 2013 to 2017 but appreciated by 9.5% since 2016*

ENVIRONMENT FOR INTERNATIONALISATION

Globalization of economy and intense competition force businesses to look for new ways to sustain their competitiveness. One of the ways to remain competitive, achieve a long-term profitability, competitive success, and actually how to survive is, not only for SMEs but also for large enterprises, the internationalisation process. According to the European Parliament (2012), although not all SMEs operate in foreign markets, they all need to realize that due to the ongoing globalization the international competition is inevitable even in the domestic markets. This is because SMEs are no longer protected from foreign competition at their domestic markets (Kubíčková et al., 2014).

MOTIVES FOR INTERNATIONALISATION

A model of internationalisation motives was developed by Dunning (1993). The model covers four categories: market seeking, resource seeking, efficiency seeking and strategic resource seeking motives. Later a fifth category such as network seeking was added as significant part of internationalisation (Kubíčková et al.2014, Franco & Rentocchini, 2008).

Market seeking. Companies invest abroad in order to get profit from foreign markets. Various reasons can actually lead to this choice: the need to follow suppliers or customers that have built foreign production facilities; to adapt goods to local needs or tastes; to avoid the costs of serving a market from distance; to have a physical presence on the market in order to discourage potential competitors.

Resource seeking. In case if the acquisition of particular resources is not available at home (natural resources or raw materials) or available at a higher cost (unskilled cheap labour) companies are seeking resources abroad. Companies are seeking resources because of comparative cost. Resources are crucial factor to the survival in the market, especially if the

material constitutes an important part of the production. Such for physical resources as minerals (oil, zinc, copper etc.) and agricultural products (rubber, tobacco, sugar etc.) are very important. Human resources are important also. Skills and capabilities are resources that can be used through collaboration with a business partner. Therefore, network seeking motive was added as one more motive for internationalisation. Resources allow to minimize costs and maximize profits.

Efficiency seeking. Companies "take advantage of differences in the availability and costs of traditional factor endowments in different countries"; or "take advantage of the economies of scale and scope and of differences in consumer tastes and supply capabilities". The purpose is to rationalize structures of established investments in order to gain from common governance. Often those benefits come from economies of scale and scope, but also risk diversification.

Strategic resource seeking. Companies have a motive to acquire a new technological base, rather than exploiting an existing asset. Companies are interested in patents, knowledge, the skills of the employees, and strategic supplies. Strategic resource seeking motive is relevant for companies that are focusing on long term strategic objectives.

Network seekers. Networking is an important dimension of international entrepreneurial culture and factor that ensure to reach strategic goals. Examples of network relations are personal connections, supplier-customer relations, contractual cooperation or other types of relations based on mutual gain and trust. SMEs can cope with these obstacles for example by employing the strategy of differentiation or by involving in networks, which may be beneficial to all partners (Hutchinson et al., 2006).

Kubíčková et al. (2014) investigated motives for internationalisation of different industries (Table 1).

1 Table. Top motives for internationalisation according different industries. (Kubíčková, L. et al., 2014)

Food industry	%	Wood processing industry	%	Agriculture	%
Foreign demand for products	63	Foreign demand for products	84	Higher sale prices in foreign markets	50
Increase in sales	56	Lack of demand in the domestic market	53	Foreign demand for products	36
Competitive pressure in the domestic market	47	Competitive pressure in the domestic market	45	Customer portfolio enlargement	29
Customer portfolio enlargement	47	Increase in sales	44	Significant position in the domestic market	29
Accession to the EU	41	Enlargement of market for company products	39	Enhancement of image	25
Lack of demand in the domestic market	41	Customer portfolio enlargement	38	Increase in sales	25
Better use of production capacity	41	Better use of production capacity	36	Grants and subsidies	25
Competitor's success in foreign markets	34	Higher sale prices in foreign markets	33	Previous manager's experience with the foreign trade	25

Freeman et al. (2006) identify several variables that increase the rate of internationalisation of SMEs. Such variables are a small domestic market, unique knowledge or technology, and different forms of relationships and alliances.

Moreover, national identity promotion by country branded products, capitalizing on scientific and technological discoveries and inventions, qualitative improvement on the products and services offered and the efficiency of production costs, enhancing the competitive phenomena that stimulate competitiveness of country economy can motivate SMEs for internationalization.

BARRIERS FOR INTERNATIONALISATION

An issue of barriers is most often analysed with reference to the export activity, where definition of barriers understood as all restrictions, which undermine the ability of the companies to initiate, develop and conduct business operations on international markets. Barriers can be divided into two forms:

- barriers that dishearten companies from engaging in export activities;
- barriers experienced by companies that have already started exporting activities – these barriers are often experiential in nature.

Companies external exporting services or products deal with internal and external barriers. Internal barriers covers informational, functional, financial and marketing barriers; external – procedural, governmental, task and environmental. The detailed description of external and internal barriers provided in Table 2.

 2 Table. External and internal barriers (Al-Hyari. et al, 2012)

Internal barriers	External barriers

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Informational	Insufficient information about overseas markets Difficulty in gaining access to some data sources Difficulties in making customer contacts	Procedural	Complexity of export documentations requirements Inadequate communications with overseas customers Slow collection of payments from abroad
Functional	Lack of managerial time to deal with exports Lack of export skills Lack of excess production capacity for exports Lack of new technology	Governmental	Lack of Jordanian government incentives Inadequate government regulations and rules Complex government bureaucracy
Financial	High cost of capital to finance export Lack of financial resource to finance exports	Task	Keen competition in export markets
Marketing	***Product*** Developing new products for foreign markets Difficulties in adapting export product design Meeting export product quality/standards Meeting export packing/labelling requirements Offering technical/after sales service **Price** Lack of competitive price to customers in foreign markets **Distribution** Complexity of foreign distribution/advertising channels Accessing export distribution/advertising channels Obtaining reliable foreign representation **Logistics** High insurance cost Unavailability of warehousing facilities abroad High transportation costs	Environmental	**Economic** Poor or deteriorating in economic situation in the region Currency fluctuations Unconvertible foreign currencies **Political-legal** Political instability in foreign markets Strict foreign rules and regulations High tariff and non-tariff barriers **Sociocultural** Language differences overseas Cultural differences overseas

Pietrasieński & Ślusarczyk (2015) presented main barriers in the access of small and medium companies to international markets (Table 3).

3 Table. Description of the barrier of the access of SMEs on foreign markets (Pietrasieński & Ślusarczyk, 2015)

|	Description of the barrier of the access of SMEs on foreign markets
Capabilities	Staff unprepared for the international operations and/or inappropriate number of it. Lack of time, which managers can give over the management of international operations; Lack of the ability of the contact with the potential clients abroad

	Limited development of new products in connection of the needs of foreign purchasers
	Lack of fulfilling requirements connected with standards and the quality of exported products
Financial instruments	Lack of operational capital for the financing of export activity
Access to markets	Limited information connected with the analysis of foreign markets
	Insufficient identification of business chances connected with the conduction of activity on international markets
	Ignorance of export procedures and required documentation
Business surroundings	Ignorance of business practices being applied in other states

READINESS FOR INTERNATIONALISATION

The internationalisation process can be explained by stages theories such as the Uppsala Model (Johanson & Vahlne, 1977). The Uppsala Model's theoretical framework (Figure 1) builds on an assumption that enterprises internationalise through a series of incremental decisions that are framed through a link between 'state aspects' and 'change aspects.

MARKET KNOWLEDGE → COMMITMENT DECISIONS

MARKET COMMITMENT ← CURRENT ACTIVITIES
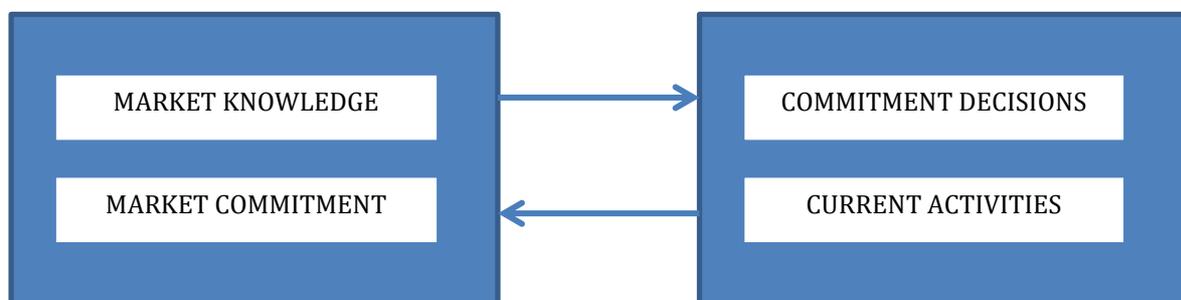
1 Fig. Uppsala Model's Theoretical Framework (Johanson & Vahlne, 1977)

Enterprise may decide to expand its activities to foreign markets for various reasons: growth, long-term survival, profitability, economies of scale, supply chain security, business risk diversification, etc. Going to foreign markets exposes to greater challenges and to new risk factors (e.g., foreign exchange, cultural gaps, etc.).

International business assessment model (IBAM) is a tool that allows the enterprise to improve actions that support success in markets abroad. Model covers assessing SMEs" international business abilities and the areas of improvement. IBAM offers the enterprise a clear and realistic picture of what is completed well and what should be improved to maximize the

success in foreign trade. IBAM analysis focuses on four areas of internationalisation: Market understanding, Customers understanding, Entry mode and business knowledge (Figure 2).

2 Fig. Areas of the International business assessment model

Overall assessment focuses on five different processes:

- Management process
- Innovation and development process
- Consumer control process
- Product management process
- Information system process

IBAM consist of four phases (Figure 3):

I phase. Introduction. IBAM is introduced to a case enterprise; the reason for creation, benefits and usage of questionnaire.

II phase. Answering. All the key actors at the case enterprise answer questionnaire.

III phase. Analysis. Analyses the returned material, binds all the replies and concludes the findings into written form.

IV phase. Presentation of the findings. Integrated results based on answers are presented to the board of management at the case enterprise. The level of internal readiness for international trade is explained and the development areas are described.

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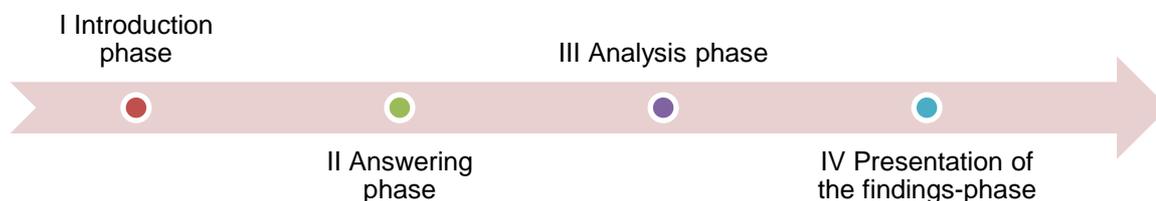
3 Fig. Phases of IBAM model

SMEs are facing a series of challenges related to internationalisation. Enterprises find out that there is a lack of information about demanding foreign market, duty structure of foreign market, quality requirement of target market, products pricing in target market, etc. That is why several "export diagnostic" or "readiness for internationalisation" frameworks have emerged over the past few decades to evaluate the enterprises capacities for exporting (David & Cariou, 2014).

The readiness for internationalisation can be evaluated in six dimensions, such as competencies of management, heritage, relationships, offerings, means, and engagement (Table 4).

4 Table. **Readiness for internationalisation criteria** (David & Cariou, 2014)

Dimension	Criteria
Competencies of Management	Training in international business Knowledge of foreign markets Knowledge of foreign languages Experience in international business
Heritage	Prominence, recognition of the firm globally Intellectual property held in certain countries Presence in foreign markets Lessons learned from the internationalisation experience
Relationships	Branches, foreign subsidiaries etc. Established business relationships in certain countries Internet presence of the SME abroad
Offerings	Assets (strengths), handicaps (weaknesses) related to products, services or solutions pertaining to an international expansion Adaptability of the SME's products, services or solutions with respect to new foreign markets Adapted or adaptable pricing structure and financial modalities for foreign markets
Means	Financial health of the SME Access to financing or new capital Available production (operational) capacity
Engagement	Top management's availability to dedicate time to international activity

	Top management's preparedness to invest in the international venture Level of risk tolerance Motivations, objectives, targets, scenarios and economic models pertaining to the internationalisation project

Enterprises often face a difficulty to determine which areas they have to improve to be more successful in the process of internationalization. Kubíčková, L. et al. (2010) developed model based on four factors groups that are affecting the success of internationalization. Model includes factors groups related to key employee, internationalisation, international marketing and international trade efficiency factors (Table 5).

5 Table. Key factors of the internationalisation process success (Kubíčková et al., 2010)

Key employee factors	Internationalisation factors
Language knowledge of key employee Previous experiences of key employee with international trade Training or courses focusing on International trade Share of key employee	Foreign market entrance form How long after company foundation foreign market entrance? Number of countries company is exporting to. Countries where company is exporting to.
International marketing factors	**International trade efficiency factors**
Standardization of exporting products Standardization of marketing Amount of information about foreign market before exporting Frequency of communication with foreign business partners	Share of revenues from abroad to total sales Share of abroad soled products to total sales Foreign trade efficiency Foreign sales per one employee

Information technologies and digitalization provide possibilities to make self-assessment. Virtual self-assessment tools allow to determine enterprises' readiness to expand its operations internationally and ascertain its ability to export a particular product.

Diagnostic tool **CORE™** focuses on two independent dimensions of readiness: "Organizational Readiness" and "Product Readiness.

Export Business Planner assessment strategy is based on 6 steps to assess small business' readiness to export:

1. Determine the *benefits and trade-offs* of international market expansion

2. Perform a *business/company analysis*

3. Conduct an *industry analysis*

4. Identify *products* with export potential

5. Marketability: *match your product/service with a global trend or need*

6. Define which *markets to pursue*

Exporter Self-Assessment Tool assesses SMEs export readiness in six areas, such as Competitive Advantage, Market Research, Distribution and Sales Channels, Financial Resources, Management Expertise, Export Strategy.

COMPETENCIES FOR INTERNATIONALISATION

Brief analysis of internationalisation environment discovered barriers, motivation and main groups of factors of successful internationalisation process. SMEs need skilled employees having specific competencies that are necessary for smooth internationalisation. The most important competencies are described below.

- **Service or product competitive advantage**. It is necessary to understand how product or service is better than others? What is your value proposition? What are strengths of your product or service?

- **Market research** allows to understand who is your main customer, what are their needs, expectations and fears? What is the size and specifics of potential market?

- Competencies in **sales** allow to understand how product or service will be sold to customers and what distribution channels will be most efficient.

- Internationalisation process needs **financial resources** as initial investment in order to conduct analysis of market, develop export strategy, visit foreign countries, partners or fairs, learn foreign languages and much more.

- Competencies in **human resources management**. Enterprises should invest in to the development of their employees, motivate them to work in global market, learn languages and other skills needed for internationalisation.

- **Managerial competencies** are extremely important in planning and organising internationalisation process, controlling and decision making**.**

- **Export strategy** competence allows seeing your business in short term and long term periods.

- **Intercultural competence** allows interact with people from different countries and understand their traditions, values, culture.
- Different countries have different policy, regulations and standards. It is very important to have knowledge in **international law.**
- **International risk management** competence is necessary because internationalisation process is extremely risky. Therefore it is important to identify, analyse and manage potential risks that may negatively influence internationalisation process.
- **International investment** competence helps to select the best investment portfolio.
- **International relationships development** competence is important if you want to build strong and successful international business relationships with your global partners.

CONCLUSIONS

The number of SMEs is growing not only in European Union, but globally as well. SMEs contribute country economy in high level. There are many reasons for going an SMEs into international market. The international market offers new and bigger opportunities for SMEs. However, there are number of barriers that influence success of internationalisation. In order to overcome barriers and challenges and ensure smooth and successful process of internationalisation, enterprises should have employees those have understanding about intercultural aspects and macro-environment issues of foreign markets. They should also be able to make market research, identify target product and target market, select sales and distribution channels, develop export strategies as well as take into account issues of international business development, international risk management, and international investment. Moreover, strong networking and international relationships development competencies, experienced management team and knowledge in foreign languages may contribute to successful process of internationalisation.

Brief analysis of internationalisation self-assessment tools shows that most of them allow to identify level of readiness for internationalisation, enterprise's strengths and weaknesses concerning exporting, test international business knowledge or help to develop export business strategy. Current tools provide a list of helpful resources related to enterprise internationalization situation. Learning resources are linked to third party websites and provided in English.

In summary, there is still a lack of open access resources that would help SMEs to evaluate the internationalisation situation and give a path to high level and quality online training modules in native languages.

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2.2. SELF-ASSESSMENT METHODOLOGY AND TOOL

SELF-ASSESSMENT TOOL'S AIM AND OBJECTIVES

Self-Assessment of the Readiness for Internationalisation tool is designed to assist the SMEs in developing competencies needed for successful internationalisation.

Specific and individual training path will be recommended/developed after the completion self-assessment of the Readiness for Internationalisation.

Objectives of self-readiness tool are:

- to provide a proper understanding of the requirements of internationalisation
- to test the current position of the user regarding individual and/or organisational competences and resources in the scope of the organisation
- to provide a road map defining specific steps required to reach readiness for internationalisation.

SELF-ASSESSMENT METHODOLOGY

List of competencies of readiness for internationalisation

Based on State of art *SME's Readiness for Internationalisation* list of relevant and crucial competencies has been developed.

COMPETENCE	DESCRIPTION
Service or product competitive advantage	It is necessary to understand how a product or service is better than others? What is your value proposition? What are the strengths of your product or service?
Market research	allows to understand who is your main customer, what are their needs, expectations and fears? What is the size and specifics of potential market?
Sales	Competencies in **sales** allow to understand how product or service will be sold to customers and what distribution channels will be most efficient
Human resources management	Competencies in **human resources management**. Enterprises should invest in to the development of their employees, motivate them to work in global market, learn languages and other skills needed for internationalisation.
Managerial competencies	**Managerial competencies** are extremely important in planning and organising internationalisation process, controlling and decision making.
Export strategy	**Export strategy** competence allows seeing your business in short term and long-term periods.

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Intercultural competence	**Intercultural competence** allows interaction with people from different countries and understand their traditions, values, culture.
International relationships development	**International relationships development** competence is important if you want to build strong and successful international business relationships with your global partners.
International risk management	International risk management competence is necessary because internationalisation process is extremely risky. Therefore it is important to identify, analyse and manage potential risks that may negatively influence internationalisation process.
International investment*	**International investment** competence helps to select the best investment portfolio.
International law*	Different countries have different policy, regulations and standards. It is very important to have knowledge in international law.
Languages*	

*External links will be provided in order develop competence. These competencies are not assessed.

Self-assessment process

Self-assessment process covers four steps: User registration, Assessment of competencies of readiness for internationalization, Report of self-assessment results, Link to customised training path.

Fig.1. Self-assessment process

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Registration. Self-assessment tool is available only after personal registration. Registered users will have possibility to assess their competencies of Readiness for Internationalisation, identify the need for competencies development and progress of competencies growth.

Assessment of competencies of readiness for internationalization. This tool consists of competencies areas, each one dealing with specific questions that allow identifying a gap of knowledge and developing customised training path. Each question has possible answers. User has to select correct answer. The assessment of each competence has three specific questions at least. All questions are linked with customised training material.
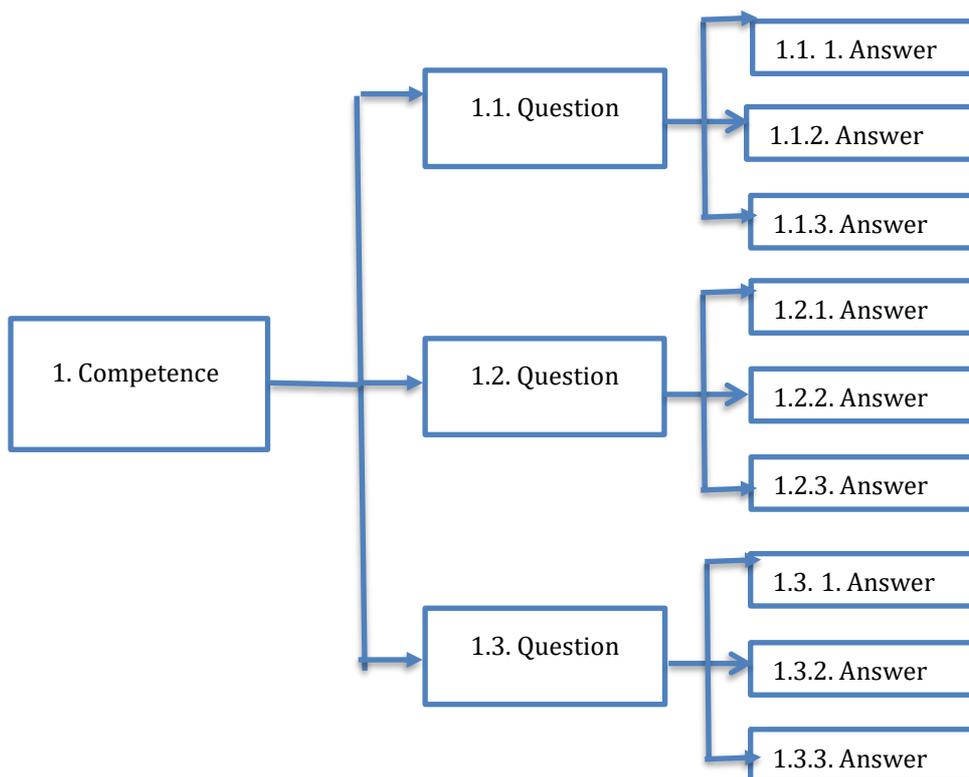

Fig.2. Structure of competence assessment

Report of self-assessment results. After the completion of the self - assessment process, the user will receive their self-assessment report. Self-assessment report provides knowledge gaps

that can be covered by training material (path). Knowledge gaps are identified in line with user's answers.
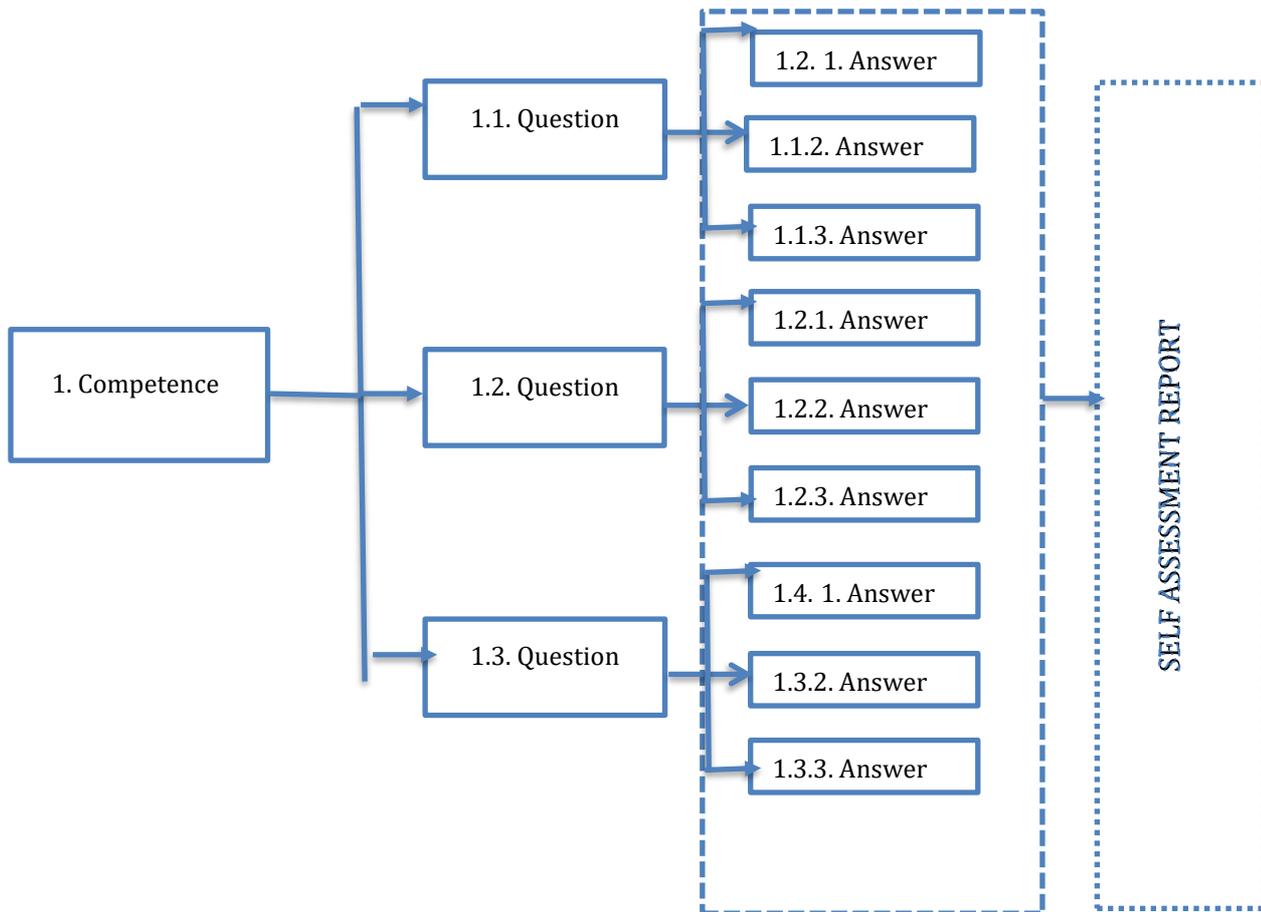

Fig.3. Structure of competence assessment and link with self –assessment report

Link to customized training path. Self-assessment report provides not only assessment results, but also recommends specific topic and training material for competence development. Training material consist of modules:

1. international networking
2. international marketing
3. business models for internationalisation
4. e-commerce
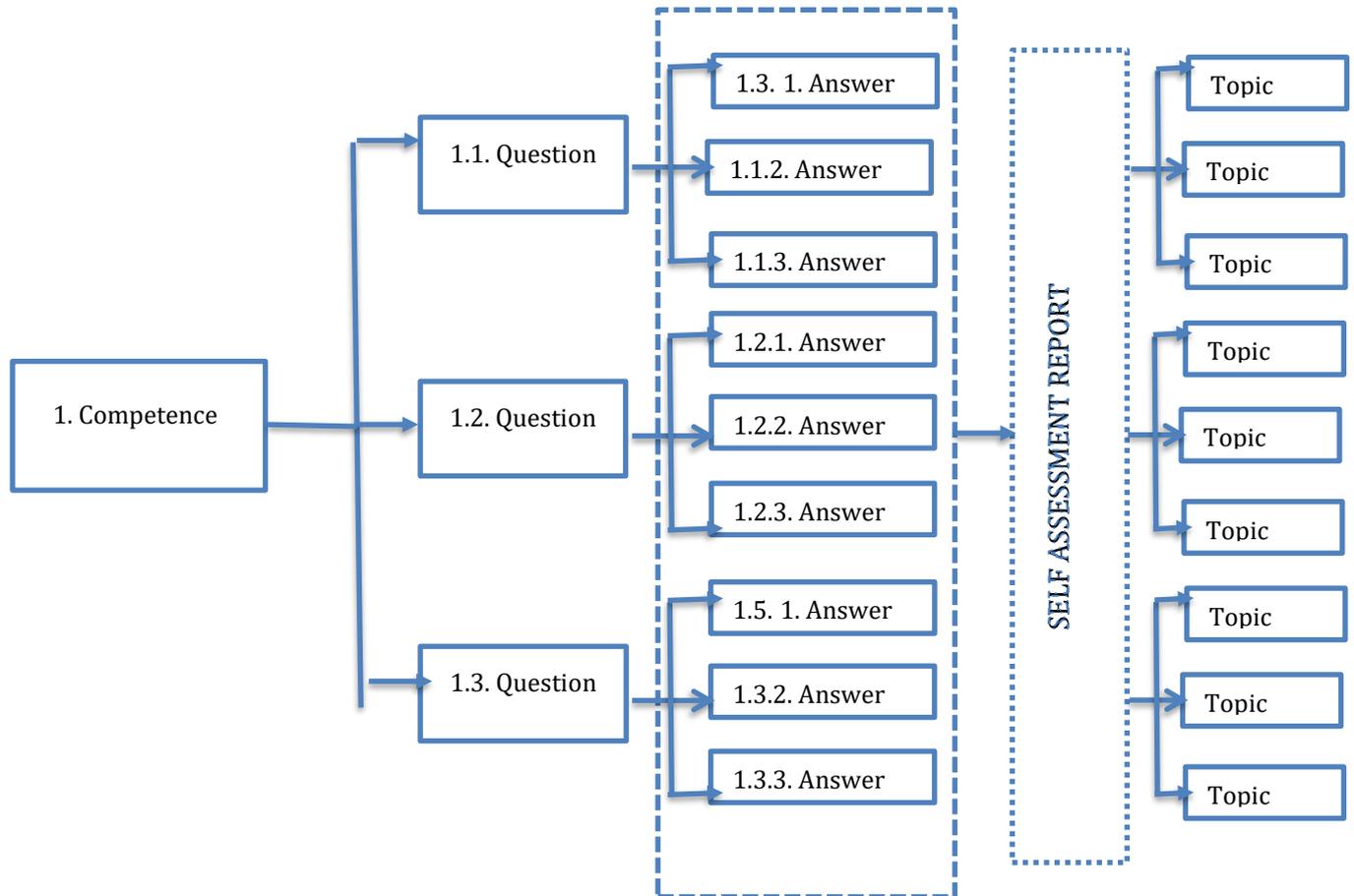5. international Open Innovation Management

Fig.4. Link to customized training path

SELF-ASSESSMENT QUESTIONNAIRE

Based on State of art SME's Readiness for Internationalisation list of relevant and crucial competencies has been developed.

Outcomes of five training modules will cover competencies needed for smooth SME's internationalisation. Training modules:

- International networking

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- International marketing
- Business models for internationalization
- E-commerce
- International Open Innovation management

The relationship between competencies and training modules is provided in matrix (see below).

Competence and training module matrix

COMPETENCIES	International networking	International marketing	Business models for internationalization	E-commerce	International Open Innovation management
Product/ service/ Competitive Advantage		x			
Market research		x	x		x
Sales		x		x	
Human resources	x				x
Management expertise	x		x		x
Export strategy		x	x	x	
Intercultural competence	x	x	x	x	x
International business development			x		
International risk management	x		x	x	x
International relationships development	x				x
Number of questions per module	5	5	6	4	6

Questions are based on *Multiple choice or Dichotomous question*:

- Multiple choice questions are a question type in which a respondent has to select one (single select multiple choice question) or more than one (multiselect multiple choice question) responses from a given list of options.
- Dichotomous question is generally a "yes/no" close-ended question.

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QUESTIONS FOR SELF ASSESSMENT AND LINKAGE TO TRAINING MATERIAL

Correct answers are marked in yelow.

1 Module: International Networking

COMPETENCE	QUESTION	ANSWERS	Link to training material		
			Module	Sub – module	Training material
Human resources management	Q1 – Do you think your human resources should be trained when engaging in international networking?	A – YES B - NO	International Networking	SUB01	• Definition of international networking • Why networking is so essential • Drivers of SMEs internationalisation- Human Resources
Managerial competencies	Q2 – What is the most important competence to develop when internationalising your SME?	A 1.1 – Teamwork A 1.2 - Leadership A 1.3 – Networking A 1.4 – Empathy	International Networking	SUB01 & SUB02	• What is international networking? Definition of international networking • Definition of international networking

					- Why networking is so essential - Drivers of SMEs internationalisation-Human Resources - Dimensional model of SMEs interantionalisation (Insitutions – Business Associations – Personal Relationships) and explain how SMEs can best utilise it - Develop international networking skills and competences for SMEs
Intercultural competence	Q3 – Do you think cultural awareness is important when conducting business on an international level?	<mark>A – YES</mark> B - NO	International Networking	SUB03	Why should you be strategic about the international networking towards internationalisation strategy of your SME?

					• How can you create strategies in order to join strong international network for SMEs? • Preparing your strategy – are you ready for internationalisation?
International relationships development	Q4 – Would you hire an expert international business coach when deciding to internationalise your SME?	A – YES B - NO	International Networking	SBU03	• New market entry strategy, and the role of networking
International risk management	Q5 – Which of these elements you need to have ready when deciding to internationalise your SME?	A 1.1 – Internationalisation Strategy A 1.2 – International Network A 1.3 – Trained team A1.4 – Market data	International Networking	ALL submodules	• What is international networking? Definition of international networking • Definition of international networking • Why networking is so essential • Drivers of SMEs internationalisation- Human Resources • Dimensional model of SMEs

					interantionalisation (Insitutions – Business Associations – Personal Relationships) and explain how SMEs can best utilise it
					• Develop international networking skills and competences for SMEs
					• Why should you be strategic about the international networking towards internationalisation strategy of your SME?
					• How can you create strategies in order to join strong international network for SMEs?
					• Preparing your strategy – are you

					ready for internationalisation?

2 Module: International marketing

COMPETENCE	QUESTION	ANSWERS	Link to training material		
			Module	Sub – module	Training material
Service or product competitive advantage	Q1 Do you have a clearly defined competitive advantage for your product or service?	A 1.1. No advantage A 1.2. Some advantage A 1.3. Clear advantage	2. International marketing	2.1. Assessing Global Marketing Environment 2.2. International Marketing Functions & Strategies	2.1.1. Tips and tricks of Global Marketing Environment Assessing 2.2.1. International marketing research 2.2.2. Segmentation, targeting and positioning 2.2.3. Market entry strategy choice
Market research	Q1 Do you have sufficient market research and intelligence on potential customers, customer needs & size of market?	A 1.1. No research A 1.2.Some research A 1.3. In-depth research	2. International marketing	2.2. International Marketing Functions & Strategies	2.2.1. International marketing research

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Sales	Q1 Are your distribution channels clearly defined and established for the market you are considering?	A 1.1. No defined A 1.2. Somewhat defined A 1.3. Clearly defined	2. International marketing	2.2. International Marketing Functions & Strategies 2.3. International Marketing Mix	2.2.3. Market entry strategy choice 2.3.2. Global pricing and distribution
Export strategy	Q1 Do you have a well defined export strategy?	A 1.1. No A 1.2. Somewhat A 1.3. Yes	2. International marketing	2.2. International Marketing Functions & Strategies 2.3. International Marketing Mix	2.2.1. International marketing research 2.2.2. Segmentation, targeting and positioning 2.2.3. Market entry strategy choice 2.3.1.Global product and market development 2.3.2. Global pricing and distribution 2.3.3.Global marketing communications
Intercultural competence	Q1 Do you acknowledged with cultural differences in international market?	A 1.1. No A 1.2. Somewhat A 1.3.Yes	2. International marketing	2.1. Assessing Global Marketing Environment	2.1.2.Cultural Issues and Buying Behavior

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3 Module. Business Models for Internationalization

COMPETENCE	QUESTION	ANSWERS	Link to training material		
			Module	Sub – module	Training material
Market research	Q1. Do you know the sources available to collect information and data regarding possible new markets?	A 3.1. No A 3.2. Yes A 3.3.	Business Models for Internationalization	Submodule 1.1 – Business Models – Concept and Design Submodule 1.2 – Business Models for Internationalization	The main forces influencing the Business Model Entry modes and the design of Business Models for Internationalization
Managerial competencies	Q1. How many blocks compose the business model canvas?	A 3.1. 5 A 3.3. 7 A 3.3. 9	Business Models for Internationalization	Submodule 1.1 – Business Models – Concept and Design	The Business Model Canvas

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Export strategy	Q1. Do you know the different types of internationalization modes and their implications the business operations?	A 3.1. No A 3.2. Yes A 3.3.	Business Models for Internationalization	Submodule 1.2 – Business Models for Internationalization	Entry modes and the design of Business Models for Internationalization
Intercultural competence	Q1. Considering the differences between markets, which are the main decisions that are determinant for the design of an internationalization strategy?	A 3.1. Location A 3.2. Activities A 3.3. Resources A 3.4. All of the above A 3.5 None of the above	Business Models for Internationalization	Submodule 1.2 – Business Models for Internationalization	Entry modes and the design of Business Models for Internationalization
International relationships development	Q1. The design of the internationalization strategy and of the business model for internationalization is a process that benefits from inputs, experience and knowledge of the international partners	A 3.1. False A 3.2. True A 1.3.	Business Models for Internationalization	Submodule 1.2 – Business Models for Internationalization	Entry modes and the design of Business Models for Internationalization

	a company will be working with?				
International risk management	Q1. Identify one or more internationalization mode(s) with a shared risk?	A 3.1. Exportation through an external representative <mark>A 3.2. Joint venture</mark> A 3.3. Outsourcing A 3.4. All the above A 3.5 None of the above	Business Models for Internationalization	Submodule 1.2 – Business Models for Internationalization	Entry modes and the design of Business Models for Internationalization

4 Module: E-commerce

COMPETENCE	QUESTION	ANSWERS	Link to training material		
			Module	Sub – module	Training material
Sales	Q1 Do you consider offering many different payment methods as a determinant of	A 1.1. Yes <mark>A 1.2.</mark> No	E-commerce	4.1. Security measures in e-commerce	4.1.1. Security considerations in terms of

	providing effective customer service?			4.3. Overall online service strategies	online activities 4.3.2. Online transactions and m-payments
Export strategy	Q1 Which elements constitute an international export strategy?	A 1.1. Guaranteeing effective security measures A 1.2. GDPR compliance A 1.3. Delivery tracking options	E-commerce	4.1. Security measures in e-commerce 4.2. Digitalization in e-commerce 4.3. Overall online service strategies	4.1.1. Security considerations in terms of online activities 4.1.2. Data protection and online consumer rights 4.2.2. SME internationalization in the scope of e-commerce 4.3.3. Managing international shipping and delivery options

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Intercultural competence	Q1 Web analytics are a tool supporting the segmentation of customers based on intercultural elements.	A 1.1. Yes A 1.2. No	E-commerce	4.2. Digitalization in e-commerce	4.2.1. The rise of digitalization in e-commerce 4.2.2. SME internationalization in the scope of e-commerce
International risk management	Q1 Are SMEs obliged to asking their customers for authorisation to process their personal data?	A 1.1. Yes A 1.2. No	E-commerce	4.1. Security measures in e-commerce 4.2. Digitalization in e-commerce	4.1.1. Security considerations in terms of online activities 4.1.2. Data protection and online consumer rights 4.2.1. The rise of digitalization in e-commerce

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5 Module: International Open Innovation management

COMPETENCE	QUESTION	ANSWERS	Link to training material		
			Module	Sub – module	Training material
Market research	Q1- Do you consider companies across your value chain as relevant source of information in planning international expansion strategy?	<mark>A YES</mark> A NO	International Open Innovation management	5.1. International open innovation - introduction & 5.2. Facing challenges of international open innovation – strategies and management	5.1.3. Open innovation benefits 5.1.4. When open innovation is crucial for SME? 5.2.2. What kind of knowledge partners can be relevant in the scope of SME internationalisation and what form the knowledge transfer can take? 5.2. 3. How to build innovation network that will contribute to international growth of your company?

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Human resources management	Q1 - Which of the skills are crucial to obtain knowledge from your network?	A 1.1.Strong research capacities <mark>A.1.2.Communication skills</mark> <mark>A.1.3.Technical skills</mark> A.1.4.Marketing capacities	International Open Innovation management	5.2. Facing challenges of international open innovation – strategies and management	5.2.4. How to manage innovation network 5.2.5. What is required for international open innovation?
Managerial competencies	Q1 - To maximise benefits from your SME knowledge networks I should invest in building maximal number of connections, both on local and international level.	A 1.1.Yes <mark>A 1.2.No</mark>	International Open Innovation management	5.2. Facing challenges of international open innovation – strategies and management	5.2. – transversal to the submodule - Facing challenges of international open innovation – strategies and management
Intercultural competence	Q1 - Would you agree that no-nonsense open discussion of problems is always the best way to manage tensions while collaborating with foreign partners?	A 1.1. Yes <mark>A 1.2. No</mark>	International Open Innovation management	5.2. Facing challenges of international open innovation – strategies and management	5.2.4. How to manage innovation network
International relationships development	Q1 - Does international network of partners should have a managing partner?	<mark>A 1.1. Yes</mark> A 1.2. No	International Open Innovation management	5.2. Facing challenges of international open innovation – strategies and management	5.2.2. What kind of knowledge partners can be relevant in the scope of SME internationalisation and what form the knowledge transfer can take?

					5.2.3. How to build innovation network that will contribute to international growth of your company? 5.2.4. How to manage innovation network 5.2.5. What is required for international open innovation?
International risk management	Q1 - Which of the organisations could allow you to decrease your risk of internationalisation?	A 1.1. Financial network A 1.2. Supplier A 1.3. Competitor A 1.4. Business association	International Open Innovation management	5.1. International open innovation - introduction & 5.2. Facing challenges of international open innovation – strategies and management	5.1.3. Open innovation benefits 5.1.4. When open innovation is crucial for SME? 5.2.2. What kind of knowledge partners can be relevant in the scope of SME internationalisation and what form the knowledge transfer can take? 5.2.3. How to build innovation network

					that will contribute to international growth of your company? 5.2.4. How to manage innovation network

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2.3. USER GUIDE FOR LEARNER

1. **SELF-ASSESSMENT TOOL'S AIM AND OBJECTIVES**

Aim

Self-Assessment of the Readiness for Internationalisation tool is designed to assist the SMEs in developing competencies needed for successful internationalisation.

Specific and individual training path will be provided after the completion self-assessment of the Readiness for Internationalisation.

Objectives

- to provide a proper understanding of the requirements of internationalisation
- to test the current position of the user regarding individual and/or organisational competences and resources in the scope of the organisation
- to provide a road map defining specific steps required to reach readiness for internationalisation.

2. **WHO CAN USE SELF-ASSESSMENT OF THE READINESS FOR INTERNATIONALISATION TOOL?**

Self-Assessment of the Readiness for Internationalisation tool can be used for starting or improving SMEs internationalisation.   Tool is useful for:

- SMEs owners;
- SMEs managers;
- SMEs staff responsible for export and entering new markets;
- Individuals who is planning career as export specialists or start export business.

3. **OUTCOMES AND BENEFITS OF SELF-ASSESSMENT OF THE READINESS FOR INTERNATIONALISATION**

The Self-Assessment tool is a questionnaire that allows users to determine the level of competencies that are needed for smooth internationalisation process.

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This questionnaire consists of competencies areas, each one dealing with specific questions that allow identifying a gap of knowledge related to such competencies as *Service or product competitive advantage, Market research, Sales, Human resources management, Managerial competencies, Export strategy, Intercultural competence, International relationships development, International risk management.*

The tool allows to determine users skills and knowledge in:

- understanding how a product or service is better than others? What is your value proposition? What are the strengths of your product or service?
- indentifying what is the size and specifics of potential market, who is your main customer, what are their needs, expectations and fears?
- how product or service will be sold to customers and what distribution channels will be most efficient;
- how to manager people and motivate them to work in global market;
- planning and organising internationalisation process, controlling and decision making;
- startegic planning your business in short term and long-term periods;
- interaction with people from different countries and understand their traditions, values, culture;
- establishing successful international business relationships with your global partners;
- identifing, analysing and managing potential risks.

The tool allows to develop customised training path. After the completion training program, user will have possibility to assess their progress.

4. **STRUCTURE OF THE TOOL**

This self-assessment tool consist of four steps:

1. Registration
2. Questionnaire
3. Training path

5. **HOW TO USE SELF-ASSESSMENT TOOL**

STEP 1. Registration

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First users will be asked to register and fill in information ....

Once you have registered you will be asked to complete questionnaire.

The questionnaire covers such competencies as *Service or product competitive advantage, Market research, Sales, Human resources management, Managerial competencies, Export strategy, Intercultural competence, International relationships development, International risk management.*

Users will be asked to answer at least three questions related to each competence. Each question provides at least three possible answers. Users will be asked to select correct answer.

Competence	Question	☒Answer ☐Answer ☐Answer
	Question	☐Answer ☒Answer ☐Answer
	Question	☐Answer ☐Answer ☒Answer

Once you have completed the questionnaire you will get a report and be linked to recommended customised training path.

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Training path provides customised training material. Customised training material is accessible for registered users depending on theirs self-assessment results.

Competence	Question	☒Answer ☐Answer ☐Answer	Topic Topic Topic
	Question	☐Answer ☒Answer ☐Answer	Topic Topic Topic
	Question	☐Answer ☐Answer ☒Answer	Topic Topic Topic

After training users can come back to questionnaire and assess progress.

2.4. USER GUIDE FOR INTERMEDIATE ORGANISATION

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