FINAL VERSION:

Ferrucci, L., Gigliotti, M., & Runfola, A. (2018). Italian firms in emerging markets: relationships and networks for internationalization in Africa. *Journal of Small Business & Entrepreneurship, 30*(5), 375-395. Doi: 10.1080/08276331.2017.1412611

Link to publisher version: https://www.tandfonline.com/doi/abs/10.1080/08276331.2017.1412611

Luca Ferrucci, Full Professor of Business Management; Department of Economics, University of Perugia.

Marina Gigliotti (corresponding author), Assistant Professor of Business Management; Department of Economics, University of Perugia; Via Alessandro Pascoli, 20, 06123, Perugia (Italy); marina.gigliotti@unipg.it; telephone number: +390755855266; fax number: +390755855274.

Andrea Runfola, Associate Professor of Business Management; Department of Economics, University of Perugia.

Italian firms in emerging markets: relationships and networks for internationalization in Africa

Abstract
This paper concerns the process of internationalization of Italian small and medium-sized enterprises (SMEs) in Africa. The African continent is an interesting and valuable emerging target market for the international expansion of Italian companies. Using network theory on internationalization, this paper considers which actors play relevant roles in the penetration of the African market. We determine how the knowledge acquired could be used for growing within the African continent. This paper proposes findings emerging from a cross-case analysis of 18 SMEs and their internationalization strategies in Africa. The main results show that networks play a relevant role in the internationalization of Italian SMEs in Africa, but their constituent relationships are often built on contingencies rather than on deliberate strategies. Only some actors (such as business partners, NGOs and destination-market institutions) are crucial for internationalization in Africa, while other actors, such as local and national Italian institutions, do not seem to be facilitators for this path of growth. Finally, our findings highlight how in Mediterranean Africa (and only rarely in sub-Saharan Africa), the knowledge acquired in one market is useful for growth in the closest countries to it. We conclude by proposing a taxonomy of potential networks in the African continent.

Keywords: internationalization; SMEs; Africa; Italy; emerging markets; networks; relationships.

1. Introduction

This article concerns the process of internationalization of Italian companies to Africa, within the network theoretical approach (Johanson and Vahlne 2009; Håkansson 1982) and focusing then on the primary role of relationships and actors in the international expansion.

There is growing interest both in the literature and in the world of business in the internationalization of Western companies in new emerging markets (Guercini and Runfola 2016; Varaldo 2010; London and Hart 2004; Cavusgil, Ghauri and Agarwal 2002; Cavusgil 1997). Most works have concentrated their attention on the so-called BRIC (Brazil, Russia, India, and China) countries. Africa has emerged in recent years as a newly relevant economic area (Carmignani and Mandeville 2014; Kahn 2011) that could be an engine for the future growth of firms based in Western economies such as Italy.

The African market is an interesting geographical area and has specific features that could represent driving forces for the international expansion of Italian companies. Many African countries register a GDP growth rate that is often greater than the global average (United Nations, 2016), and more than 15% of the world's population live in Africa, while in 1950 the share of this continent was just over 8%. Moreover, the weakening of historic ties with former colonizer countries has led in many cases to important changes in the level of foreign trade and FDI (Moussa 2002). Newcomer countries have acquired greater importance, as in the case of the newly important role played by China (Edwards and Jenkins 2014; Drogendijk and Blomkvist 2013; Gu 2009; Strauss and Saavedra 2009). Social and economic data show the great potential of the continent for internationalization strategies that could be implemented by foreign companies.

However, the analysis of Africa from a managerial perspective remains limited. The literature has addressed the internationalization of large multinational firms (Settimo 2014; Callaghy, Kassimir and Latham 2001) and the role played by the tutorship of the governments of their countries of origin (Guillén and Garcia-Canal 2009; Asiedu 2006), but minor attention has been given to the path of internationalization in Africa by small and medium-sized enterprises (SMEs). Hence our paper has an exploratory nature and it aims at providing preliminary findings of SME's internationalization to Africa.

This paper gathers evidence on the most relevant actors in networks that can facilitate and allow the entry of the Italian firms into African markets. Moreover, we determine whether the knowledge acquired by means of these relationships can lead not only to entry into a single national market but also to expansion into other African markets. The paper's contribution is then related to a conceptualization of potential networks in which SMEs may be involved in while internationalizing into the African continent.

From the empirical point of view, the article gives the results of an exploratory cross-case analysis of 18 Italian companies engaged in internationalization in Africa. The analysis is based on in-depth interviews with managers and entrepreneurs involved in the foreign development of their companies, with particular reference to African markets. Due to the exploratory nature of the article, the empirical analysis is not limited to single national markets or geographical macro areas rather it regards all potential African markets for Italian SME's.

The article is organized as follows. In the next section, a review of the literature on internationalization is presented, highlighting how in the last decade the network approach has spread and how relationships are becoming relevant to understanding the path of growth in foreign markets. We then discuss the issue of clustering Africa for the study of the internationalization of the company. Next, the research methodology is presented and the main findings emerging from the cases analyses are discussed. Then the research propositions and the theoretical and managerial implications of our empirical research are presented. We propose a taxonomy of three potential networks for the internationalization of the company. The article ends with the limits of our study and possible directions for future research.

2. Actors, networks and relationships for firm internationalization

In internationalization, different managerial perspectives may be considered (Cavusgil and Knight 2015; Oviatt and McDougall 1994; Johanson and Vahlne 1990) to understand the mode of entry into foreign markets. The theory of internationalization by stages, the so-called "Uppsala model" (Johanson and Vahlne 1990; Johanson and Vahlne 1977; Johanson and Wiedersheim-Paul 1975) has been widely used to interpret how companies manage internationalization. This model theorizes that firms undertake gradual strategies both with reference to their choice of markets and to growth within them. As Johanson and Vahlne show, knowledge that is acquired incrementally is a resource that can reduce uncertainty and risk; the higher its level, the greater the involvement in the market (Johanson and Vahlne 1977).

Over the years, due to changes in the global competitive landscape this model seems to have lost its efficacy for explaining internationalization, and for this reason it has been revisited and sometimes criticized (Baronchelli and Cassia 2008). The emergence of a new model of internationalization, such as the so-called "born global" (Knight and Cavusgil 1996) and "International New Ventures (INV)" (Oviatt and McDougall 1994) models, has led to the definition of different theoretical approaches to studies of internationalization. According to these approaches, companies may develop rapidly in international markets, overcoming the need for knowledge that is thought to be critical in other models of internationalization.

Following these criticisms, Johansson and Vahlne have revised their approach and in a more recent paper (Johansson and Vahlne 2009) they attempt to understand the international expansion of companies according to a network approach.

This network perspective stresses the importance of establishing relationships with partners who can ensure access to resources that can help firms to realize their strategies, create new opportunities, and in general develop competitive advantage (Håkansson 1982). The ability to manage relationships within the network is the fundamental factor that explains the performance and development of an enterprise (Håkansson and Snehota 1995). Network boundaries are often arbitrary and potentially without limits (Halinen and Törnroos 2005), due to the interconnections among different actors such as customers, suppliers, distributors, competitors, government, bankers, and families (Zain and Ng 2006; Johanson and Mattsson 1998).

The network approach has also been widely applied to the field of internationalization of enterprises (see among others, Welch and Welch 1996; Forsgren and Johanson 1992). Also, for expansion in foreign countries, relationships with different actors can facilitate and sometimes allow entrance and durable presence.

As noted, the Uppsala model has been revised, taking into consideration the role of networks in the internationalization process (Johansson and Vahlne 2009): "*We conclude that our original model needs to be developed further in light of such clear evidence of the importance of networks in the internationalization of firms*" (Johansson and Vahlne 2009, p. 1413). Johansson and Vahlne stressed that participation in a relevant network in a foreign market can be a fundamental factor and may be the way to successfully develop in a new market, even where the psychic or cognitive distance is high. Consequently, overcoming the difficulties perceived in the internationalization process can be related to the initiation of new relationships or to the management of the existing ones (Elg, Ghauri and Tarnovskaya 2008). Thus the concept of "liability of outsidership", that is considered to be crucial in the revised model acquires more relevance than those of "liability of foreigness" that was conceived as fundamental in the original version of the Uppsala model (Johansson and Vahlne 2009).

The literature on international business management has deeply considered the role of networks for the international growth of both multinational firms and SME's. Networks seem to play a crucial role, especially for the smallest firms, considering their high knowledge barriers (Pascucci, Bartolini and Gregori 2016) and scarce financial and human resources. In fact, various contributions have demonstrated how relationships can help overcome lack of knowledge, are the only way to gain first entry into a foreign market, and can significantly reduce the costs and risks of the internationalization process (Vissak, Francioni and Musso 2017; Zarei, Nasseri and Tajeddin 2011). Consequently, they often represent the "*most important and reliable resource at their disposal*" (Stoian et al. 2016, 115).

While certain studies have analyzed the general relevance of networks to the international path to growth (for example Coviello and Munro 1997; Ojala 2009), other parts of the literature have focused on the role that a relationship with specific actors can play in implementing this strategy. As Johanson and Kao Tsung (2012) argue, while in the first studies of the relevance of network for internationalization, attention was on business relationships between firms (Blankenburg, Holm and Eriksson 2000; Johanson and Mattsson 1988), over time, other kinds of networks were analyzed. For this reason, institutional relationships (Elg, Ghauri and Tarnovskaya 2008) and social relationships (Björkman & Kock 1995; Ellis 2000) are key intangible assets for internationalization. In the following we theoretically analyze different actors, referring to the taxonomy of Oparaocha (2015), who distinguished among business, institutional and social actors in networks.

Business relationships with customers and suppliers are crucial for expansion into foreign markets (Johanson and Vahlne 2009). The purchase of goods and services from foreign countries (Welch and Luostarinen 1993) or following a preexisting customer in growth abroad can be drivers for internationalization and can generate an easy entry into unknown markets (Jin and Jung 2016). Moreover, the literature has highlighted the role of relationships built within an industrial cluster as drivers for internationalization (Colovic and Lamotte 2014). Relationships can facilitate access to knowledge and information (Sharma and Blomstermo 2003), increase the observation and imitation of competitors in the cluster implementation of international strategies (Tödtling, Lehner and Tripple 2006), and lead to paths to internationalization that reflect agglomerative processes in geographical areas (Belussi 2011).

Related to the institutional network (Oparaocha 2015), the role of public institutions in supporting the international growth of firms has been widely debated, but previous empirical findings do not agree on the efficacy of institutional networks. For example, O'Gorman and

Evers (2011) found that export promotion organizations have a relevant role in gathering information and Wilkinson and Brouthers (2006) highlighted their role in supporting trade mission and fairs. However, other studies have identified the actions of the EPO in promoting the internationalization of firms as unsuccessful (Keesing and Singer 1992). According to Oparaocha (2015), in institutional networks, not only can publicly funded organizations support the internationalization of firms, but other non-business actors can do so as well. Recent work of Ghauri, Tasevori, and Zaefraian (2014) found that networking with social enterprises (such as non-governmental organizations - NGOs) can facilitate access to foreign countries, in particular emerging markets and/or market segments at the base of the pyramid. Cooperation with already-embedded social enterprises gives easy access to foreign countries and increases reputation, which generally new actors acquire only over the medium and long term.

Finally, according to more recent literature contribution, business and institutional actors do not facilitate the internationalization of firms alone. Social networks can play a relevant role (Pinho and Pinhero 2015; Zain and Ng 2006), as can more informal (Coviello, Ghauri and Martin 1998) and personal relationships (Manolova, Manev and Gyoshev 2010; Zain and Ng 2006) reported that internationalization built on a network of relatives and friends and social networks can be useful for the identification of foreign opportunities (Chandra, Styles and Wilkinson 2009; Ellis 2011) to facilitate entry abroad (Ellis and Pecotich 2001) and identify foreign partners (Freeman, Edwards and Schroder 2006).

3. Clustering Africa to study internationalization of the company

A study of internationalization of SMEs in Africa which takes into account networks and relationships raises two main issues: how networks are considered within the management literature, and how Africa can be clustered to study them.

The literature on the network approach to studying internationalization strategy in Africa, seems very limited. Song (2011) studied Chinese private direct investments in Africa and the role played by relationships. In particular, this study analyzed 41 firms and found that both external business networks (especially the overseas Chinese network) and financial aid from the Chinese government support the internationalization of Chinese firms in Africa. These results were partially confirmed by Rutashobya and Jaensson (2004) in their study on handicraft exporting firms in Tanzania; however, they also found that social networks (relatives and friends), networks with cluster members, and networks with local distributors and producers play a relevant role in the internationalization of this African market.

Such studies on networks in Africa pose specific problems of delimitation because Africa is a large continent comprising 54 countries. Research about such a large territory requires partition in order to identify clusters of countries with similar specific characteristics.

The wider economic and managerial literature on Africa often concentrates on a single country or industry. For example, some managerial studies on internationalization focus on South Africa (Tuomi, 2011), Nigeria (Okpara, 2009), Algeria (Calza, Aliane and Cannavale 2010), or Morocco (Ramadan and Levratto 2016). Similarly, some scholars study a particular industry, such as agriculture (Diao, Hazell and Thurlow 2010; Nchuchuwe and Adejuwon 2012), mining (Luiz and Ruplal 2013; Boocock 2002) or tourism (Snyman and Saayman 2009; Fayissa, Nsiah and Tadasse 2008).

On the other side, some studies have not considered parts of the African continent but the whole continent (Asiedu 2006; Sichei and Kinyondo 2012).

Some of the economic and managerial literature has analyzed sections of the continent, identifying clusters of African countries with some similarities. At least two approaches for clustering Africa can be identified in the extant literature.

The first approach is based on colonial relationships in Africa (Bertocchi and Canova 2002; Grier 1999; Lange, Mahoney and Vom Hau 2006). This approach, based on the colonial past, could partly explain the differing levels of economic development among African countries. This approach has lost efficacy over time because countries such as the UK have become less relevant trading partners for their former colonies. They were initially replaced by countries such as the USA and, today, by nations such as China. Moreover, African countries such as South Africa have become trading partners of other African nations, further weakening their economic ties with former colonizers.

The second approach to clustering Africa is geo-political and is based on the divisions made by the most relevant international institutions. In most of their studies and analysis, organizations such as the World Bank and the International Monetary Fund (IMF) usually divide the African continent into two: Sub-Saharan Africa, and North Africa (sometimes known as "Mediterranean Africa").

Such clustering of Africa is also adopted very often in the literature. Just in the field of internationalization, it is possible to identify articles that study only one of these two regions, in order to restrict analysis and consider similar territories. In fact, as Kaplinsky and Morris (2009) affirmed in their article on the role of China's investment in Africa: "*But the problem with this formulation of the China challenge is that it assumes a homogenous 'China' and a homogenous 'Africa'.*" For this reason, they decided to conduct in-depth analysis of Chinese investment only in Sub-Saharan Africa. This approach can be found in other similar studies such as in Adams (2009) and Cleeve (2008). Other studies have likewise focused on foreign investment and internationalization strategy only in the North Africa region (Badr and Ayed 2015), which is often analyzed together with the Middle East (Rogmans and Ebbers 2013).

It is possible from this brief overview to highlight the different approaches to analyzing African countries and the absence of a shared criteria for clustering the continent. This led us to avoid an *a priori* division of this vast continent in our research. Moreover, the scarcity of studies on the role played by networks in the internationalization in Africa emphasizes the need for further analysis which can lead to an in-depth understanding of this topic. These theoretical considerations led us to define our research questions, that we will investigate empirically: Who are the most relevant actors in networks that permit or accelerate the entry of Italian firms into African markets? Do the competencies and knowledge acquired through these relationships allow expansion into other African markets? What kind of networks may be identified?

4. Methodology of the empirical research

This paper discusses the results of a cross-case analysis (Yin 1994; Eisenhardt and Graebner 2007) of 18 Italian companies involved in internationalization in Africa. Their main characteristics are shown in Table 1.

Due to the exploratory nature of the paper, we decided to consider companies with a commercial presence in at least one African country. We did not exclude companies that have also developed internationalization in manufacturing, although our specific attention was on export.

The method included the following steps.

First, we analyzed articles published in national and local newspapers and magazines. We searched online and offline, using as keywords the word Africa and the name of any African market. We then carefully read the articles to determine whether each company identified was involved in export and/or in manufacture. To limit the extent of the data gathered we decided to consider only companies from a specific region, in our case Umbria, in central Italy. Umbria is an emblematic region within the Italian context as companies in the region are predominately SMEs. At the end of this first phase we had identified a total of 60 firms.

Gathering information by means of a secondary research on published data may not have allowed us to identify all the Umbrian companies implementing an internationalization strategy in Africa. However, it has surely the advantage of identifying those with greater visibility and seemingly the most stable presence in Africa.

Second, we decided to collect information through contacts with local opinion leaders, participating in meetings and conferences dealing with the internationalization of companies in the African market to identify potential cases and meet opinion leaders. We then arranged for specific face-to-face interviews with other opinion leaders to gain a deeper understanding of phenomena and relevant actors to be further studied. The opinion leaders contacted were mainly representatives of associations and institutions as well as members of local export consortia. We decided to use a stable presence in the African market as an inclusion criterion to identify firms able to give reliable and deeply drawn information on internationalization in Africa. Moreover, due to the scarcity of studies on the internationalization of SMEs in Africa, we consider the size as a second inclusion criterion. This methodological step allowed us to reduce the sample to 42 firms.

The third step was to contact all the firms identified in the previous phase by sending an e-mail with the purpose, objectives, and design of the study. One or more if needed telephone calls followed each e-mail. In total, 18 firms (out of the 42 identified) were available to participate in the study.

Fourth, we directly visited all 18 enterprises and gathered the necessary information. The analysis of cases was based on semi-structured face-to-face interviews with managers and entrepreneurs involved in internationalization in Africa, using a storytelling approach (Stake, 1995; Eriksson and Kovalainen, 2015). The interviews were intended to cover the experience of the company in the African market. In particular, using an ad hoc protocol, we considered issues such as period of entry, entry mode, main motivations driving the internationalization towards Africa, and network relationships used in entry and development within the market. The interviews lasted roughly 1 hour 30 minutes each and were recorded and transcribed.

Finally, we read all the interviews and proceeded to analyze them. First of all, each transcription has been elaborated to write single case studies. Each case study was sent to the interviewees involved. The participants sent back their feedbacks and validations, granting the reduction of the "researcher effect bias" (Miles and Huberman 1994). Then, for each case, authors have identified the main issues for the research purposes. At least two authors have analyzed each case: this investigator triangulation (Denzin 1970) allowed a more complete and correct interpretation of the results.

In the following section a reasoned presentation of the findings is showed.

Table 1 about here

5. Findings of cross-case analysis

The interviews can be analyzed with reference to three main topics: mode of entry, key relationships, and the possibility of growth among different areas of the continent.

We considered for mode of entry the factors that created the conditions for the entry of Italian firms into Africa and those that ensured their stay on the continent. Firstly, the role of trade fairs as the first contact with African importers was frequently noted by the managers and entrepreneurs interviewed. These are generally sectoral trade fairs and, in most cases, they are located in a European country. Sometimes the companies interviewed make a greater investment by participating in trade fairs located in Africa, highlighting their specific interest in relations that can facilitate their entry into these markets. The relevance of trade fairs, typical of companies operating in B2B (most of the companies analyzed), can be perceived in these words of respondents:

F4: “We participate in the most important trade fairs in size and international relevance. There we make the most of our contacts with importers in those countries.”

F9: “Our first contacts in Africa were built through participation in trade fairs.”

F15: “Trade fairs are the most important means of contact. Potential customers can come and evaluate our products. This year customers came from many African countries.”

F6: “At first, we went to internationals trade fairs in an unstructured way, but it was there that we made our first contacts.”

Secondly, first contact with African markets are often unprogrammed and occur from time to time through contingencies or opportunities exploited by firms. In fact, sometimes African markets are not even directly considered in the planned strategies of the firms analyzed. They exploit it once the possibility of entry into the African market emerges but generally have not actively created this opportunity. As stated by some of the interviewees, these contingencies and opportunities are linked to a specific new party who enters their network or one with whom they already have a well-established relationship:

F10: “The first approach to South Africa was through a local importer, contact with whom was created casually.”

F5: “We entered Africa through a group of suppliers of a big multinational. We were one of those suppliers. At that time, it was a spontaneous path and not a programmed strategy.”

F7: “We are working profitably in Mediterranean Africa because of the direct presence of the holding we belong to. We entered African markets thanks to this bridgehead.”

Thirdly, access to funds from governments or global organizations can be crucial for internationalization in Africa. Many African countries suffer critical economic and social conditions and international organizations focus their action on these areas to promote development. This represents, first of all, the possibility of growth for these underdeveloped or developing countries but, also an opportunity for Western enterprises to start business relationships in African markets, clarified by the words of one interviewee:

F14: "One of the conditions of entry to the African market is access to the funds of the most important agricultural organizations world-wide. Large agricultural projects are all funded by organizations operating globally that promote agriculture in certain critical areas."

The interviews established the importance of relationships that act as operative and cognitive facilitators to operating durably and profitably in African. The empirical research with managers and entrepreneurs established that, generally, such relationships involved a limited number of partners, very often only one. This allows to understand how, on the one hand, it is easier for a SME to manage few relationships, while, on the other hand, it can be risky to entrust the success of internationalization in Africa to a very limited number of actors. It requires a high commitment for making these relationships durable over time.

F5: "We work in Africa only through a group of British investors."

F16: "We are there only as subcontractor of a large energy company that has orders in South Africa."

F8: "We operate in a niche sector, so we do not have a large number of customers, and only very limited relationships."

In several cases, the relevance of local agents and middlemen emerged, highlighting the need for Africans partners to handle on-site relationships with the end-customer. The firms interviewed confirmed the difficultly of direct involvement with the end-users of their products. Very often, however, it is necessary to train them in the use of products or to assist in the installations of spare parts. These activities would require the presence of overseas branches, but the economic and organizational characteristics of SMEs limit these activities to on-site third parties. The role of local agents and middlemen is highlighted in the following quotes:

F3: "In South Africa we always operate through agents and distributors that we have specifically identified."

F15: "All of our contacts in Africa are distributors whom we met at trade fairs; they sell to end-user companies."

F7: "We operate exclusively through agents and brokers."

In other cases, internationalization in Africa is facilitated by a pre-existing customer, generally a large national or multinational company that drives its suppliers to these markets. Some interviewees indicated how these customers may act to reduce uncertainties related to African markets. This highlight how relationships between Italian companies and local African customers may be mediated by large multinationals that already operate in some African markets.

F8: "We have relationships with the most relevant multinationals in the sector. If they plan to invest in Africa, they contact our firm as their supplier. So, for my company, the customers are always the same in every country."

F14: "Our customers are multinationals that also have orders in Africa."

F17: "Our sales in Africa are linked to the presence of large multinational companies. Otherwise, sales there would be extremely difficult."

Finally, NGOs and non-profit organizations can also be partners who are crucial for entry and subsequent development in the African market. These parties, carrying out welfare, medical, educational and religious activities, are embedded in the African social environment and can act as intermediaries between customers (often disadvantaged populations) and suppliers of products, such as agricultural equipment or energy systems.

F12: “In Africa, our clients are NGOs and religious organizations with humanitarian missions and who need energy facilities to carry out their projects. Abroad, we only sell only to these partners.”

F18: “Our main partners in Africa are NGOs. Generally, local governments promote these projects and decide with which nonprofit organization all providers will cooperate.”

Geographic considerations can affect growth in Africa, using knowledge and experience to penetrate nearby markets. Dynamics differ between Mediterranean and Sub-Saharan Africa. In Mediterranean Africa, there is growing potential for expansion to nearby countries. As the interviewees stated, a specific country in this area can often represent a bridge to the closest markets with similar conditions, cultures and roles.

F1: “Our manufacturing experience in Algeria has allowed us to also sell in Tunisia and Morocco.”

F2: “Our manufacturing plant in Tunisia also sells its products in Algeria, Libya, and in North Africa in general. Therefore, it has no exclusively manufacturing value but it is a bridge to enter the neighboring markets.”

F7: “Tunisia was a starting point to work in Africa. We then expanded our presence to neighboring nations.”

In contrast, expansion to nearby countries in sub-Saharan Africa is less frequent, due to significant differences present even within a country. For this reason, experience gathered in a country is rarely useful for expanding to its nearest neighbors where possible entry requires a new process of learning and experience.

F8: “We first went to Zimbabwe and Malawi. We then obtained opportunities in Tanzania, Ethiopia and Zambia. Recently, we also penetrated North Africa, especially Morocco, Libya and Egypt. More recently we sold in South Africa.”

F13: “We would like to increase our presence in Nigeria but also exploit it as a way to reach the rest of the African market, particularly within the equatorial belt; it all depends on the evolution of the market. However, the biggest problem we face is replicating skills.”

F6: "In these countries, there is the possibility of entering the market but the mode changes from nation to nation, and this is an obstacle to expansion."

F18: "You would think that our interpreter needed the help of another interpreter to translate for him. In that area, everything can change in a range of 20 km."

In the following parts, we discuss and comment on the principal theoretical and managerial implications of these findings.

6. Discussion, research propositions and implications

Our analysis highlights the role of the network in the internationalization of Italian companies in Africa. As theorized in the literature (Johanson and Vahlne 2009; Forsgren and Johanson 1992), relationships with certain actors are central for the internationalization of enterprises. However, with respect to existing theory, our analysis highlights some relevant specificities of networks in various African contexts. Here we discuss our findings. A preliminary result of our analysis is that both companies that had previous business activity in other areas of the world than Africa and enterprises that are new to internationalization and have no previous experience in international markets enter Africa due to contingent factors. These contingent factors may be related to, for example, relational networks established in many cases without a specific predetermination. Our analysis, therefore, accentuates the contingency of the factors driving business relations with Africa, following a recent stream of literature that applied contingency theory to the internationalization of firms (Banalieva and Sarathy 2011; Yuan, Qian and Pangarkar 2016). Indeed, in most cases we analyzed, the relationships required to enter African markets were generated more from exploiting opportunities resulting from existing relationships or new unforeseen relationships than from planned behavior.

Consequently, we note how, at least in the cases we have investigated, companies that internationalize in Africa can be considered explorers, or actors whose entry into a market is brought about through contingencies that occur at a certain moment in the company's history. The approach is therefore more reactive and responsive to opportunities than the result of deliberate growth behavior. This behavior does not depend on the geographical areas penetrated; rather it seems to have been generally adopted for all African markets. It is therefore possible to state the following research proposition.

RP1. The internationalization of Italian SMEs in Africa, both in Mediterranean Africa and sub-Saharan Africa, is contingency-based in response to opportunity rather than deliberate.

Interviews with companies' representatives allowed us to understand how often opportunities are exploited through the establishment of relationships with specific actors that work as hubs for other relationships in each market. Case analyses show that the relevant relationships for development in the African context are limited to a few actors. Moreover, it also shows how these relationships are rather stable, in that the companies we are analyzing continue to maintain relations with the limited number of actors that allowed them to enter. This means that relationships with other market players is mediated by these actors, which function as gatekeepers (Guercini and Runfola 2010). Hence, the set of relationships that Italian SMEs manage to develop in individual markets remain limited, leaving space for potential future relationships, according to a broader view of the potential network to be activated (Halinen and Törnroos 2005).

The fact that the companies we have analyzed relate to few actors and try to keep these relationships stable over time, highlights a rather prudent approach. In fact, after the entry into a single market, despite the fact that knowledge has been gained, the companies we have analyzed seem to have adopted the same form of presence. Indeed, our analysis does not seem to show a pattern of growth in investment from indirect forms to foreign direct investment, as theorized by the model of international growth by stages (Johanson and Wiedersheim-Paul 1975; Johanson and Vahlne 1977). This prudential approach persists in the development of the market. This seems to be true in general for all markets in the African continent in which Italian SMEs are present. The network implies opportunities, but it also entails elements of difficulty and weakness (Håkansson et al. 2009).

Indeed, the fact of being related to a few actors may represent an obstacle to the process of internationalization towards a country, as this can be linked to what happens to the specific relations that are activated for internationalization.

It is possible then to propose the following research proposition.

RP2. The entry and the stable presence of Italian SMEs in single African markets both in Mediterranean Africa and sub-Saharan Africa depend on the activation and maintenance of relationships with a limited number of actors that remain over time.

Our research shows that a limited role is played by national public institutions (Keesing and Singer 1992) in the internationalization process of Italian SMEs in Africa. The companies we are analyzing seem to move autonomously, without the help of national institutions. At the same time, they seem not to implement imitative behaviors following paths set by other competing companies. Consequently, there are no imitative and agglomerative phenomena (Belussi 2011) with relation to companies in the same sector that are internationalizing in the same markets in the same way. Obviously, the absence of these phenomena confirms the prudential logic highlighted above. In fact, the absence of other national players in the African market increases uncertainty over individual countries, as companies may not recur to other national players that may be leveraged as reducers of the difficulties and the potential barriers encountered.

In the sample of companies we analyzed, however, there were examples of firms entering the African markets with the support of other institutional actors. Particular reference was made to African public actors and NGOs. Our analysis strengthens the idea that non-profit organizations can be drivers of the internationalization of SMEs, highlighting the need for further studies of this under-investigated issue within the management literature (Ghauri, Tasevori and Zaefraian 2014). Furthermore, our findings confirm the key role of business partners such as customers and intermediaries (Johanson and Vahlne 2009) in internationalization in Africa. These relationships often begin through participation in trade fairs and shows. The trade fairs are relevant both to building new relationships and strengthening existing ones, confirming that this activity can create business relations to accelerate the process of internationalization, as pointed out in the literature (Evers and Knight 2008). We then propose the following.

RP3: Business partners (customers and intermediaries), NGOs, and destination market institutions are the key actors in the internationalization of Italian SMEs.

We have attained interesting results on companies' development paths towards other African markets. The fact that entry and development in each single African market is based on the establishment of specific relations with nationally specific actors, as well as on modes of development in a single country, creates difficulties in penetrating other African markets. However, from our analysis, we can highlight significant differences in the macro-areas of the African continent. Our empirical investigation confirms that two major geographical areas can be considered in Africa, as proposed by leading global institutions (World Bank Group 2017). Indeed, the entrepreneurs surveyed propose different considerations for Sub-Saharan Africa than Mediterranean Africa.

Although the actors with which Italian SMEs are linked in Mediterranean Africa are nationally specific, the maturation of knowledge in a single market has the certain possibility of being exploited in other markets in the same area. It emerges from our analysis that major cultural proximity (such as common history, similar political regimes, similar regulations, similar language, and so on) among Mediterranean Africa markets can favor international development from a market to another. However, in Sub-Saharan Africa there is a mosaic of countries characterized by strong differences (cultural, linguistic, ethnic, infrastructural, and so on) such that the international development between countries in this area is rather limited and requires longer periods. In addition, from our analysis, the actors with which the companies are linked are specific not only to the country but mainly to specific portions of territory. This is an interesting result, and it highlights the heterogeneity of sub-Saharan African countries. In some, the differences within a single country make it difficult to use the knowledge gained in one area in another area within the same country. Internationalization seems to be, in this area of the African continent, locally rather than nationally oriented. The internationalization of Italian SMEs here is directed towards regional areas within a country rather than being targeted to the entire nation. It is therefore possible to state the following.

RP4. The knowledge gained by Italian SMEs in countries within Mediterranean Africa can allow international development to other markets in the same area, while in the case of sub-Saharan Africa this development path is more limited.

We consider the implications of the theoretical research propositions proposed at the levels of both companies and policy makers.

From a managerial point of view, it is clear that the activation of relational networks is central to the African context. This requires a strong understanding of which key relationships should be activated, knowing that they represent both the basis for development and a barrier to growth in individual markets. In addition, our results highlight how, while in Mediterranean Africa relationships can be the basis for foreign development in other countries of the same area, the knowledge gained in relations with actors in sub-Saharan Africa is often linked to limited geographical contexts. Hence, for some African markets, the investment required in the relationships is even greater. Our analysis shows the difficulty of activating growth processes between countries in the African context, as relations are very often at the level of an individual country or area.

From the point of view of policy makers engaged in supporting internationalization in Africa, it is possible to highlight some key aspects. First, our analysis confirms that internationalization in Africa involves a large and rather segmented number of areas and countries. In general, there is a general fragility of the phenomenon, which depends on the nature of relations and network. While national policies are often focused on big business as a benchmark for development, our analysis highlights the role of SMEs, which can be seen as exploratory companies. The presence of this type of enterprise can activate agglomeration phenomena, and therefore, our research highlights the need to leverage the efforts of these exploratory companies. They have knowledge, have moved into Africa, and may enable the process of the foreign development of other national enterprises. In this sense, public actors should support and strengthen the development of these companies, as they can facilitate the growth of other companies in Africa and, in general, of sectors that are relevant to national economies.

7. Conclusion: towards a taxonomy of networks in Africa

This paper contributes to the debate on the role of networks for internationalization. In conclusion, we summarize our theoretical contribution by advancing a tentative taxonomy of networks for internationalization in the African market. Our research allows us to highlight the existence of at least three types of networks.

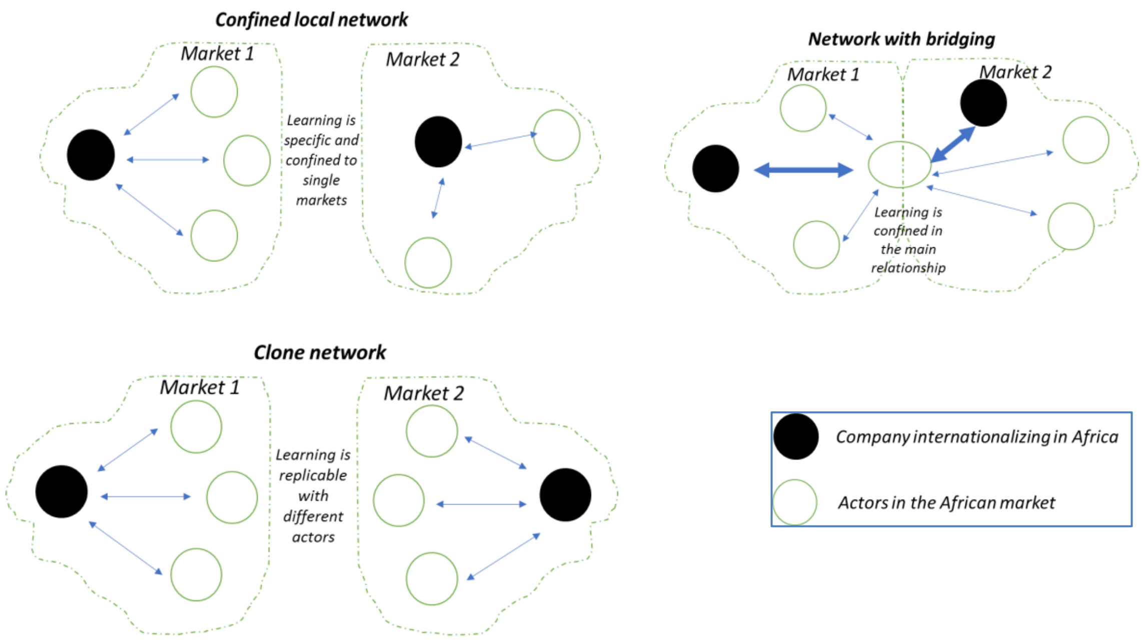
The first type of network can be termed "*confined local network*". In this case, the internationalization of a firm in Africa highlights the existence of specific national contexts where the knowledge learned by the firm remains at the level of a single market. The empirical research indicates this is the case of many markets in Sub-Saharan Africa. Such a network remains strongly anchored to local specificities and the knowledge learned through relationships in that country are usually not relevant in other contexts. In these types of networks, the counterparts with whom Italian firms are linked have mainly local or national interests – such as NGOs – who perform development projects in specific countries. It follows that what the firm learns through these relationships is specific to that market. In the case of African markets where such networks are relevant, the presence of the company requires a strong investment. Learning here is very deep but country-specific. As a result, internationalization remains confined to specific markets and, if diffused in multiple markets, requires specific knowledge and very often takes much time for entry and development.

The second type of network can be termed "*network with bridging*". In this case, although the network actors relevant to internationalization may be specific to a single market, the company is able to connect with actors operating in multiple African markets. Through such relationships within a country, the firm can enter other markets. This is the case of many markets in Mediterranean Africa and South Africa, but in only a few other Sub-Saharan African markets. In this case, learning about individual international markets is less demanding than the previous case and remains confined to the actor to whom the firm is related. These actors can often be clients or importers who operate in many markets. Internationalization into more African countries is more rapid in this case, even if the market knowledge may be less deep than in the previous case.

The third type of network can be called a "*clone network*". In this case, the network is country-specific, but the enterprise learns what are the most important actors and how to relate to them. The knowledge is both specific – related to a single market – and general, regarding the learning process about how to relate to the relevant network. It allows duplication of the same network strategies in different markets with different actors. While it is a network specific to single markets, the approach to them is similar and, therefore, replicable in other African contexts. This is the case in many Mediterranean African markets. In this case, the learning process involves knowledge that, although specific, can be used across different markets.

Figure 1 shows the three kinds of networks that emerge from our analysis.

Figure 1. A taxonomy of networks for internationalization in Africa



8. Limits, future research and final remarks

Our study assessed the path of internationalization in Africa, considering the role of relationships and potential differences within the African continent. This analysis is not without limits. First, our research has considered several companies within a specific location in Italy. Future research should analyze companies from different areas using a comparative approach, as well as companies from different countries. Moreover, our analysis was of a qualitative nature. This is in line with our exploratory goals. However, future research should analyze these issues using quantitative research, defining a larger sample of companies and with the aim of statistically validating what emerged from our analysis.

This paper shows relevant evidence. On the one hand, it proposes a development process in Africa that is characterized by a rather isolated approach and by being responsive to contingencies. On the other hand, it highlights the role of relations, distinguishing Mediterranean Africa from sub-Saharan Africa. Our article responds to the need for more detailed study of Africa, which will be an engine of future international development but has received little attention in management literature. We then propose a taxonomy of potential networks in the African continent. Finally, this paper highlights the international development of SMEs in Africa, which should be the focus of both theoretical and empirical considerations in future research.

References

Adams, S. 2009. “Can foreign direct investment (FDI) help to promote growth in Africa?”. *African Journal of Business Management* 3(5), 178.

Asiedu E. 2006. “Foreign direct investment in Africa: The role of natural resources, market size, government policy, institutions and political instability”. *The World Economy* 29(1): 63-77.

Badr, O. M., & Ayed, T. L. 2015. “The mediator role of FDI in North Africa: Case of Egypt”. *Journal of Advanced Management Science* 3(1).

Banalieva, E. R., and Sarathy, R. 2011. “A contingency theory of internationalization”. *Management International Review* 51(5): 593-634.

Baronchelli G., and Cassia F. 2008. “Internationalization of the firm: stage approach vs. born global approach”. Proceedings of the 8th Global Conference on Business & Economics. http://www.gcbe.us/8th_GCBE/data/confcd/index.htm

Belussi, F. 2011. “The new Marshallian districts and their process of internationalization”. In P. Cooke, B. T. Asheim, R. Boschma, R. Martin, D. Schwartz, & F. Tödtling (eds), *Handbook of regional innovation and growth* 90–102. Northampton: Edward Elgar Publishing.

Bertocchi G. & Canova F. 2002. “Did colonization matter for growth?: An empirical exploration into the historical causes of Africa's underdevelopment”. *European economic review*, 46(10), 1851-1871.

Björkman, I., and Kock, S. 1995. “Social relationships and business networks: The case of Western companies in China”. *International business review* 4(4): 519-535.

Blankenburg Holm, D. and Eriksson, K. 2000. “The character of bridgehead relationships”. *International Business Review* 9(2):191-210.

Boocock, C. N. 2002. “Environmental impacts of foreign direct investment in the mining sector in Sub-Saharan Africa”. In OECD (Eds) *Foreign Direct Investment and the Environment. Lessons from the Mining Sector*.

Callaghy, T., Kassimir, R. & Latham, R. 2001. *Intervention and Transnationalism in Africa: global-local networks of power*. Cambridge University Press.

Calza, F., Aliane, N., & Cannavale, C. 2010. “Cross-cultural differences and Italian firms' internationalization in Algeria: Exploring assertiveness and performance orientation”. *European Business Review 22*(2), 246-272.

Carmignani, F. & Mandeville, T. (2014). Never been industrialized: A tale of African structural change. *Structural Change and Economic Dynamics*, 31, 124-137.

Cavusgil, S.T. 1997. “Measuring the potential of emerging markets: An indexing approach”. *Business Horizons* 40(1): 87-91.

Cavusgil, S. T., Ghauri, P. N. and Agarwal, M. R. 2002. *Doing business in emerging markets: Entry and negotiation strategies*. London: Sage.

Cavusgil, S. T., and Knight, G. 2015. “The born global firm: An entrepreneurial and capabilities perspective on early and rapid internationalization”. *Journal of International Business Studies* 46(1): 3-16.

Chandra, Y., Styles, C., and Wilkinson, I. 2009. “The recognition of first time international entrepreneurial opportunities: Evidence from firms in knowledge-based industries”. *International Marketing Review* 26(1): 30-61.

Cleeve, E. 2008. “How effective are fiscal incentives to attract FDI to Sub-Saharan Africa?”. *The Journal of Developing Areas 42*(1), 135-153.

Colovic A. and Lamotte O. 2014. “The role of formal industry clusters in the internationalization of new ventures”. *European Business Review* 26(5): 449-470.

Coviello, N.E., Ghauri, P.N. and Martin, K.A. 1998. “International competitiveness: empirical findings from SME service firms”. *Journal of International Marketing* 6(2): 8-27.

Coviello, N., and Munro, H. 1997.” Network relationships and the internationalisation process of small software firms”. *International business review* 6(4): 361-386.

Denzin, N. 1970, “Strategies of multiple triangulation”, in Denzin, N. (Ed.), The Research Act in Sociology: A Theoretical Introduction to Sociological Method, McGraw-Hill, New York, pp.297-313.

Diao, X., Hazell, P., & Thurlow, J. 2010. “The role of agriculture in African development”. *World development* 38(10), 1375-1383.

Drogendijk, R. and Blomkvist, K. 2013. “Drivers and motives for Chinese outward foreign direct investments in Africa”. *Journal of African Business* 14(2): 75-84.

Edwards, L. and Jenkins, R. 2014. "The margins of export competition: A new approach to evaluating the impact of China on South African exports to Sub-Saharan Africa". *Journal of Policy Modeling* 36: S132-S150.

Eisenhardt, K. M. and Graebner, M. E. 2007. "Theory building from cases: Opportunities and challenges". *Academy of Management Journal* 50(1): 25-32.

Elg, U., Ghauri, P.N. and Tarnovskaya, V. 2008. "The role of networks and matching in market entry to emerging retail markets". *International Marketing Review* 25(6): 674-699.

Ellis, P.D.. 2000. "Social ties and foreign market entry". *Journal of international business studies* 31(3): 443-469.

Ellis, P.D. 2011. "Social ties and international entrepreneurship: Opportunities and constraints affecting firm internationalization". *Journal of International business studies* 42(1): 99-127.

Ellis P. and Pecotich A. 2001. "Social Factors Influencing Export Initiation in Small and Medium-Sized Enterprises". *Journal of Marketing Research* 38(1): 119-130.

Eriksson, P., and Kovalainen, A. 2015. *Qualitative methods in business research: A practical guide to social research*. London: Sage.

Evers N. and Knight J. 2008. "Role of international trade shows in small firm internationalization: a network perspective". *International Marketing Review* 25(5): 544-562.

Fayissa, B., Nsiah, C., & Tadasse, B. 2008. "Impact of tourism on economic growth and development in Africa". *Tourism Economics 14*(4), 807-818.

Forsgren, M., and Johanson, J. 1992. *Managing Networks in International Business*. Philadelphia: Gordon & Breach.

Freeman, S., Edwards, R., and Schroder, B. 2006. "How smaller born-global firms use networks and alliances to overcome constraints to rapid internationalization". *Journal of International Marketing* 14(3): 33-63.

Ghauri P., Tasavori M. and Zaefarian R. 2014. "Internationalisation of service firms through corporate social entrepreneurship and networking". *International Marketing Review* 31(6): 576-600.

Grier, R.M. 1999. "Colonial legacies and economic growth". *Public choice* 98(3), 317-335.

Gu, J. 2009. "China's private enterprises in Africa and the implications for African development". *European Journal of Development Research* 21(4): 570-587.

Guercini, S., and Runfola, A. 2010. "Business networks and retail internationalization: A case analysis in the fashion industry". *Industrial Marketing Management* 39(6): 908-916.

Guercini, S. and Runfola, A. 2016. "How western marketers respond to the new middle class in emerging market cities: The case of Italian Fashion Marketers". *International Business Review* 25(3): 691-702.

Guillén M. F., and García-Canal E. 2009. "The American model of the multinational firm and the "new" multinationals from emerging economies". *The Academy of Management Perspectives* 23(2): 23-35.

Håkansson H. 1982. *International Marketing and Purchasing of Industrial Goods: An Interaction Approach*. Chichester, UK: John Wiley and Sons.

Hakansson, H., Ford, D., Gadde, L. E., Snehota, I., and Waluszewski, A. 2009. *Business in networks*. Chichester UK: JohnWiley & Sons.

Håkansson, H. and Snehota, I. 1995, *Developing Business Relationships,* London: Routledge.

Halinen, A. and Törnroos, J. Å. 2005. "Using case methods in the study of contemporary business networks". *Journal of Business Research* 58(9), 1285-1297.

Jin B. and Jung S., 2016. "Toward a deeper understanding of the roles of personal and business networks and market knowledge in SMEs' international performance". *Journal of Small Business and Enterprise Development* 23(3): pp.812-830.

Johanson, M., and Kao Tsung, P. 2012. “Network and internationalisation: A Review of more than 20 Years of Research”. In *28th IMP conference; Combining the social and technological aspects of innovation: relationships and networks; 11th-15th September 2012;* Rome, Italy.

Johanson, J. and Mattsson, L.G. 1988. “Internationalisation in industrial systems — a network approach”. In N. Hood & J.E. Vahlne (eds) *Strategies in global competition*. New York: Croom Helm.

Johanson, J., and Vahlne, J. E. 1977. “The internationalization process of the firm-a model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*: 23-32.

Johanson J., Vahlne J. E. 1990. “The mechanism of internationalization”. *International Marketing Review* 7(4): 11-24.

Johanson, J., Vahlne J. E. 2009. “The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership”. *Journal of International Business Studies* 40(9): 1411-1431.

Johanson, J., and Wiedersheim Paul, F. 1975. “The internationalization of the firm - four Swedish cases”. *Journal of management studies* 12(3): 305-323.

Kahn, M. (2011). The fall of the wall, the rise of the BRICs and the new scramble for Africa. *Foresight*, 13(3), 38-49.

Kaplinsky, R., & Morris, M. 2009. “Chinese FDI in Sub-Saharan Africa: engaging with large dragons”. *The European Journal of Development Research* 21(4), 551-569.

Keesing, D., and Singer, A. 1992. “Why official export promotion fails”. *Finance and Development* 29(1): 52-53.

Knight, G.A. and Cavusgil S.T 1996, “The Born Global Firm: A Challenge to Traditional Internationalisation Theory”. In Cavusgil S.T and Madsen T. (eds.), *Export Internationalising Research, Advances in International Marketing*, 8, NY: JAI Press.

Lange, M., Mahoney, J. and Vom Hau M. 2006. “Colonialism and development: A comparative analysis of Spanish and British colonies”. *American Journal of Sociology* 111(5), 1412-1462.

London, T., and Hart, S. L. 2004. “Reinventing strategies for emerging markets: beyond the transnational model”. *Journal of International Business Studies* 35(5): 350-370.

Luiz, J. M., & Ruplal, M. 2013. “Foreign direct investment, institutional voids, and the internationalization of mining companies into Africa”. *Emerging Markets Finance and Trade* 49(4), 113-129.

Manolova, T. S., Manev, I. M., and Gyoshev, B. S. 2010. “In good company: The role of personal and inter-firm networks for new-venture internationalization in a transition economy”. *Journal of World Business* 45(3), 257-265.

Miles, M. B. & Huberman, A. M. 1994. “Qualitative data analysis: An expanded sourcebook” (2nd ed.). Thousand Oaks, CA: Sage

Moussa P. 2002. “L’investissement prive etranger en Afrique: atouts et obstacles”. *Afrique contemporaine*: 35-41.

Nchuchuwe, F. F., & Adejuwon, K. D. 2012. “The challenges of agriculture and rural development in Africa: the case of Nigeria”. *International Journal of Academic Research in Progressive Education and Development* 1(3), 45-61.

O’Gorman, C., and Evers, N. 2011. “Network intermediaries in the internationalisation of new firms in peripheral regions”. *International Marketing Review* 28(4): 340-364.

Ojala, A. 2009. “Internationalization of knowledge-intensive SMEs: The role of network relationships in the entry to a psychically distant market”. *International business review*, 18(1): 50-59.

Okpara, J. O. 2009. "Strategic export orientation and internationalization barriers: evidence from SMEs in a developing economy". *Journal of International Business and Cultural Studies* 1*:* 1-10.

Oparaocha, G. O. 2015. "SMEs and international entrepreneurship: An institutional network perspective". *International Business Review* 24(5): 861-873.

Oviatt, B. M., McDougall, P. P. (1994). "Toward a theory of international new ventures". *Journal of International Business Studies*: 45-64.

Pascucci, F., Bartoloni, S., and Gregori, G. L. 2016. "Export market orientation and international performance in the context of SMEs". *Journal of Small Business & Entrepreneurship*: 1-15

Pinho, J. C., and Pinheiro, M. L. 2015. "Social network analysis and the internationalization of SMEs: Towards a different methodological approach". *European Business Review* 27(6): 554-572.

Ramadan, M., & Levratto, N. 2016. "The Internationalization of Small and Medium-Size Enterprises in the Maghreb: A Study of Moroccan SMEs". *Global Business and Organizational Excellence 35(*5), 44-57.

Rogmans, T., & Ebbers, H. 2013. "The determinants of foreign direct investment in the Middle East North Africa region". *International Journal of Emerging Markets* 8(3), 240-257.

Rutashobya, L., and Jaensson, J. E. 2004." Small firms' internationalization for development in Tanzania: Exploring the network phenomenon". *International Journal of social economics* 31(1/2): 159-172.

Settimo, R. 2014. "L'Interscambio Commerciale E Gli Investimenti Dell'Italia Nei Paesi Del Nord Africa (Italian Trade and Direct Investment in North Africa)". *Bank of Italy Occasional Paper*, 226.

Sharma, D. D., and Blomstermo, A. 2003. "The internationalization process of born globals: a network view". *International business review* 12(6): 739-753.

Sichei, M. M., & Kinyondo, G. 2012. "Determinants of foreign direct investment in Africa: A panel data Analysis". *Global Journal of Management and Business Research* 12(18), 85-97.

Snyman, J. A., & Saayman, M. 2009. "Key factors influencing foreign direct investment in the tourism industry in South Africa". *Tourism Review* 64(3), 49-58.

Song, H. 2011. "Chinese private direct investment and overseas Chinese network in Africa". *China & World Economy* 19(4): 109-126.

Stake, R. E. (1995). *The art of case study research*. Sage.

Stoian, M. C., Rialp, A., Rialp, J., & Jarvis, R. 2016. "Internationalisation of central and eastern European small firms: institutions, resources and networks". *Journal of Small Business and Enterprise Development* 23(1): 105-121.

Strauss, J. and Saavedra, M. (2009). *China and Africa: Emerging patterns of globalization and development*. Cambridge: Cambridge University Press.

Tödtling, F., Lehner, P. and Tripple, M. 2006. "Innovation in knowledge intensive industries: the nature and geography of knowledge links". *European Planning Studies* 14(8): 1036-1058.

Tuomi, K. 2011. "The role of the investment climate and tax incentives in the foreign direct investment decision: Evidence from South Africa". *Journal of African Business* 12(1), 133-147.

United Nations 2016. *World Economic Situation and Prospects 2015*, New York.

Varaldo R. 2010. "Le medie imprese: una risposta alla crisi?" *Mercati e Competitività* 3: 15-17.

Vissak, T., Francioni, B. and Musso, F. 2017. "The role of network relationships in small wineries' internationalization: A case study from Marche, Italy". *International Journal of Wine Business Research*, 29(1): 37-57.

Welch, L. S., and Luostarinen, R. K. 1993. "Inward-outward connections in internationalization". *Journal of International Marketing*: 44-56.

Welch, D.E. and Welch, L.S. 1996. "The internationalization process and networks: A strategic management perspective", *Journal of International Marketing* 4 (3): 11-28.

Wilkinson, T., and Brouthers, L. E. 2006. "Trade promotion and SME export performance". *International Business Review*, 15(3): 233-252.

World Bank Group. 2017. *Global Economic Prospects*, June 2017: A Fragile Recovery. Washington, DC: World Bank. Washington, DC

Yin, R. K. 1994. *Case study research. Design and methods*. Thousand Oaks: Sage.

Yuan, L., Qian, X., and Pangarkar, N. 2016. "Market timing and internationalization decisions: A contingency perspective". *Journal of Management Studies*, 53(4): 497-519.

Zain, M., and Ng, S. I. 2006. "The impacts of network relationships on SMEs internationalization process". *Thunderbird International Business Review* 48(2): 183–205.

Zarei, B., Nasseri, H., and Tajeddin, M. 2011. "Best practice network business model for internationalization of small and medium enterprises". *Journal of International Entrepreneurship* 9(4): 299-315.

Tables

Table 1. List of companies involved in the research process

Number	Industry	Position of the contact person interviewed	Turnover (000 Euro)*	Experiences in African markets	Type of presence
1	Manufacturing industrial machinery and storage systems and cereal processing for animal feed	Entrepreneur	2,852	Tunisia, Algeria, Morocco	Productive and commercial
2	Cement production	Vice President	263,783	Tunisia, Algeria, Libya	Productive and commercial
3	Manufacturing weighing, bagging, closing and palletizing machinery for bulk products.	Export and Marketing Executive	23,561	South Africa, Algeria, Morocco	Commercial
4	Manufacturing agricultural machinery	Export Manager	4,611	Somalia, Cameroon, Kenya, Algeria, South Africa, Madagascar, Mali, Sierra Leone, Angola, Zimbabwe, Ghana	Commercial
5	Manufacturing agricultural machinery	Export Manager	2,373	Nigeria, Ghana	Commercial
6	Manufacturing agricultural machinery	General Manager	7,008	Maghreb, Central Africa and South Africa	Commercial
7	Manufacturing pipe systems in plastic	Commercial Division	42,086	Tunisia, Morocco, Libya	Commercial
8	Manufacturing tobacco-processing machinery	Managing Director and Commercial Director	11,865	Zimbabwe, Malawi, Tanzania, Ethiopia, Zambia, Congo, Morocco, Egypt, Algeria, Libya, South Africa, Tunisia	Commercial
9	Production of pasta and edible oils	Export Manager	18,797	Egypt, Eritrea, Libya, Mauritius, Seychelles, South Africa	Commercial
10	Manufacturing wheat flour	Entrepreneur	31,413	South Africa	Commercial
11	Manufacturing agricultural machinery	Board Member and Sales Director	20,365	Ethiopia, Kenya, Algeria, Eritrea, Libya, Somalia	Commercial
12	Manufacturing, developing, and installing systems to generate power	Chief Executive Officer	n.a.	Burkina Faso, Chad, Democratic Republic of Congo, Mozambique,	Commercial

	from renewable energy sources			Madagascar	
13	Production of refrigeration units and supply and installation of mechanical plants	Chief Executive Officer	2,299	Nigeria, Morocco, Tunisia	Commercial
14	Manufacturing tobacco processing machinery	Entrepreneur	2,768	Morocco, Tunisia, Algeria	Commercial
15	Manufacturing, developing, and installing systems to generate power from renewable energy sources	Export Office	67,355	Senegal, Morocco, Algeria, Egypt, Tunisia	Commercial
16	Manufacturing, developing, and installing systems to generate power from renewable energy sources	Executive Director	28,238	South Africa	Commercial
17	Manufacturing machinery for the plastic and rubber materials industry	Chief Sales Officer	5,554	South Africa, Morocco	Commercial
18	Consulting, promoting, project planning and training on system for the regeneration and revegetation of desertified land	Administrator and Project Manager	75	Niger, Morocco, Egypt, Senegal, Tunisia, Burkina Faso, Chad, Sudan, Kenya, Madagascar	Commercial

**Source: AIDA (Bureau Van Dijk), Data from the last available annual report*