

# Born Globals as the Way Forward

Reijo Luostarinen

Relaxbirth Ltd

Chairman of International Management  
Advisory Board

# Born Globals as the Way Forward

- New type of global business player
- Global since the birth. Globalize or die!
- Behaving exceptionally, not following the rules and codes of normal acceptable and understandable behaviour
- Headache for trad.managers/leaders, for IB-policy-makers, financial institutions and for academic researchers
- Future jewels especially for SMOPECs

# Exceptional starting point

- **Vision:**
  - Trad.firms: to become national, then gradually to internationalize and perhaps finally to globalize
  - Born globls: to become global from the inception

# Exceptional strategies of BGs

- **Product strategy:**

- Traditional firms: goods, services, know how and systems
- Born Globals: systems, which include physical goods, services and know how  
(= HW + SW)

# Exceptional strategies....

- **Market strategy:**

- traditional firms: Finland: 12-17 years  
(internationalize) Sweden, Norway and  
Denmark: 10-15 yrs
- BGs: Finland: 0-2 yrs  
(globalize) Skandinavia: 1-2 yrs  
Br+Ge+Fr+USA+Asia:  
1-3 yrs

# Exceptional strategies....

- **Operation mode strategy:**
  - traditional firms: imports, exports 5-10 yrs, sales subs. licensing, prod. unit and finally alliances, cooperat.
  - Born Globals: Alliances, partners, s-unit joint ventures, licensing within 1-5 yrs

# Exceptional strategies....

- **Financing strategy:**

- Tradit.firms: because of slow and gradual development need relatively little capital and are able to use earned revenues for int.bus.
- Born globals: exceptional product, operation and market strategies demand 2-10 times more money

# Finnish monetary markets

- **Mature MNC's:** get finance, do not need it
- **Trad. I-nationals:** get also enough finance, need relatively little
- **Born globals:** don't get, need much more and already at the beginning

# Born Globals as the Way Forward

- Most competitive global players in SMOPECs
- Are not industry-bound:
  - high-tech (engineers et.al)
  - high-design (fashion people, women)
  - high-service (ITC-youngsters)
  - high-know how (whatever the field)
  - high-quality system (combinations of above)

# Born Globals as the Way Forward

- Being radical and (r)evolutionary new animals, lack of understanding, call for change:
  - Policym: new principles and less regulations
  - Finance: more risk acceptance instead of risk avoidance & profit escape (VC)
  - Managers: global co-creation and leadership skills
  - Academia: global creative cooperation and more art & change makers