PARTNER OR PERISH
ESSENTIAL COMPETENCIES FOR SUSTAINABLE INTERNATIONAL BUSINESS

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by
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Frans Stel
FOREWORD
Increasingly, we are all connected to one another. That is why the world has grown smaller. Everyone can have their say and be heard. Yet, when it comes to the economy, we are waiting for something big: a decision from the top, an intervention, a green light. But that does not come. The power is no longer in the hands of the big. The strength is in the hands of the small. Small companies may create big change. Working together in partnerships, we will make small the new big.

I will discuss three of the factors that are relevant in order to develop international sustainable business: the causes and effects of sustainability trends, the competencies of companies that are needed to seize opportunities of sustainable business, and my research and training activities towards these competencies.

I will argue that international partnerships of small international companies or “Born Globals” (BG) will play an increasing role in sustainable development. These alliances have distinct advantages, as can illustrated by a flock of geese: they adapt their course swiftly and collaborate effectively.

As the world population grows and development levels of people rise, the demand for food increases. It is increasingly difficult to produce sufficient food. Moreover, in the whole food chain (from farm, to processing, to supermarket) a great deal of food is wasted. Do you know to what extent currently food is wasted in the world?

The answer is about 30% of the world’s food. A large part is due to consumers. For example, the Dutch discard, some 50 kilograms of food annually. In many production chains, food is wasted: by producers, retailers, restaurants, supermarkets and end-users. This is a waste of food money, and energy. In addition, it causes additional CO$_2$ emissions from transport and disposal$^1$.

The amount of raw materials and natural resources needed to fulfill consumption is called the ecological footprint. The average ecological footprint per capita varies greatly between countries. If everyone was able to consume as much as the average Dutchman, how many planets Earth would we currently need?

The correct answer is 3.5 globes. On average, a person needs 2.7 hectares per year (while on our planet, only 1.8 hectares per person is available! The Dutch use on average 6.4 hectare per year. If everyone were to consume as much as we do, we would need approximately 3.5 planets Earth. Because no second globe is available, we are exhausting the Earth’s resources quickly. Houston, we have a problem!

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$^1$ WWF, 2014.
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1. THE SUSTAINABILITY CRISIS
In Chinese, the symbol for “crisis” consists of two characters: one represents “danger” and the other “opportunity”. Both elements count and will be part of my analysis, see FIG 1: THE CHINESE CHARACTER “CRISIS”

In 1987, the Brundtland committee concluded:

“The present method of development is not sustainable. Little time is now available for corrective action. We need to set a new course”.

They define sustainable development as: “the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Now, some thirty years later, these words are even more applicable. Unfortunately, our development is not “future proof”. In fact, we need a sense of urgency, or to quote President Obama, who issues a desperate call for a global climate deal:

“There is such a thing as being too late. Failure to reduce global warming is not an option, as time is indeed running out. This is a challenge that will define the contours of this century more dramatically than any other”.

At this moment, some serious social, economic and ecological trends are compromising our future life and work. These trends reinforce one another. They can be considered as dangers as well as opportunities. Currently, we are facing a global sustainability crisis.

1.1 HOLISTIC VIEW OF SUSTAINABILITY

The traditional “People-Planet-Profits” analysis of sustainable business is usually described with a three circles model (Figure 2) in which social, business, and environmental challenges are interconnected but are not fully interdependent.

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3 President Obama’s speech at a meeting of Arctic Circle nations in Anchorage, Alaska, September 1st, 2015.
FIG. 2: TRADITIONAL VIEW OF SUSTAINABLE BUSINESS

They appear to be equal in size and give the impression that they are of equal importance. However in reality, the “profit” economic considerations of improving competitiveness receive most attention in the decisions made by managers. Social or “people” considerations and environmental “planet” consequences are considered to be a result of the economic activities. The negative consequences of production processes are seen as “externalities”: unintended social, societal or ecologic side effects on parties outside a company that are not accounted for in pricing. Examples of negative externalities are pollution, carbon dioxide emissions and ecosystem damage. According to KPMG research, some sectors, such as the food industry, would have no profits if they had to pay the full cost of their negative environmental externalities.

One of the dangers of the sustainability crisis concerns the Earth’s ecosystems. On account of the ever-growing demand for resources, in the last 20 years, we have been responsible for more extensive and rapid changes to the Earth’s ecosystems than at any other time in history. In the last 20 years, carbon dioxide emissions grew by 36 percent. That is why in 2005 the UN warned:

“the ability of the planet’s ecosystems to sustain future generations can no longer be taken for granted”.

5  KPMG, 2014:10. Externalities can also be positive: e.g., - bonuses.
6  Millennium Ecosystem Assessment, 2005.
The damage includes loss of biodiversity, oceans becoming warmer and more acidic, farm land less productive, more deserts, fewer forests, etcetera\(^7\). Climate change will become very tangible. For example, with the current rising sea levels, Manhattan of New York might become a second Venice as is illustrated in Figure 3.

FIG. 3: MANHATTAN’S FUTURE?

Climate change will have unprecedented effects. Future economic growth is becoming more uncertain and global economic risk is increasing. Due to the increase of carbon emissions and climate change, natural disasters are occurring more frequently and with greater severity. Insured losses from weather-related events are now 15 times higher than they were 30 years ago. According to KPMG, even insured companies face the risk that extreme weather will disrupt production, resulting in lost revenue and an inability to meet demand\(^8\).

Another danger of the sustainability crisis is the increasing **scarcity of raw materials**. Because of the expected increase in population and wealth, demand for consumer

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7 KMPG, 2012.
8 KPMG, 2014: 32.
goods and services will grow. In order to produce enough goods, many more natural and material resources will be needed. The Ellen Mc Arthur foundation analyzed the expected remaining years until depletion of raw materials taking into consideration known reserves, the rate of recycling and current consumption patterns. Based on these calculations, they expect shortages in the supply of raw materials. Without a policy change, elements such as gold, copper, silver, indium, iridium, tungsten and other commodities vital to industry will become very scarce indeed and are expected to be exhausted within five to fifty years. Scarcity results in an enormous price increase of key commodities and a need to develop alternative products, production processes and consumption patterns. “KPMG concludes similarly:

"Companies in all sectors need to prepare themselves for a world where raw materials may be in short supply. Businesses will face a more volatile and unpredictable market for fossil fuels and other resources. In addition, one might expect an increasing probability of conflicts over scarce resources such as water."

Negative social and ecological externalities cannot be ignored anymore as the effects are increasingly noticeable and effects on the longer term have to be taken in consideration. These negative externalities cannot be pushed outside the “economy” circle anymore and dealt with elsewhere. Externalities have to be integrated in total cost prices and subsequently in the sales prices of products. Following international laws against genocide, within the United Nations new regulations are discussed against “ecocide”, i.e. the extensive damage to, destruction of or loss of ecosystem(s) of a territory. Nowadays, ten countries have a law of Ecocide, and others might follow.

Therefore, in the “green economy” view, both society and economy are considered fully dependent on the environment, illustrated by Figure 4. In this view, social aspects nestle inside the environment and the economics are a part of social considerations. No economic or social subsystem can expand beyond the capacity of the total ecologic system. The environment and our economic development are inseparable and cannot be considered as separate entities. Social considerations should be fully integrated into economic decision-making processes.

10 KPMG, 2012.
11 i.e. the deliberate murder of a whole community or race.
12 Higgins et al., 2013.
13 Scott Cato, 2009.
An example of subsystems being fully interlinked with each other is for instance: population growth and wealth result in an increase in energy usage, and acceleration of global warming which in turn increases water scarcity and food insecurity. Because of these factors, people move to cities. Further urbanization results in deforestation, which in turn causes ecosystems to decline and biocapacity to decrease.

The global sustainability challenge is illustrated in the following figure that illustrates the use of natural resources (on the Y-axis) and the level of development of countries (the X-axis)\textsuperscript{15}. Consumption below that of the Earth’s capacity necessary to fulfill the consumer’s need (the so-called biocapacity\textsuperscript{16}) is considered to be sustainable: even in the long term, there are sufficient resources that enable such a level of consumption, see the marked area A in the figure. The United Nations Development Program (UNDP) has defined an appropriate level of human development. Development levels above this level are considered to be desirable, see the marked area B in Figure 5a.

\textsuperscript{15} The United Nations Development Program (UNDP) assesses a country’s level of development in an index known as the Human Development Index or HDI. This a composite index that is widely used, e.g. by the United Nations, World Bank, and IMF. It is measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living.

\textsuperscript{16} Biocapacity is determined by two factors: area of biologically productive land or water and the productivity of that area per hectare. Until recent, the area of land has remained relatively constant, while the yield per hectare has more than doubled.
Countries that meet both criteria for global sustainable development (i.e., have a high level of development and an Ecological Footprint per person that could be globally replicated to a level less than global biocapacity), - are shown in the lower right quadrant (area D of Figure 5b) while countries with high development and an Ecological Footprint that exceeds the Earth’s limits are in area C. The global situation is quite problematic: despite growing attention to sustainable development, no countries can be found in area D.

**FIG. 5A: SUSTAINABLE CONSUMPTION AND HIGH-LEVEL OF DEVELOPMENT**

Source: UNDP Ecological Footprint Atlas, 2010
When we observe this diagram over the years 1980, 1990, 2000, and 2007, we see a decreasing sustainability. The reality is: growing development implies a growing Ecological Footprint.

Source: UNDP Ecological Footprint Atlas, 2010
Our challenge is to reach higher levels of human well being while ensuring the long-term and sustainable availability of resources. A second issue concerns ways of increasing the capacity of bio-productivity. The challenge for low-income countries is to reach higher development levels within the Earth’s ecological budget (from A to D). For high-income countries, the challenge is to limit their Ecological Footprint (from area B to D). Even if we use the moderate projections\(^\text{17}\) of UN agencies for 2050 as a basis, human demand would be twice that of what the Earth is able to provide\(^\text{18}\). We therefore have to develop solutions that will achieve a lower ecological impact because at the current ecological rate of overspending, the capacity of the Earth to regenerate its biosphere has the risk of deterioration\(^\text{19}\).

### 1.2 SUSTAINABLE OPPORTUNITIES FOR INTERNATIONAL BUSINESS

One of the opportunities of the sustainability crisis concerns the world’s population. Every year, the world’s population increases by almost 90 million – which is more than the population of Germany. Demand for consumer goods and services will grow. In order to produce sufficient goods, many more natural and material resources will be needed. In order to feed this growing population, the agricultural production should be increased substantially. Many more new consumers; that is good for business. The bad news, however, is that shrinking resources and potentially changing climates will limit the ability to attain or maintain the same level of consumptive lifestyles, where people have access to and the ability to afford education, healthcare, mobility, food, water, energy and shelter, and of course consumer goods\(^\text{20}\). Since 2009, more people live in cities than in rural areas.

Virtually all population growth over the next 30 years will be in cities. By 2025, two out of three citizens will live in major cities, many of them in mega-cities with 10 million or more inhabitants. More than half will be teenagers\(^\text{21}\). These cities will require extensive improvements in sustainable infrastructure including water and sanitation, electricity, waste, transport, health, public safety etcetera.

New market opportunities will arise; examples are for instance water purification, more efficient resource management, and technological breakthroughs that will reduce

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\(^{17}\) These projections are based on slow population growth and slight improvements of people’s diet.


\(^{20}\) WBCSD, 2011.

\(^{21}\) Wullems, 1998.
dependency on fossil fuels with more renewable energy sources, and the so-called “circular economy”.

Due to the increasing scarcity of resources; new markets for circular products and services will emerge that use energy and resources more efficiently thus improving the quality of life in a changing world. Therefore, the usual linear “take-make-dispose” economy has to be substituted by a more “circular” economy, see Figure 6.

FIG. 6: CIRCULAR ACTIVITIES

Circular activities consist the conservation of natural capital and sustainable sourcing of raw materials\(^22\), more sustainable products and eco-efficient production\(^23\), as well as sustainable consumption\(^24\). In addition, circular activities involve activities beginning with the prefix “re”: recycling, re-use, re-manufacturing, repair, regeneration, and recovery\(^25\). Circularity offers huge business opportunities. According to the World Economic Forum and Ellen Macarthur Foundation, companies involved in circular supply chains could generate over USD 1 trillion in material savings by the year 2025. Already 500,000 jobs have been created by the recycling industry in the European Union alone.

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22 for instance the reduction in the use of water, energy or raw materials. In addition, the use of renewable resources is imperative, i.e. resources that do not rely on fossil fuels of which there are finite stocks are available.

23 such as cleaner production, eco-design, green chemistry, and minimizing waste.

24 Here a life cycle assessment or “cradle-to-grave” analysis is considered which evaluates the effects that a product has on the environment during its entire lifetime taking into consideration: the energy and raw materials consumed, the emissions and wastes generated, the potential impact on the environmental of all of these.

25 With regeneration, materials are made for possible usage in a similar or different process. Recovery is a process of extracting materials from energy or waste found in the waste stream for purposes that may be other than that originally intended. Re-manufacturing is the rebuilding or refurbishment of machines and mechanical devices in order to bring them to a re-usable or almost new state. In this group, purification is just as important, especially the removal of unwanted mechanical particles, organic compounds and other impurities (Glavik and Lukman, 2007).
1.3 SUSTAINABILITY A NEW REQUIREMENT FOR INTERNATIONAL BUSINESS

Markets requirements are continuously changing. Bolwijn and Kumpe (1990) conclude that in almost every decade, new market requirements become relevant to industry. Since the sixties, price has become one of the most important criteria for customers. Since then, customers have compared products made in every part of the world and selected suppliers on price, as illustrated in Figure 7.

In the seventies, international competition intensified. International production capacity exceeded demand and the global market turned from a seller’s market into a buyer’s market. Customers started to select products more critically and paid more attention to product quality; they no longer accepted breakdowns or costly, often time-consuming repairs to poor products. Since the seventies, quality has become an important factor for market success in addition to price. Consequently, companies have had to compete simultaneously on price and quality.

In order to raise profitability in the eighties, a greater variety of new products were introduced to the market. Companies in Japan started to modernize their product lines more often and new models of (e.g. cars) were introduced to the market more frequently. Since then, customers have come to expect a huge variety of new products forcing companies to shorten their development time for new products. A faster "time to market" became a prerequisite and competing simultaneously on price, quality and assortment of products essential for market success.

Since the nineties, innovation, renewal, and change have become more important. As a result, companies have to be efficient, quality minded, flexible, and innovative; all at the same time. Bolwijn and Kumpe (1990) conclude that every new requirement reinforces the earlier ones: innovativeness reinforces flexibility, quality and price.

Nowadays, we can expect that on top of the other four factors a sense of responsibility is becoming more and more a decision criterion for customers. Sustainability will become another “conditio sine qua non” in the market. Customers will increasingly realize the environmental consequences of their own behavior and will increasingly hesitate in buying non-sustainable products. In order to reach their sustainability targets, governments will impose stricter restrictions on non-sustainable products and production.
In the words of the CEO of the Norwegian life insurance and pension savings company Storebrand:

“Sustainability will become a key driver of all our investment decisions.\textsuperscript{26}”

**FIG. 7: EVOLVING MARKET REQUIREMENTS AND PERFORMANCE CRITERIA**

Transitions between different phases pass through stages of (a) denial of the new requirements, (b) considering it as a problem to be solved and ultimately, (c) as a market opportunity and a source of competitive advantage. Most customers, companies and governments are currently in the second phase: awareness of the importance of sustainability as a source of problems. In the future, they might consider it as a source of competitive advantage.

\textsuperscript{26} as cited in WBCSD: 2010: 64.
2. COMPETENCIES OF SUSTAINABLE INTERNATIONAL BUSINESS


2.1 INCREASED COMPLEXITY AND DYNAMISM

Implementing sustainable international business involves high levels of complexity and - due to the urgency of the sustainable crisis – timely execution. Sustainability challenges go beyond traditional industrial boundaries. Sustainable business opportunities can be realized only if multiple players across business and research communities join forces, changing drastically key materials flow and manufacturing processes.

In order to make up-scaling possible, effective collaboration is essential in so-called co-development alliances when seeking and implementing sustainable solutions, such as new production techniques or circular production. Companies, customers and competitors alike, act increasingly on a global scale. Companies are operating in global networks and supply chains in a progressively interconnected and globalized world.

Competitors have to collaborate with each other in order to establish industrial standards thus building up enough market power to enforce it. Manufacturers therefore have to cooperate with others, they have to partner or they will run into difficulties and ultimately perish. In order to produce more energy and goods more efficiently, companies need to form alliances with parties possessing adjacent or complementary competences.

Products are becoming more knowledge-intensive. Knowledge of sustainable production techniques has to be acquired or developed. In addition, companies are held responsible for sustainable production in the entire chain of suppliers. Not all knowledge is available in time within a single company. Therefore, companies have to cooperate within alliances and business networks. Bridging internal and external competences through effective partnering is becoming the dominant competence. A deliberate balance between external and internal competences is essential. External relationships are deliberately chosen, rather than useful side effects. The alternative, operating stand-alone, will result in a steady decline in business. In other words: partner or perish.

Partnering involves both a set of practices and a mentality, as is illustrated by the following statement:

“The original view was: I have got it, and you don’t …
Then there is the view, that I have got it, you have got it, but I have it cheaper …
Then there is: I have got it, you have got it, but I got it first …
Then there is: I have got it, you have got it from me, so I make money when I sell it, and I make money when you sell it.”


In addition to the increased complexity, market conditions change faster. The life cycle of products tend to shorten and, consequently, payback periods for new products will shorten as well\textsuperscript{29}. Existing technologies are becoming obsolete more rapidly, leading to the need for the development of new technologies quickly\textsuperscript{30}. There is a growing “need for speed” in innovation\textsuperscript{31}. Increased dynamism erodes the existing competitive positions of incumbents. In order to compete globally and within a smaller “window of opportunity”\textsuperscript{32}, companies will have to act faster and more effectively\textsuperscript{33}, they will have to reduce the time to market and upscale their operations more quickly.

Because the time span of innovation waves is shortening and new innovation waves are replacing existing innovations faster, Scharmer and Kaufer (2013) expect “an ongoing tsunami of disruptive change”. KPMG and Taleb (2010) has come along with similar advice: “expect the unexpected”. The vast majority of executives in an KPMG research report has said complexity has increased in the past and will become even more important in the future; they see complexity not only as a source of additional risk and cost, but many also believe that it is creating new opportunities\textsuperscript{34}.

**Increased complexity and dynamism has an effect on strategy and the desired competencies of leaders and team members.**

We illustrate the segment of low complexity and dynamism by a watch: all components and the workings thereof are known. Within a closed hierarchical system, leaders have the power of commanding and controlling all aspects within the organization. Based on the analysis of a single company, a strategy is developed and subsequently executed. In the belief of “all the smart people in our field work for us”, the adage is “the lab is our world” and ”Not-Invented-Here” is inferior. All innovative business development activities, from the fuzzy front end (i.e., R&D) to commercialization, are carried out in-house; external innovators are not allowed within the company. Business development is a process of “discover – develop – commercialize”.

In contrast, the segment of high complexity and dynamism can be illustrated by a flock of geese: they adapt their course swiftly and cooperate effectively. It is an open system; the network of partners and the moves may change during the journey. Due to the lack of hierarchical power, leaders have to inspire team members without effective command

\textsuperscript{29} Andrew and Sirkin 2006; Gassman 2006.
\textsuperscript{30} Gilsing et al., 2007.
\textsuperscript{31} AWT, 2006.
\textsuperscript{32} Moore 2001.
\textsuperscript{33} Christensen and Raynor, 2003.
\textsuperscript{34} KPMG, 2012.
and control. Leaders connect a network of partners. Based on the analysis of the network, a strategy is developed and quickly adjusted, tapping into the knowledge and expertise of external partners”. The Adage is “The world is our lab”. “Not-Invented-Here” is substituted by “Proudly found elsewhere”. All innovative business development activities are carried out in close cooperation with selected partners. In addition to “know-how”, it is important to “know-who”. External R&D can create significant value; internal R&D is necessary in order to assess the value of new know-how as well as assimilating the new know-how within a company.

In addition to the increased complexity and dynamism, market conditions become more uncertain. Unpredictable and unexpected events of massive consequence occur. Fewer businesses will operate in the bottom left orderly “Probability” segment of Figure 8 in which companies base their decisions on measurable risks and probabilities.

**FIG. 8: INCREASING COMPLEXITY AND UNCERTAINTY**

Adapted from: KPMG, 2012.

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35 Thaleb, 2010, 2012
Large companies are less inclined to take risks than small young companies. In large companies, often new business activities have to compete with existing ones, that usually involve less risk and more profit, new business models might cannibalize existing ones.

In contrast, International partnerships of small companies are well suited when implementing sustainable international business opportunities. Through cooperation in international partnerships, ambitious young companies are able to up-scale their new innovative businesses in the limited “window of opportunity” while reducing the “time to market” and the “the time to scale”. They even may benefit from unexpected high-impact events. In my research, I focus on international partnerships of young companies.

Forming alliances is increasingly popular in technologically intensive industries due to rising costs and increased complexity of developing new technologies. Industrial borders are shifting or even disappearing, resulting in greater interdisciplinary cross-border collaboration and an increased dependency on networks. Various technologies have become progressively integrated, known as “technology fusion”.

An example of trans-sectoral collaboration of sustainable international business is the Swillgasser, a new system to solve organic waste problems. The Swillgasser is a collaboration between a medium-sized machine manufacturer and a fermentation company. Together, they have developed a solution for the organic waste produced by of large restaurants, such as the Van der Valk chain in the Netherlands. With the Swillgasser installation, Van der Valk is able to convert left-overs of the restaurant meals to biogas for use in cooking in their own kitchens.

2.2 PARTNERING COMPETENCIES
Companies are considered to be bundles of competences or capabilities (such as skills and technologies), which to a greater or lesser extent are specific to the firm. The core competences of a company are the basis of competitive advantage. Competences have both a technical and a social aspect. Technical competences are for instance, the functional expertise in manufacturing or developing new products. Social competences are for example an organizational culture of open mindedness towards new developments.
or an ability to influence and persuade external alliance partners. At the implementation of sustainable international business, identification and development of individual competencies are also relevant. I define individual competencies as “behavioral patterns that are instrumental in the delivery of desired results”\(^{42}\). Individual competences reflect a person’s ability to apply knowledge, intuition and skills that are necessary to achieve the required performance.

In order to avoid misunderstandings, I consider the term “competence” at the organizational level and “competency” at the individual level. Competencies involve the behavioral skills and attitudinal aspects necessary in order to perform well, which include problem solving, meeting changing demands, or a person’s potential for development.

Information differs from know-how. Information is all about what to do while know-how is all about how to do it. Information is about facts and data that can be learned easily once decoded. Know-how, on the other hand, is more difficult to transfer to others. Know-how, defined as accumulated skills, describes current practices or routines\(^{43}\).

In my holistic approach of international sustainable business, I combine different aspects of competencies:

- **Cognitive competency**: the acquisition of coded and explicit information, for instance specific theories that may lead to the understanding of certain phenomena.
- **Functional competency**: specific technical or tacit skills or in German: “Fachkompetenzen”
- **Social competency**: specific attitudes and/or underlying personal values e.g. ethical values

These three dimensions are fairly universal known as “savoir, savoir faire, savoir être” or KSA (knowledge, skills and attitudes).

On top of these three personal competencies, a fourth meta competency is playing an increasingly important role: the ability to learn from volatility, uncertainty, and ambiguity. This meta-competence is rather different from the first three dimensions of competency because it concerns the ease of acquiring new knowledge or skills. The relationship between these four dimensions of competence is illustrated in the tetrahedron of Figure 9.

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42 Adapted from Bailey et al., 2001.
43 Kogut and Zander, 1992: 386.
An individual’s success within a company involves the right balance of all four competencies. Apart from formal education, enough time and energy should be spent on the other aspects of competencies - e.g., experiential learning, social skills, ethical values, dealing with increasing uncertainty or ambiguity, learning to learn, and collaborating effectively with external partners.

Sustainability is gaining in importance and so are social competencies (such as ethical values) and meta competencies. In my research program I will focus on the social and meta competencies of competency and will advise to convert these aspects into educational programs. For instance, in a serious alliance game, students can exercise their skills concerning selecting new international business partners.

When dealing with the transformation toward sustainability, one has to consider a broader and more complex set of issues. In rapidly changing, uncertain and complex environments, horizons extend beyond those that are usually taken into consideration; radical “out of the box” thinking is indispensable combined with an attitude of perseverance, agility and resilience. One must be able to understand complex systems in which economical, social and environmental aspects influence one another; a multidimensional holistic approach is essential.
Using both, head and heart, a new mindset is needed that recognizes the potential for business action on social and environmental issues. In the words of the Brundtland committee:

"We need to develop new basic attitudes which, in human solidarity and compassion, look beyond national and sectoral borders. We have to recognize that the issues with which we wrestle are globally interconnected."

Today, these words are still highly relevant. In her speech at the opening at the start of this academic year, the Dutch minister of Education, Culture and Sciences, Dr Jet Bussemaker pleaded for more attention for the same social and meta competencies.

45 NRC Handelsblad, August 31, 2015, page 5: “Studie moet ook karakter vormen”.
3. RESEARCH
3.1 RESEARCH FOCUS: INTERNATIONAL ALLIANCES OF BORN GLOBALS

In my research, I focus on so-called Born Globals. Young companies are of increasing importance. Employment provided by large multinationals is eroding, while growing in small enterprises. Since the seventies, employment at the six largest Dutch multinationals has been reduced by seventy percent\(^\text{46}\). In contrast: start-ups account for sixty percent of new employment in the Netherlands\(^\text{47}\).

Because of their set of favorable characteristics, Born Globals will become an increasingly important source of sustainable economic growth. Therefore, I focus on sustainable Born Globals, young companies that operate highly internationally almost from the start and are dealing with sustainability challenges. Born Globals have a global vision at inception. They offer products that are unique and the products have a global market potential. They internationalize quickly and do not follow the traditional step-by-step internationalization process. Usually, Born Globals have a high agility and responsiveness to new opportunities. Being young and small, they have few tangible resources. They are flexible, eager to learn and to cooperate in order to gain access to knowledge, markets and finance. In order to execute their plans rapidly, Born Globals may benefit from alliances with international partners and from international networks or business eco-systems\(^\text{48}\).

To be more precise: I focus on alliances of Born Globals. The OECD has concluded that small and medium sized enterprises (SME) are participating increasingly in global value chains. Solid partnerships can bring more stability to SMEs, enabling them to increase productivity, lower costs, introduce innovation and expand to new markets\(^\text{49}\).

My aim is to “debottleneck” the internationalization process of alliances of Born Globals\(^\text{50}\). The task of chemical technologists is to find ways of increasing the capacity of their installations. In order to achieve this, they focus on the critical path of industrial processes. In my international business research, I will use comparable methods: enabling faster sustainable internationalization through debottlenecking. My research is aimed at improving the successes of sustainable Born Globals by alleviating main obstacles associated with alliance management. Because people play an important role when implementing international strategies, I focus on human relationships and competencies.

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46  Van Duijn, 2015.
47  OESO research as cited by Mrs. Kroes in: NRC Handelsblad, September 2nd, 2015.
48  Knight and Cavusgil, 2004; Cavusgil and Knight, 2015; Sharma and Blomstermo, 2003.
49  OECD, 2006.
Eight large Dutch multinationals, including Unilever, AkzoNobel, Heineken, and DSM are co-operating with each other in the so-called “Dutch Sustainable Growth Coalition”. This coalition shares its experiences when dealing with sustainable business. More and more small and medium-sized enterprises will follow in the sustainable footsteps of multinationals that have led the way\(^5\). In my research, I intend to organize similar “communities of practice” for sustainable Born Globals.

3.2 OBJECTIVES, ACTIVITIES AND METHODOLOGY

The objectives of my research are (1) to develop new knowledge concerning successful alliance management of sustainable Born Globals, (2) to transfer the acquired knowledge to Avans and regional Small and Medium sized Enterprises (SME), and (3) to valorize the knowledge.

My research is divided into the following themes:
1. International comparison of Born Globals
2. The influence of the entrepreneur on the success of internationalization
3. The impact of leadership of alliance teams on the success of internationalization
4. The aspect of technology transfer and knowledge sharing
5. Sustainable business models of Born Globals

In the first line of research, I will compare differences of Born Globals with one another in different cultures and markets. Research questions are:

1. Do ‘sustainable’ differ from ‘non-sustainable’ Born Globals?
2. How do Born Globals in different cultures implement sustainable businesses?
3. What are the differences between Born Global firms:
   a. in small versus large domestic markets.
   b. in advanced versus emerging markets?

The second research theme concerns the impact of international entrepreneurs. I will study the various aspects of behavioral styles, sustainability values as well as emotional intelligence\(^5\).
Mentality matters. Ethical values are becoming increasingly important. Research has shown that leaders with high moral values have more dedicated followers. An analogy of “return on capital” is “return on character”. Research has shown that this “return on character” has a positive effect on company performance53.

This is why a new factor has been added to the well-known Big-Five factors model that determines human personality. In the new factor, issues of “Honesty and humility” (or H-factor) are measured54. This H-factor includes elements such as sincerity, fairness, “greed-avoidance” and modesty. An element in my research will observe the impact of this H-factor on the success of sustainable internationalization. In addition, I will analyze sustainability values with the New Ecological Paradigm Scale55.

International entrepreneurship (IE) and Born Globals are emerging topics that represent a rapidly growing body of knowledge. However, there are certain issues and trends that are still unknown56. In my future research, I will be dealing with these issues.

Research questions on “international entrepreneurship” are:

1. Which role do founders, organizational resources, and partner networks, play in the success of internationalization of Born Globals?
2. Which specific competencies are critical to the internationalization process? How to develop these competencies?

A third research theme concerns leadership and cooperation styles. Leadership style matters. In order to lead effective business teams in complex and dynamic situations, it is increasingly important that leaders enable the learning, creative and adaptive capacity of their team members. Examples of the role of leaders could play are, e.g., - coach, mentor, and catalist57. These roles are part of the so-called “transformational” leadership style, in which they (1) empower team members, (2) provide support and (3) lead by example58.

An interesting example can be observed at the Triodos bank. The most important selection criteria for new leaders at the Triodos Bank are the abilities to connect with team members, to inspire, and to be authentic. Here, sincerity, fairness, and modesty are important traits of leaders; servant leadership and self-reflection are important aspects.

56 Gerschewski et al., 2015; Peiris et al., 2012; Zhou et al., 2007.
57 Higgs, 2003; Uhl-Bien et al., 2007.
58 Ogbonna and Harris, 2000; Bass and Bass, 2008.
These elements differ from the usual manager’s role of operating strictly within the
given constraints of rules, regulations and procedures. Leaders operate usually in more
dynamic and innovative environments, while managers in more stable environments.
Leaders focus on change and renewal, while managers tend to focus on continuity and
delivering efficiently specific, clearly pre-defined projects\(^{59}\).

Companies are communities where people are committed to one another\(^{60}\). Leadership
is all about influencing and enabling people in organizations and networks. Effective
leaders put emphasis on developing and adjusting jointly a clear vision, gaining support
from various stakeholders, and building coalitions\(^{61}\). Influencing others implies interpersonal sensitivity and emotional intelligence, which involves at least four psychological
capabilities: self-awareness, self-management, social awareness and relationship man-
agement\(^{62}\). Emotional Intelligence is strongly linked to effective leadership\(^{63}\).

Research of the Corporate Executive Board has shown the increasing importance of
leadership within networks. Sustainable leaders will have to be more connected with
eexternal networks\(^{64}\). In my research, I will study leadership and cooperation styles of and
within international alliance teams.

Questions on “international teams and leadership” are:

1. What is the impact of different types of leadership, especially shared or distrib-
   uted leadership and servant leadership on international teams?
2. Which cooperation styles are most successful in international virtual teams?
3. What is the impact of team diversity in relation to the success of international
   alliances?

\(^{59}\) In contrast, managers usually focus on defining and closely monitoring the execution of objectives
(i.e., Management By Objectives) or focus on “off spec” execution and taking corrective actions as quickly as
possible when mistakes occur (i.e., Management by Exception).

\(^{60}\) Mintzberg, 2009.
\(^{61}\) Bass and Bass, 2008.
\(^{64}\) Corporate Executive Board, 2014; WBCSD, 2011.
The fourth theme concerns issues of **technological transfer**, with the research questions:

1. How do Born Globals capture, develop, share, and optimize knowledge?
2. What specific competencies at the industry, the firm, and the individual levels are important for knowledge sharing?
3. What is the role of absorptive capacity in acquiring capabilities for early and successful internationalization? Does absorptive capacity differ in younger firms?

The fifth research theme focuses on scalable and agile **business models**. Here are the questions:

1. Which sustainable (new) business models are most successful?
2. How do Born Globals benefit from international networks and ecosystems in a sustainable way?
3. What are the impact of organizational-level networks and individual-level networks and how do both levels interact? What is the influence of ‘formal’ and ‘informal’ organizational and interpersonal-level networks on the success of alliances of Born Globals?

I base my analyses on the following theories: International Entrepreneurship theory\(^6^5\), Organizational learning theory\(^6^6\), the Dynamic Capabilities theory\(^6^7\), the Social exchange theory\(^6^8\), the Network theory\(^6^9\), and the Leadership theory\(^7^0\).

In “**communities of practice**” of Born Globals, I will study best practices and common mistakes, as well as the antecedents of success and failure. Based on all of these, I will identify indispensable competencies for Born Globals. In addition, I shall observe the development of competencies on improving the effectiveness of Born Globals. I aim to train young companies and students to improve the performance of international sustainable alliances. With my research team, I will summarize our research experiences in a book “Making Born Globals a Success” as well as in peer reviewed articles. In a seminar, we will discuss our results with Born Globals.

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\(^{6^5}\) Zahra et al, 2005; Zarei et al, 2011.


\(^{6^7}\) Kogut and Zander, 1992.


\(^{6^9}\) Cameron & Quinn, 2006; Hagedoorn and Duysters, 2002; Harnish, 2014; Sharma and Blomstermo, 2003.

We will use quantitative and qualitative research techniques, while conducting multi-level and longitudinal research by means of questionnaires, case studies, and simulation games. Preceding our workshops, participants are asked to fill in internet-questionnaires concerning personal preferences and motivations. The customized workshop program is based on the results of these questionnaires. The workshop program concentrates on assessing and developing alliance competencies by conducting and evaluating a serious simulation games and exchange of experiences. During the workshops, best practices of Internationalization of Born Global are further discussed. In case studies, best practices are analyzed more in detail. The case studies will be used when developing educational tools.

3.3 TOOL DEVELOPMENT: BORN GLOBAL ALLIANCE SCAN

I am developing and validating a new alliance tool coined as “The Born Global Alliance Scan”, see Figure 10.

FIG. 10: BORN GLOBALS ALLIANCE SCAN
My scan is based on existing alliance scans produced by Philips⁷¹ and the pharmaceutical multinational Eli Lilly⁷². In addition, I am following the methodology of Insights Learning & Development. This international psychometric assessment and training company has effectively brought into practice Carl Jung’s theory on personality and behavioral styles. Carl Jung’s theory is in line with the classic and highly quoted work of Cameron and Quinn as well as Denison and Mishra⁷³. Based on these theories, I have integrated task related and relationship related issues with issues of Introspection and External change. Task-related aspects are for instance a strategic compatibility between partners (strategic fit). Examples of relationship or interpersonal aspects are items as trust, and commitment.

My approach is **applicable to four levels**: the individual, team, as well as at organizational and network level. Four aggregation levels interact during the implementation: the individual, team, organizational and network or inter-organizational or network level. Successful implementation implies effective co-ordination of the activities on all four levels⁷⁴. In my PhD research, I concluded that the interaction between these four levels is often problematic.

**Inter-organizational cooperation** is important because a network is a source of knowledge and learning, and network membership will lead to more information transfer and learning, a larger knowledge base or improved process and product innovation⁷⁵. Through networking with partners from diverse backgrounds, companies are able to gain from different points of view. Several aspects of networks are relevant: size of the network and its partners, diversity of a network, the interdependence of its partners, a structure of the network, the intensity of a network, as well as the position of a company and its partners within a network.

Inter-organizational collaboration is important, and at the same time **complex**. Within an alliance, partners cooperate and compete simultaneously on who will spend the time and money and who will benefit from the partnership. An example of this is the ownership of new jointly developed Intellectual Property (IP). Does the new IP belong to your own company or your partner? Who will benefit from IP-royalties? Effective collaboration does not imply “just opening de gates” or disclosing all IP to every partner. In many cases, effective collaboration is a combination of cooperation and competition, which is known as co-opetition⁷⁶.

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⁷¹ Bell et al, 2011; Bell, 2012.
⁷² Stach, 1996; Futrell et al., 2001.
⁷³ Cameron and Quinn, 2006; Denison and Mishra, 1995.
⁷⁴ Duysters et al., 2002; García-Valerrama and Mulero-Mendigorrí, 2005.
⁷⁵ Beckman and Haunschild, 2002; Caloghirou et al., 2003.
⁷⁶ Brandenburger and Nalebuff 1996.
Sustainable solutions go beyond business as usual. Therefore, a **holistic and integrative approach** is more appropriate. A holistic approach is dealing with numerous paradoxes, e.g.- the paradox of co-operation and competition, the paradox between learning *and* unlearning, between trust *and* control, planning and serendipity, management involvement *and* bottom-up initiatives, know how *and* know who\(^{77}\).

International sustainable business involves a variety of new competencies from different partners. It therefore has a more dynamic multidimensional character in which various disciplines are intertwined as illustrated in Figure 11.

**FIG. 11: SUSTAINABLE BUSINESS VERSUS WELL-DEFINED EXISTING BUSINESS**

<table>
<thead>
<tr>
<th>Well-defined existing business</th>
<th>Intertwined sustainable business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td></td>
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<tr>
<td>R&amp;D</td>
<td></td>
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<tr>
<td>Finance</td>
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<td>Quality</td>
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<td>Marketing</td>
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<td>Productie</td>
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</tbody>
</table>

In my alliance scan, I have included **relationship issues**. At implementation, people make the difference. Excellent or virtuoso teams\(^{78}\) can make a success of mediocre strategies or products, though under-performing individuals or teams will definitely not win a competitive battle. When venture capitalists decide whether or not to take an equity stake in a new venture, they rely primarily on their judgment of the quality of the entrepreneur and his team. Only if they are to be trusted, will a business plan be considered. First the man, then the plan or in Dutch: “eerst de vent, dan de tent”. Interpersonal relationships are important because without them, potential synergies from the alliance are likely to remain dormant, which could result in an underperforming alliance. Based on this analysis, we are studying competence development, including the development of organizational learning capacities of potential alliance partners\(^{79}\).

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\(^{77}\) Stel, 2011.  
\(^{79}\) Gomes-Casseres, 1996; Madhok and Tallman, 1998.
I will discuss the four main elements of my BornGlobals alliance scan: analysis, connectivity, renewal, and action.

**ANALYSIS**
In complex and dynamic markets, it is impossible to make estimate of the future. It is certainly not a continuation of the past. In an uncertain world, strategy and business planning cannot be considered purely as a step-by-step rational process based on stringent market and competitive analyses. The traditional analytical and deductive sequence is becoming obsolete. In this approach, known as “causation”, firstly a strategy is defined. Based on this strategy, the expected results are defined. Actions are then implemented in order to fulfill the prescribed strategy. Due to the fact that it is no longer possible to predict uncertain future conditions, this “causation” strategy becomes more problematic.

Instead, a more flexible and pragmatic approach to strategy is necessary, coined by Sarasvathy (2001, 2008) as “effectuation”. This approach is means-oriented, based on experimentation, existing competences and cooperation with external partners. Strategy is much more adaptive instead of being defined beforehand. Learning based on trial-and error and forming alliances with external partners should play a part as well as analytical prediction. Finding a viable business model is not a linear, analytical process that can be guided by a business plan. Instead it requires iterative experimentation, talking to potential customers, trying new things, and continually making adjustments. As such, discovering a new business model is inherently risky, and is far more likely to fail than to succeed.

In the section “Analysis”, we ask the following questions:

- *Do the goals and ambitions of partners match with the goals and ambitions of the Born Global?*
- *Do partners have a strategic fit with the Born Global?*
- *Are business models with partners of the Born Global scalable and sustainable?*

**CONNECTIVITY**
Connectivity is becoming increasingly important; connectivity between businesses and the earth’s resources, between partners in a network, as well as between leaders and followers within organizations.
Connectivity between ideals and operations gains in importance as well. Triodos Bank is a good example of this connectivity. Triodos is a bank based on anthroposophic principles. In an industry under pressure (i.e., the financial industry), the Triodos bank attracts many new clients, resulting in an annual growth of between 15 and 20 percent. The Triodos bank nourishes its idealistic culture, in which harmony and responsibility towards society and all stakeholders is successfully combined with a distinctive way of supplying financial services.

In order to make an impactful and lasting partnership, using both **head and heart** are relevant. When developing a lasting solution of global sustainability issues, both relationship dynamics as well as task related dynamics should be considered. If a company is able to communicate the purpose, cause or beliefs of a partnership properly and consistently, it will win the hearts and minds of both partners and stakeholders, which in itself will lead to greater loyalty as well as the necessary long-term commitment. Following on from Simon Sinek’s book “Start with the Why”:

> “We follow those who lead, not because we have to, but because we want to. We follow those who lead not for them, but for ourselves.”

In the section “Connectivity”, we observe:

- How do Born Globals assess and develop trust and commitment?
- How do Born Globals develop a personal bonding between the Born Global and its partners?
- How do Born Globals optimize knowledge sharing processes and technology transfer with their partners?

### RENEWAL

In order to implement international sustainable business opportunities, radical renewal will be necessary. The World Council of Sustainable Business Development, in which leading multinationals companies cooperate conclude in the report “Vision 2050”:

> “business-as-usual cannot bring us to sustainability or secure economic and social prosperity; these can only be achieved by radical change, starting now.”

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80 Sinek, 2009.
Solving sustainability challenges should be beyond incremental change: it lies with systemic change and radical breakthrough innovation. Therefore, a main success factor is radical “thinking out of the box”. In order to convert the huge sustainable challenges into business opportunities, an open and creative mindset is essential. This involves breaking out of the status quo in order to consider new possibilities, and exploring new as well as unusual combinations. To paraphrase a famous quote of Albert Einstein:

“*We cannot solve our sustainability problems using the same thinking as when we created them*."

Dyer et al. (2009) describe in their book “The Innovator’s DNA”, some of the unique discovery skills true innovators possess: associating, observing, questioning, and experimentation.

The ability of **associating** is central to the Innovator’s DNA. Associating is the ability to successfully connect seemingly unrelated questions, problems, or ideas from a wide range of disciplines. Associating involves observation and questioning. Observing carefully the activities of customers, suppliers, other companies, or environmental trends that suggest new ways of doing things. **Questioning** implies, challenging the status quo asking “Why?” and “Why not?” and “What if?” questions. Or quoting the Indian tycoon mr. Tata of Tata steel: “questioning the unquestionable”.

Another aspect of the Innovator’s DNA is a culture that fosters **experimentation**. Especially in the early stages of development, experimentation is a means of learning quickly because it allows timely and cost-effective adjusting of development projects. As illustrated by a quotation of a general manager of the American company 3M:

“If you put fences around people, you end up with sheep."

In order to implement international sustainable business in time, speed is relevant. What distinguishes a dinosaur or polar bear from an ant? That is the **ability to learn and adapt quickly**. The inability to adapt to a shrinking habitat caused the extinction of the dinosaur, because of global warming, the polar bear may face the same fate. Ants however are able to change course if needed. Like Darwin’s adage,

“*It’s not the strongest that will survive, but the most adaptable*."

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81 Dyer et al., 2009.
83 Eberl and Puma, 2007: 14.
Learning can be defined as “the ability to process knowledge through which the range of potential behaviors can be increased.” Previous success complicates the learning of new practices. Because of their success in the past, companies tend to be less eager to change their practices. Often, they will over-value existing practices. As Keynes wrote in 1937:

“The difficulty lies not in the new ideas, but in escaping from the old ones.”

This complacency is known as “corporate rigidity”. “Never change a winning team” should be substituted by “change a winning team at the right moment”. Unlearning obsolete practices is a vital - and often problematic - first phase in learning to adapt. Learning involves acquisition and the use of new knowledge by an organization. A firm’s ability to value, assimilate, and utilize new external knowledge is known as absorptive capacity. Absorptive capacity is considered to be an important source of competitive advantage, which involves the identification, acquisition and use of new technologies.

Agility, i.e. a combination of speed and flexibility, is important for sustainable international business. Market conditions are changing faster and becoming more uncertain. In order to benefit from a smaller window of opportunity, sustainable companies should – like the famous soccer player Lionel Messi - be agile, react quickly and flexibly.

At “renewal” we analyze the following questions:
• How to increase agility of the partnership?
• How to improve the fit between the corporate cultures within the partnership?
• How to make ecosystems of the Born Global and its partners more yielding?

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84 Huber, 1991: 89.
85 Keynes, 137: xxiii.
86 Kumar and Nti, 1998.
89 Todorova and Durisin (2007) describe the following actions: identification of new technologies, making it accessible, assimilating it, transforming and exploiting these new technologies in order to develop and market new products and services.
ACTION

Resilience is indispensable for successful sustainable business because this business involves the development and marketing of novel products and services. Novelty brings with it unforeseen obstacles. You never know in advance which projects ultimately leads to new business. In the words of a manager of the innovative company 3M:

“You have to kiss a lot of frogs to find the prince. But remember, one prince can pay for a lot of frogs.”

Results can often only be achieved after a little inspiration and a lot of perspiration:

“Half of the innovations in the world were a result of great insight, the other half happened by accident, and none of them happened on schedule.”

It is important to be aware of the potential hurdles, to be prepared to withstand unforeseen difficulties, to learn and re-focus. In many cases, it is essential to adapt the business model of innovative ventures, or in the words of Mullins and Komisar: “Getting to plan B.”

One must have the stamina to cope with setbacks and delays. The same applies to the relationship between alliance partners in development projects. The relationship should be resilient in order to withstand strain, conflict and unforeseen setbacks. Therefore, perseverance and resilience are indispensable. For example: in the eighties, DSM introduced a unique high quality plastic, called Stanyl (or PA₄₆). Without any doubt, the properties of this product were exceptional. It took DSM decades to make a profitable business of PA₄₆. Without long-term vision and lots of perseverance, this product would have been a failure.

In the section “Action”, we consider:

• Which actions can the Born Global execute in order to promote a balance of power and control within the partnership?
• Does the Born Global expect to achieve sustainable results with its alliance?
• Are the proposed partners willing to continuously improve the partnership?

90 Hindle, 2003: 123.
91 McNamee as cited in Estrin, 2009: 25.
3.4 RESEARCH PARTNERS
My research team at Avans is collaborating with several external partners from the business and the academic community. Within our target group of Born Globals, we are developing “communities of practices”. At the same time, we intend to establish within Avans a learning community of both teachers and students. Our partners are e.g. the Universities of Tilburg, Twente and Groningen, Insights Learning & Development ltd., international universities and business schools. The program is part of a research project which takes into consideration the personality and performance of innovation teams.

3.5 RESULTS
In the program, I aim to achieve the following results:

1. New knowledge concerning internationalization competencies of young companies or – to be more specific - successful alliance management of sustainable Born Globals.

2. New educational and management development tools for Avans and the participating universities and companies. Together with my team, I will develop and test an easily applicable instrument (the Born Global Alliance Scan) in order to analyze critical success factors for further internationalization within partnerships.

3. Participants in the research might acquire more self-knowledge about their own competencies regarding internationalization, effective leadership and cooperation styles. Participants will be more decisive when cooperating with foreign alliance partners who have different interests, styles or approaches. They will learn to understand the different competencies within the team and make better use of team diversity. This may lead to a positive team climate, more creativity and a better team performance. Participants will acquire a better understanding of team processes with the alliance partners and leadership in internationalization. They learn to adjust their behavioral styles to get more effective communication within international teams. Participants may become more skilled when dealing with difficult situations such as resistance in cooperation in foreign business networks.

4. In the program, we intend to publish a book: “Making Born Globals successful” as well as peer-reviewed articles.
4. SUMMARY AND CONCLUSIONS
To summarize: sustainability is rapidly becoming a crucial element in modern industry. In order to convert the global dangers of sustainability into opportunities, a flexible strategy, inspiring leaders, and a new balance of four intangible competences is becoming increasingly important. In addition to cognitive and functional competencies, social and meta-competencies are gaining importance. The social competencies include the ability to cooperate with external partners. Meta competency is the ability to learn and reflect within a changing environment that is more volatile, uncertain and ambiguous. These intangible competences are becoming more important.

Alliances of Born Globals are playing an important role in the implementation of sustainable international business. Partnering is essential, though complex. The added value of our research lies in the de-bottlenecking of the internationalization process of the Born Global alliances at the individual, the team, the organizational and the inter-organizational level. We are developing new knowledge and skills concerning international partnering to be used in educational programs.

“We are all connected to each other. The world has grown smaller. The power is no longer in the hands of the big, the strengths is in the hands of the small, small companies working effectively together. Together, we will make small the new big.”
5. THANK YOU
To conclude, I would like to thank everyone that made this particular moment possible. Dear audience, I would like to thank you for coming and listening this afternoon. I hope that this inaugural speech if nothing else will be thought provoking.

I would like to thank the Executive Board and Directors of Avans University who in their wisdom decided to initiate the Center of Expertise for Sustainable Business, which happens to include this professorship of International Business. Without the energetic and efficient support of our assistants, Charlotte and Yolanda, I would be lost! Thank for your pleasant cooperation.

Of course the research group members play a very important role in the development of the research: Abraham, Rolf, Vigil, Ton, Wim, Mieke and Victor: many thanks for your contribution. I’m looking forward to conducting applied research with all of you, together with Avans’ teachers and students, as well as the cooperating businesses.

I would like to thank the reviewers of this speech for their insightful comments. Of course, the usual disclaimer applies: all remaining errors are mine.

My colleagues: let’s continue our exchange of views and develop our center of expertise of Sustainable Business.

The presenters of this afternoon’s seminar: Tim and Aad Ouborg and Arjen van Witteloostuijn. Tim, as alumnus of Avans, you are successfully developing your own business. Your father Aad is an excellent example of a successful serial international entrepreneur. Thank you both for sharing your experiences with us. Arjen, in the last decade, we have discussed on numerous occasions research topics concerning innovation, international business, psychology and economy. I admire your broad expertise and sharp judgment.

Furthermore, I would like to thank Jonathan Wallen, for his assistance in fine tuning my ordinary English of this speech in the subtleties of the English Language.

93 Celeste Wilderom, Arjen van Witteloostuijn, Gertjan Euverink, Geert Duysters, Nies Rijnders, Jorna Leenheer and Jan Jurriëns.
I would like to express my sincere gratitude to my external partners in our research. I am excited to be able to continue the research cooperation with my PhD-supervisor Arjen van Witteloostuijn, with the sympathetic vice dean of research Geert Duijsters, with the enthusiast and inspiring, award-winning Celeste Wilderom, the critical and humorous co-developer of Entrepreneurship PhD-courses Menno Gerkema, and my dedicated Insights host Fons Feekes. I enjoy our discussions and open-mindedness a great deal. I am looking forward to extending our joint activities.

Finally, last but not certainly least, my special thanks go to my dynamic wife and sparring partner Martian, who has been supporting me for over two decades during my intensive but interesting and challenging journeys, and our three wonderful kids: Floor, Tobias, and Lucas for their witty comments, enthusiasm and being my sporty travel companions.

“Let’s passionately partner and build a sustainable future”.
Thank you for listening.
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7. PROFILE FRANS STEL
**Frans Stel** is a senior consultant and manager with a broad experience in international business development and consultancy.

Frans obtained a Bachelors degree in Economics and a Masters degree in Business and Management at the University of Groningen. His doctoral degree was entitled “Improving the performance of Co-innovation Alliances (University of Tilburg). He is trained in industrial chemistry, coaching, assessment and international management for Pacific Asia (INSEAD).

Frans has held positions as academic researcher, consultant, area sales manager (DSM), director (Europrint Group), and project manager investment promotion (NOM). Since 2006, Frans is co-owner and managing consultant at CreateNewBusiness BV, a consultancy, training and executive coaching company.

Frans has been specializing in alliance management, innovation and venturing. With international partners, he conducted business development projects in Norway, Denmark, Finland, Portugal, Switzerland, and Italy. In addition, he advised and managed corporate transition projects, carried out market research and feasibility studies, reviewed business plans, and started international joint ventures and consortia.

As professor International Business at the Center of Expertise of Sustainable Business of the Avans University of Applied Sciences in Brabant, Frans aims (1) to develop new knowledge concerning alliance management of sustainable young international companies (“Born Globals”) and (2) to transfer the acquired knowledge to business schools and companies.