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**TITLE**

**Inside born globals’ international network: a microscopic study of the Irish digital animation sector**

Authors : *Adele Smith, Paul A. Ryan and Natasha Evers*

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**INTRODUCTION**

The pace of environmental change owing to the technological drivers of globalization and the convergence of space has drawn much attention to born global firms that rapidly internationalize their operations from inception (Gabrielsson and Kirpalani, 2012; Knight and Cavusgil, 1996; Oviatt and McDougall, 1994). Born global firms strive to gain competitive advantage over their competitors by using the limited resources available to them to rapidly develop their sales internationally (Oviatt and McDougall, 1994). A large number of studies have pointed to the network relationships of the born global firm as an important resource pool and a key factor in their internationalization process (Coviello, 2006; Evers and O’Gorman, 2011; Moen et al., 2002; Ruokonen et al., 2006). Extant research on born globals has mainly examined the role of dyadic ‘vertical’ relationships within the born global network between the born global firm and network actors such as clients, suppliers, and distributors. However, research (Evers and O’Gorman, 2011; O’Gorman and Evers, 2011) has shown that the relationship between two

firms should not be viewed as an isolated dyad, as relationships are often subject to the influence of other ‘connected’ relationships (Håkansson and Snehota, 1989). The rapid internationalization process of new firms may also necessitate the exploitation of network intermediaries (O’Gorman and Evers, 2011) and temporary network nodes or fora (Evers and Knight, 2008; Maskell et al., 2006) where intermediary actors operate (O’Gorman and Evers, 2011).

Consequently, the notion of intermediary network actor fits with Burt’s (1992; 1997) theory of structural holes. Structural holes are absence of ties between actors in a social network that create ‘brokerage opportunities’ (Burt, 2000, p. 353). Burt (1992) suggests third parties and intermediary actors, which may be weak ties, can ‘fill’ a structural hole. By bridging structural holes, actors can establish ties that connect otherwise unconnected actors in a network (Burt, 1992). Studies have identified the born global firm’s quality of social capital embedded in their network relationships as important in understanding the internationalization benefits accrued through the network (Chetty and Blankenburg-Holm, D., 2000; Chetty and Stangl, 2010; Coviello and Munro, 1995; Evers and O’Gorman, 2011; Sharma and Blomstermo, 2003). We argue that the born global network has represented a kind of a ‘black box’ in their internationalization process and is thus reflected by the limited studies on the influence of intermediary actors and network nodes in the internationalization process of born globals. To address this research gap this study contributes to born global network theory in that it investigates the international network for a defined population of Irish indigenous born globals operating in the highly globalized digital animation industry. Given the small domestic market and breadth of global product sourcing within this industry, the indigenous Irish digital animation firms must, from inception, quickly access customers in the international arena if they wish to survive.

This chapter addresses two research questions:

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1.<em>How do network intermediaries influence the internationalization of born globals in the digital animation industry?

2.<em>How do network nodes influence the internationalization process of born globals in the digital animation industry?

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The study takes a microscopic view into the network mechanics in the born global network, intermediary by intermediary, node by node, to open the ‘black box’ of the born global network and identify the elements that compose the network and plug the structural holes between producer and buyer in the digital animation global marketplace. It finds that the principal intermediaries in the digital animators’ international network are institutional bodies such as the government enterprise agency and, even more so, the national industry trade association and the entrepreneurs’ personal social capital from prior training and work relationships. The foremost network nodes are the industry’s international tradeshows wherein firms pitch their produce and business is cemented or nurtured. Agents inside the industry play an important but fleeting role. Despite the burgeoning growth of social media such as Twitter and Facebook, physical venues continue to serve as the most important sites for interaction between buyers and sellers in this international network.

The chapter is structured as follows. We begin by briefly reviewing the literature which underpins our study. We then outline the methods adopted in our empirical study and

subsequently describe and explicate the research context. Following the presentation of our findings we conclude by considering the import of our findings and outlining some directions for future study.

## LITERATURE REVIEW

Social networks link individuals, groups, organizations and societies through relationships (Haythornthwaite, 1996, p. 326). Networks have been shown to improve entrepreneurial effectiveness by providing access to resources and competitive advantage without capital investment (Slotte-Kock and Coveillo, 2010, p. 33). When a weak connection exists between network actors or nodes, a 'hole' in the network's social structure becomes apparent (Burt, 2000). Therefore, an individual whose relationship has the ability to span the hole, can in turn generate a competitive advantage (Burt, 2000). Burt (2000) stated that 'structural holes are thus, an opportunity to broker the flow of information between people and control the projects that bring together people from opposite sides of the hole' (Burt, 2000, p. 353).

Previous research has considered the bridging or spanning of structural holes as intermediary network actors (O'Gorman and Evers, 2011). Such intermediary organizations, or what Hallen (1992) describes as 'infrastructural networks', can facilitate the development of networks. Hallen (1992) refers to intermediary networks as important non-business actors that are not directly related to a specific purchase or sale, but who act as vehicles for information, communication, and influence. Hadjikhani and Thilenius (2009) examined the diverse impact of such connections and argue that besides the focal firm's connections to business actors involved

in immediate resource exchange, firms are also connected to secondary actors, which do not form part of the firm's distributive channels.

## **2.1 Network Intermediaries and Born Globals**

Cavusgil et al. (2013) define facilitators in international business as 'independent individuals or firms that assist the internationalization and foreign operations of focal firms and make it possible for transactions to occur efficiently, smoothly, and in a timely manner' (p. 50). Cavusgil et al. (2013) further suggested that such firms are specially equipped to aid companies seeking international expansion through reliance on information technology to perform their facilitating actions. Likewise, an 'agent' exhibits comparable characteristics to that of a facilitator. Cavusgil et al. (2013) defined an agent as 'an intermediary that handles orders to buy and sell commodities, products and services in international transactions for a commission' (p. 53).

O'Gorman and Evers (2011) usefully summarized those individuals or firms that have been referred to in various settings as connectors, networkers, agents, facilitators and gatekeepers as intermediary network actors or simply intermediaries. Thus, this term combines all terminologies and definitions employed in this study to encapsulate all actors that conduct similar duties in the born global network. Intermediary network linkages are deemed of critical importance for rapid internationalizing born globals. Although few, studies have shown that born global use horizontal relationships, such as trade associations, competitors, joint action groups, industry cluster export promotion organizations (EPOs), consultants, and government agencies (Chetty and Blankenburg-Holm, 2000; Coviello and Munro, 1995; Evers and O'Gorman, 2011)

as much as their vertical relationships (distributors, customers, and suppliers) to internationalize and grow rapidly.

In their study of network intermediaries on new venture internationalization, O’Gorman and Evers (2011) found that an Irish institutional export agency network actor played a critical role as an intermediary organization, in developing networks that facilitated the internationalization of new firms. The intermediary actor provided resources that allowed the firms develop their export capacity. They also played an information mediation role between the firms and international customers through (1) identifying foreign opportunities and customers, (2) facilitating introductions to international customers, and (3) providing foreign market knowledge.

## 2.2 Network Nodes in Internationalization

As regards where such intermediaries in international networks of born global can be accessed and encountered, extant research particularly identifies the importance of physical networking spaces (nodes) such as international trade fairs (Evers and Knight, 2008; Evers et al., 2012). More recently, virtual spaces for connection, such as LinkedIn, Facebook, and Twitter social media loci have potential for making connections. However, some research has favored physical network spaces or nodes over virtual spaces for networks to develop and argue that spatial proximity matters for networks (Evers and Knight, 2008; Lechner and Dowling, 2003). In their study of New Zealand and Irish seafood firms, Evers and Knight (2008, p. 562) ‘revalidated the importance of trade shows for finding new customers and making sales, but also suggests that trade show activities extend well beyond such traditional roles and act as an effective network

infrastructure for creating and developing the relationships for international growth and expansion’.

Further, their study considered that network nodes, as in their case of trade shows, can potentially provide a neutral territory and a network space for firms to interact and exchange vital resources to advance their internationalization. They concluded that in highly internationalized and trust-dependent sectors, firms need to network nodes

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to create and leverage new and developed network ties, and to capitalize on a ready-made international pool of experiential foreign market knowledge. Converting their personal links with other participants in the industry into international market entry and growth opportunities is vital for such firms as they strive for international competitive advantage. (Evers and Knight, 2008, p. 562)

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## <a>3<em>RESEARCH METHODOLOGY

### <b>3.1<em>Research Design

The study adopts an established protocol, namely, the case study method. A case study allows the examination of ‘a phenomenon in its natural setting, employing multiple methods of data collection to gather information from one of a few entities (people, groups, or organizations).



The boundaries of the phenomenon are not clearly evident at the outset of the research and no experimental control or manipulation is used' (Benbasat et al., 1987, p. 370). The case method permits the better understanding of the dynamics present within a particular setting (Eisenhardt, 1989). Thus, it is most appropriate to understanding the 'how' and the 'why', of a complex phenomenon (Yin, 1984; 1994) such as global networks. The methodological approach involved examining a multi-firm embedded industry case study.

The digital animation industry based in Ireland represents a suitable arena for our study for two important reasons. First, with an insufficient audience size given the small domestic population, it would not be possible for an Irish-based digital animation content provider to be profitable without targeting international markets from an early stage. Furthermore, the vast majority of commissioners of movie and television animation material are based in multiple countries across the globe, with Hollywood, USA, as the headquarters region. Non-English speaking sites may still purchase content which is dubbed into the local dialect. Hence it is quite likely that such firms will be born globals. Secondly, although relatively short, section 4 will illustrate that the Irish digital animation sector has been remarkably successful over recent decades. These national and international successes mean the sector provides an interesting context for the study of the internationalization of the firms.

Previous researchers principally looked across the born global network. This research, however, takes a microscopic view into the network, link by link, node by node, allowing the researcher to see inside the network 'black box' and identify strong and weak ties therein.

The study process proceeded as now outlined. First, a database of all Irish-based digital animation companies was assembled. The second phase involved developing a 'company information template' of the companies sourced, using secondary sources. However, in most

cases there were remaining information gaps, thus the third phase of the research involved telephone communication with each company, in an attempt to satisfy the information gaps. This contact was also used as an introductory tool, which was further developed in the fourth phase of the research approach, the personal interview. The screening used in the selection process necessitated that a study firm met the following three criteria. It had to be:

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<bt>indigenous Irish;

<bt>involved in the digital, film and television production industry, and

<bt>experienced in accelerated international operations.

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### <b>3.2<em>Data Collection

After this screening process 16 firms that met the three criteria were then targeted for the semi-structured in-depth interviews (see Table 12.1). All 16 companies agreed to participate in the study, thus we had the involvement of a full population of firms in the Irish digital animation sector. In total, 20 interviews were conducted with this group as in four companies two interviews were conducted with both co-founders. A further six interviews were conducted with key members of institutions involved in supporting the Irish digital animation industry, such as enterprise agencies, trade associations and professional bodies.

<TABLE 12.1 NEAR HERE>

The semi-structured interview schedule covered a variety of issues and was structured in four principal sections. The first were the founders' profiles, second the company profiles, third was extent of globalization, customers and, finally, the nature of intermediaries in their global network. The key themes which we explored were developed from our understanding of the extant literature on born globals combined with some specific insights from the sector. All interviewees were briefed in advance about the objectives of the research. During the interviews the respondents were asked to rank pre-prepared 'connectors' and add any omitted by the researcher team. Given their backgrounds and talents, they were also invited to sketch the network and identify connector strength by dint of heaviness of connection lines in the diagram. We sought their permission to record their interviews (this was provided in all cases). All the interviews were transcribed for data coding. In order to protect their anonymity we have not overtly identified interviewees in the presentation of our findings. In addition to this guarantee of confidentiality the digital animation industry members are natural storytellers and therefore the interviews elicited rich narrative data and insight into their experiences, operations and activities in internationalizing their businesses.

The primary data collected was complemented by secondary data collected on industry members, critical incidents, awards, and so on from company websites, company documentation, industry reports, newspaper articles, and other published media.

Figure 12.1 outlines the research process adopted in this study.

<FIGURE 12.1 NEAR HERE>

The findings are reported in the next section.

### **3.3 Data Analysis**

Analysis consisted of cross-case comparisons Yin (1994) which allowed the researcher to ‘identify similarities and differences’ as well as identify ‘emerging relationships’ Myers (2009, p. 80). Rigorous data collection and process of analysis was engaged throughout the duration of this study. The rich narratives provided by the entrepreneurial animators were rigorously coded to gain insight into the nodes, intermediaries and links in their international network.

The ‘troublesome triplets’ of reliability, validity, and generalization in qualitative research (Quinton and Smallbone, 2006, p. 125) were addressed in this study. Data was strongly triangulated from multiple sources. Reliability was catered for by making similar observations on different occasions (Easterby-Smith et al., 1991). A main concern regarding reliability relates to how replicable the study is (Quinton and Smallbone, 2006). Given the idiosyncratic nature of the industry segment and setting, replication of this research presents a challenge, but is nonetheless made possible as our protocol is manifest. As Quinton and Smallbone (2006) suggested using different data sources, data collection tools and applying established theory improved the rigor of the study.

Following Yin’s (2003) four tests or types of validity – internal, construct, external and reliability, the ‘what was found’ was a response to ‘the questions originally asked’ (Quinton and Smallbone, 2006). Finally, in relation to generalizability the motive was to generalize to theory which the rest of the chapter illustrates.

#### THE RESEARCH CONTEXT: AN OVERVIEW OF THE IRISH DIGITAL ANIMATION SECTOR

To explore the role of network intermediaries and nodes in the born global network, this study uses a ‘novel’ highly globalized research context – the Irish indigenous digital animation production industry. As illustrated in the methodology section of the chapter, given the small domestic population, the inadequate audience size, consequent negligible local market potential, and breadth of global product sourcing within this industry, the indigenous Irish digital animation firms must, from inception, quickly access customers in the international arena if they wish to be successful.

Digital animation involves the combination of traditional artistic drawing skills with modern software technological know-how. The global industry was propelled to the forefront of the public’s imagination with Pixar’s breakthrough via hugely successfully movies, both critically and commercially, such as *Toy Story*, *Monsters Inc.*, *Cars*, *Wall-E* and *Up*. In 2006 Disney took over Pixar for \$7.4 billion to cement its position as the largest animation company in the world. In tandem with the emergence of Pixar as a global success story, the explosion of cable television led to the emergence of dedicated children’s television channels, such as Nickelodeon and the Cartoon Network, and specialist children’s sub-units of the traditional television networks, such as the BBC’s Cbeebies channel. These developments led to a huge increase in global demand for animation content.

The rapid development in the Irish animation sector has been driven by a set of modern animators adept in software deployment. These people created a number of key indigenous firms

such as Brown Bag Films, Cartoon Saloon, and Boulder Media, to name but a few. (These companies were among those that took part in this study but were anonymized in the findings for reasons of confidentiality.) The digital animation industry in Ireland employs approximately 1000 people who work specifically on film and television production (Audiovisual Federation Review, 2011). (Note: Project teams assemble and dissolve project by project, so many staff are temporary but with an increasing permanent base.) The digital animation industry grouping in Ireland is idiosyncratic in that it features cooperation rather than competition as the prevailing ethos. This is because digital animation firms individually pitch rather than competitively tender for commissions and thus they can share technical knowledge and industry contacts.

The chief executive officer of a large player in the sector has stated that ‘the success of the Irish animation sector is bigger than the sum of its parts’ as a result of ‘design, artistic, storytelling talent’. The industry is composed of quality animators, producing superior work (Courtney, 2013). This talent was incubated by the educators at for example, the Irish School of Animation at Ballyfermot College and the Dun Laoghaire College of Art and Design. These courses not only produced skilled individuals but also were loci wherein early connections were established between digital animators that were later cemented as industry connections between digital animation firms’ founders.

As a result Irish firms are ‘punching above their weight internationally’ (Duncan, 2010, p. 2). Collectively the work of these companies has garnered many high-profile international awards. The reputation of the sector was significantly raised when, over a short number of years, five Irish films were nominated for ‘Best Animation’ Oscar awards (Irish Times, 2010). A number of prestigious awards were garnered at the 2012 British Academy (BATFA) Children’s Awards (Irish Times, 2012) and the Annual ANNIE Awards (Business and Leadership, 2013). In

2013 there was further success for the Irish digital animation industry when Boulder Media won an Emmy award (Business and Leadership, 2013). The success continues unabated into 2014 when an Irish film won ‘Best Short Animation Film’ award at the SXSW Film Festival in Texas (Siliconrepublic, 2014), followed by Brown Bag Film’s three Emmy awards in the Children’s category.

## [5](#) FINDINGS

This section presents the findings in the study. It explores the structure of the digital animation international network and illustrates the ‘nodes’ (fora) and ‘links’ (intermediaries) within this born global international network. Each of the intermediaries that have been identified provides a link to nodes that bridge structural holes within the network as the born global seeks to access buyers in the global marketplace. The utility and strength or otherwise of the connections (ties) has also been established from a rating scale survey and sketching exercise conducted with each of the participants. Each ‘node’ and ‘link’ in the network is individually analyzed. Using the information sourced from the data collection, a ‘suite of intermediaries’ has been identified that facilitate varying pathways across the network to the ultimate digital animation content buyers. The born globals choose from the menu of connectors and there are mixed opinions amongst study interviewees on their utility as facilitators of international sales.

Certain ‘fora’ have been identified as nodes for connecting and are divided into two types, physical and virtual. Physical venues include international tradeshows and festivals as well as state and industry supported networking events. ‘Virtual venues’ consist of social networking sites, which, as yet, serve principally as potential fora where connecting increasingly occurs.

Both types will be described later in this section of the chapter with the predominant emphasis on the physical connection sites.

On network links, this study of the digital animation international network principally identifies two categories of ‘intermediaries’. The first we term, ‘Institutional Intermediaries’. These consist of formally constituted state agencies with official enterprise support and promotion roles, industry trade associations and professional bodies which act both as direct and indirect facilitators in the internationalization process for born global companies. The second category we term ‘Individual Intermediaries’. This group consists of ‘agents’ and the ‘founders’ own personal contacts’. Agents play a formal paid role to represents born globals and provide information and access directly to end users. The founder’s previous contacts refer to informal associations that the born global entrepreneurs have previously made, for example, in the course of their training, through previous work experience or formed at organized industry events. These personal contacts are shown in the study to provide direct and indirect connections to ultimate purchase decision-makers. Each of these intermediary types will be examined now in greater detail in this section of the chapter.

#### **5.1 Institutional Intermediaries**

Institutional intermediaries are auxiliary facilitators such as enterprise support agencies, industry trade associations and professional bodies, which are deemed to play a role in the born globals’ internationalization process. The principal institutional intermediaries in the digital animation international network are described next.



### 5.1.1 National state enterprise support agencies

Intermediaries within this set of contacts play an official role as the industry supports for the Irish digital animators. Promoting and driving internationalization for the study born globals is an important part of these organizations' mandates.

*Enterprise Ireland* Enterprise Ireland is a government agency engaged in helping Irish-based technology companies progress to international markets. Opinions, however, varied greatly across respondents in relation to their usefulness. Enterprise Ireland does not directly connect companies to buyers in international markets, but rather uses indirect methods and fora, for instance 'At Kidscreen they organized a networking event' (founder Firm E).

Contrastingly, others were quite disparaging, 'I could survive without them. If they weren't there in the morning, I wouldn't miss them' (founder of Firm O). The founder of Firm H said 'they would help us internally by funding, but they wouldn't connect us to businesses'. These respondents seem to hold unrealistic expectations of the assistance available from the state agencies and a misunderstanding of their intermediation role.

*The Irish Film Board (IFB)* The IFB is another government funded organization which was founded to promote and support the talent, creativity and enterprise within the Irish Film Industry, of which digital animation is a key sub-unit. The IFB is a recognized by many respondents as a critical intermediary in the internationalization process for Irish digital animators. Key IFB personnel were reported to be working behind the scenes, hosting events,

recommending festivals and key individuals for contact. As a result of these referrals and networking opportunities at international tradeshows and festivals and the IFB's coordinated networking events, many important connections have been established.

One founder stated that 'we have been really happy with our dealings with the IFB. They recommended what festivals to go to and who to talk to. Over the years we have had lots of dealings with them' (co-founder1 of Firm A). Further to this, the second co-founder of Firm A added, 'they know more people than we do, and they pick out people you should meet so that you don't waste time meeting people that aren't going to do anything for you' (co-founder2 of Firm A).

#### <c>5.1.2<em>International enterprise support agency: CARTOON – Media Antenna

CARTOON – Media Antenna is a sub-unit of the EU's Creative Europe program. It organizes networking events to support the digital animation sector in Europe. CARTOON – Media Antenna is considered by the study born globals to play an important role in the connection process and thus represents a strong tie in the network. This is because the events it organizes permit participants to forge international relationships as the seller and the buyer are placed in the same environment. One respondent very positively reported:

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I believe the strongest connector actually would be the organization CARTOON . . . I think in Europe they have made the biggest and the best connections for people. When

you go to their events, everyone launches their ideas. They are expensive to go to, but I would say they are the best connector of the lot. (Co-founder B, Firm F).

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### <c>5.1.3<em>Industry trade association: Animation Ireland

Animation Ireland, sponsored by Enterprise Ireland, is an ‘umbrella brand’ beneath which Ireland’s leading animation enterprises organize and wherein the member firms work together to promote the animation industry. Its key personnel have an intimate knowledge of each animation company, and strenuously strive on their behalf for their international success. Animation Ireland’s personnel also recommend international tradeshows or festivals to entrepreneurs, as well as highlighting individuals with whom contact could prove fruitful. Key personnel have critical contacts within the industry. One founder states that ‘they will set up meetings which kick start new connections’ (co-founder of Firm A). He also stated that they are supportive ‘in terms of encouragement, for example you should talk to this person, meet that person etc., they have been excellent’ (co-founder of Firm A).

### <c>5.1.4<em>Industry professional body (guild) – Screen Directors Guild of Ireland (SDGI)

The SDGI is a grouping of television and movie directors in Ireland who are affiliated to a larger guild in the USA. Nevertheless, their connection capacity role in the internationalization process is ambiguously reported. On a positive note, the SDGI is involved in hosting numerous

networking events. However, since these are generally technical or educational, the capacity of the SDGI to provide connectivity to overseas buyers is negligible. Therefore, the SDGI is seen as a ‘weak’ tie in the network.

The following section presents the next type of intermediary – individual/personal contacts.

## 5.2 Individual/Personal Intermediaries

Included within this category of intermediary for this idiosyncratic industry network are both agents and born global firms’ founders’ personal contacts who play an important role as facilitators in the born global network.

### Agents

Agents are formal fee-charging intermediaries who represent digital animation firms and play an active role in the internationalization process for some of the Irish animation companies. Agents are a valued asset for these study companies during the initial stages of internationalization, as they have the potential to open doors to commissioning decision-makers. The founder of Firm C accordingly reported:

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An agent was the first initial guy that would have got us in there. He was there at the very start. He kind of got us introduced to all the big players in Hollywood and once you’re in

there, that's his job nearly done. So he was the one that helped us get our foot in the door and establish a connection. (Founder of Firm C)

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But many respondents reported less happy experiences with agents, for example:

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Never get an agent all they do is take 10% of your money for nothing. He was there at the very start. He kind of got us introduced to all the big players in Hollywood LA, Cartoon Network, Nickelodeon, and Disney. Once you're in there, that's his job nearly done. He still takes 10% of nearly everything, which we couldn't afford. So he was the one that helped us get our foot in the door and establish a connection (but was a longer term drain on firm's resources). (Founder, Firm C)

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<c>Founders' personal contacts

This sub-category of individual intermediaries consists of informal contacts that have been nurtured and developed over time by the born global firms' founders. This social capital includes 'educational links' acquired while training, contacts from work experience carried out with 'previous employers', and 'client commendations and referrals' as a result of work previously conducted.

The earliest social capital was formed for many firms' founders during their time in specialist education principally at the Irish School of Animation at Ballyfermot College or, secondarily, at the broader National College of Art and Design (NCAD) (see Table 12.2):

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I think the friends that we would have made in college would have helped us connect internationally. We have often had job referrals from our classmates in Ballyfermot . . .

We used to work in Cartoon Saloon and they were in our class. Some of the other studios in Dublin would have been a few years ahead of us in college and one or two of them would have been our teachers. That is why everyone knows each other because the industry is so small. (Co-founder, Firm A)

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Some interviewees identified 'previous employers' as important connectors. Half of the digital animation firm founders had international work experience in the animation sector prior to setting up their current enterprises.

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My main connectors are my connections with the States and that has been established from working there for three years and as Warner Brothers closed its doors to animation

everybody I know there went to other studios over there so all of a sudden you know a bunch of people at Pixar, Dreamworks and Sony. I go back there every year and I meet with them. We would stay up to date and keep the network alive and through that, meet new people. (Founder, Firm B)

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Positive ‘word-of-mouth’ gave rise to new connections via recommendations of the firms’ craft and products. One founder posited that ‘once you do one job it links to another and so on. Previous work brought us more work than anyone can imagine’ (co-founder of Firm A). Another respondent simply added ‘you have to build trust with others, and you only can do this by doing excellent quality work for them and as a result one job will lead to another’ (founder of Firm D).

International success in awards ceremonies led to even greater reputational capital for the members of the Irish community of digital animations. This is illustrated clearly in the following comments from two respondents: ‘The Oscar nominations have benefited everybody, it puts Ireland on the map and portrays this is a place of good quality’ (founder of Firm E) and ‘Ireland has had many Oscar nominations . . . Internationally they believe there is something creative about what is in the water in Ireland that no amount of money can buy’ (founder of Firm E).

### <b>5.3<em>Nodes

Two types of network nodes have been identified as venues for connection in this study. First, ‘physical venues’, which include international tradeshows, film and television festivals and

locally-organized networking events and, second, ‘virtual venues’, which include various social networking sites. These venues are deemed by study respondents to be of lesser importance than the physical venues. However, this may change, given the rapid development of the virtual world, and the success of social networking. However, for the present, the primary focus of this study is on the physical venues wherein digital animation producers and buyers tangibly connect.

### 5.3.1 Physical venues

International festivals and overseas industry tradeshows serve as the principal fora where animators, screenwriters, directors and producers can network in meetings, at guest talks and at company trade stands. In line with extant research (Evers and Knight, 2008; Lechner and Dowling, 2003) our findings suggest that networks do not necessarily happen in a virtual space where spatial proximity does not matter; in fact spatial proximity matters for networks. The renowned film and television festivals such as Cannes, Berlin, Toronto, Venice, Sundance, and the more specialist Annecy International Animation Film Festival, plus the large animation industry tradeshows, such as MIP Junior in Cannes, the KidScreen Summit in New York, and Cartoons on the Bay in Venice, play a critical role as nodes wherein the digital film and television production industry’s international network actors connect. At such venues and events, digital animation firms both exhibit their products and pitch ideas to the industry buyers/content commissioners. Individual digital animation firms are often communally organized by Enterprise Ireland at one stand for joint exhibition at tradeshows.

Furthermore, Enterprise Ireland provides the entrepreneur with ‘leads’ prior to attending such an event. These findings reinforce the notion that network nodes, in this instance industry



tradeshows, represented temporary industry clusters exhibiting many of the characteristics ascribed to permanent industry spatial clusters, but in a temporary and intensified form (see also Maskell et al., 2006). In such network spaces, trade shows allow actors to build and strengthen social networks to accelerate the internationalization process and to interact and exchange vital resources to advance their internationalization (Evers and Knight, 2008). Further, our findings concur with the view that tradeshows serve more than just a repository of information for producers and customers (Rosson and Seringhaus, 1995) but serve ‘as a means of short-circuiting the long process of experiential learning about foreign markets’ (Evers and Knight, 2008, p. 555). Some of the major digital animation industry events are profiled in Table 12.2.

On the MIP Junior international tradeshow, the founder of Firm B commented that ‘this is where I go to meet people that I need to . . . it is the only connector that is getting the company out there’. Another commented that ‘TV stations or Theatrical distributors are in different locations. We know this (tradeshow) is where we will find them’ (founder of Firm D). While another similarly adds, ‘It’s all about attending festivals and markets and meeting the right people. The international tradeshows and film festivals that we visit, for example Cannes for MIP Junior, are where you build up your networks, where you go and have 40 meetings, many prearranged’ (founder of Firm H).

### <c>5.3.2<em>Virtual venues: membership of social networking sites

While online social media networking sites such as Facebook and Twitter have been identified as a potential venue for connection, there is little evidence of their actual usage. There is an obvious latent potential such as the provision of a video pitch on YouTube. However, presently the study

shows that membership of a social media forum is believed to maintain networks rather than create new links in the network. One respondent stated: 'These are only for maintaining networks and following up, if at all, not establishing networks alone' (founder, Firm A).

The final section of the chapter provides a discussion of the born globals' international network by addressing the research questions in light of the theory and the findings presented, while also considering the principal theoretical contributions of the study.

## <a>6<em>DISCUSSION

This study addresses an important knowledge gap by examining the role of intermediary connections and network forums (nodes) within the network of born global firms operating in the Irish digital animation industry. The validity of our findings has been further enhanced by gathering data on the whole population of Irish born global players in the digital animation industry.

In order to expose the routes and pathways across this industrial network for the born global digital animation firm to the final animated content purchaser overseas, social network theory was employed. This theory was applied specifically to the born global international network to determine the intermediaries and nodes and structural holes within this specific focus on an industrial network (Burt, 1992; Granovetter, 1973; Haythornthwaite, 1996; Milgram, 1967). These concepts were transposed to the interbational business (IB) literature in terms of intermediaries and venues in an international born global network (Coviello and Munro, 1995; Evers and Knight, 2008; O'Gorman and Evers, 2011). The digital animation international

network was exposed to microscopic scrutiny, node by node, link by link, and the strength of relations analyzed.

In general, our findings concur with the view that born globals utilize their networks for rapid internationalization (Andersson et al., 2013; Coviello, 2006; Coviello and Munro, 1995; Evers and O’Gorman, 2011; Moen et al., 2002; Sharma and Blomstermo, 2003). Recognizing that a born global’s network tends to be idiosyncratic for each industry, and even firm, we still find that some general tenets for effective deployment of a born global’s network for rapid internationalization and access to overseas buyers can be discerned from this study of the Irish digital animation industry. We discuss below our findings with specific focus on the two core research questions underpinning our study.

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1.<em>How do network intermediaries influence the internationalization of born globals?

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First, our findings empirically validate and support Burt’s structural hole hypothesis (1992). The intermediary network actors identified in our findings on the digital animation industry acted as a link in the network between the focal firms and customer. Our findings concur with the view that third-party mediated exchanges have been identified as a way of getting access to potential exchange partners (Björkman and Kock, 1995; Ellis, 2000).

Second, our findings show that there are hubs of potential intermediary connectors that the born global firm can draw upon to navigate its way across the network to reach the overseas commissioners of animation content for television or movies. The findings show that the types of

intermediaries could be identified parallel to the two types of networks that born globals deploy for rapid internationalization (Coviello and Munro, 1995). The first is identified as ‘formal’ or what we term ‘institutional intermediaries’ utilizing business connections. These intermediaries come in the form of both governmental supports (Enterprise Ireland, the Irish Film Board) and industry trade associations (Animation Ireland, Screen Producers Ireland). The second intermediary the born global uses is, ‘individual’, identified as personal direct connectors such as agents but for mostly informal personal contacts operating in the industry.

In relation to institutional intermediaries, there was strong support for such ‘formal intermediary’ organizations as developers of networks that facilitate the internationalization of born globals in the industry (O’Gorman and Evers, 2011). In particular, such networks were important in facilitating introductions, organizing the attendance of born globals at global trade forums (discussed next section), and providing reputational legitimacy and market information to the studied born globals in the network. Our findings further concur with Chetty and Blankenburg-Holm (2000) who identified New Zealand trade bodies as critical for brokering important relationships for small firms to internationalize rapidly.

However, in terms of the value of institutional resource supports to help firms’ journey across the born global network, some of the views of the studied population of born globals were not as favorable towards their institutional actors in the industry. On the negative side, some respondents felt the institutions provided negligible access to key decision-makers in the commissioning firms. This contradicted other born globals’ experiences in that some believe the agencies are critical facilitators. Such equivocation pertains in the absence of a true appreciation of the mandated role of the enterprise agencies. Frustration with them ensues and persists in pockets of the industry. There are perceptual differences on the value and utility of the role

played by the institutional intermediaries. On their institutional supports' intermediation capability, it seems that for these digital animators, 'beauty is in the eye of the beholder'. Such mixed views tend to be common in other studies on the role of network intermediaries for new firms. For example, Perry (1996) found that network relationship building for small firms depended on long-term personal association rather than leveraging intermediary organizations, which he found to be of limited use for the network development of the firms. Further, in their study on rapidly internationalizing Spanish small and medium-sized enterprises (SMEs), Belso-Martinez (2006) found that institutional networks were insignificant.

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2.<em>How do network nodes influence the internationalization process of born globals?

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In line with Evers and Knight (2008), our study suggests that network nodes go well beyond that of a selling and information platform and make an important contribution to the establishment and enhancement of a network infrastructure enabling the animation firms connect to and leverage the on-site intermediary network actors to bridge structural holes as a means to grow and expand internationally. The studied firms utilized network spaces or nodes to access their business networks and infrastructural or intermediary networks. Moreover, the animation industry trade fora were perceived to serve not only as a means of building vertical relations, such as foreign buyers, customers of those foreign buyers, agents, and suppliers (Evers and O'Gorman, 2011). (Blythe, 2002; Rosson and Seringhaus, 1995), but also as a means of forging horizontal relationships with collaborative industry associates. Furthermore, the use of personal

contacts in such network forums engendered a ‘capital of trust’ between network actors, thus permitting the industry members to enhance technical, intellectual, social and reputational capital.

## **CONCLUSION**

This study makes some specific theoretical contributions. The first is that this work extends previous knowledge that used the network perspective to investigate the internationalization of born global firms (Coviello, 2006; Coviello and Munro, 1995; 1997; Evers and Knight, 2008; O’Gorman and Evers, 2011; Sharma and Blomstermo, 2003). Despite the increasing number of studies that have examined networks in international entrepreneurship and born global theory, they neglected to examine how intermediaries and network nodes influence the internationalization process of born global firms and, hence, the operation of the network in the internationalization process is very much underexplored. A second contribution of this study is its support of research on the importance of networking venues/forums and their role in the overall process (Evers and Knight, 2008). Networking nodes such as international festivals and tradeshows serve as loci to establish fundamental connections. These are critical ‘nodes’ in the born global network. Thirdly, this study has also identified that there are a ‘suite’ of connectors that born global firms draw from to reach overseas buyers and each intermediary is considered to have varying utility and value as a connector to the ultimate overseas buyer.

In conclusion, we argue that our findings point to some important implications for born global firms emanating from a small domestic economy in a highly international industry. Despite our contributions to extant theory, much work remains to be undertaken on the operation

of born global networks. Future research could usefully endeavor to unpack the ‘black box’ of further intrinsically born global sectors through some further qualitative studies in a variety of settings. Such research could usefully explore beyond the idiosyncratic, distinctive, and relatively unique industry network of this study. Further, given the study was conducted in a single country it would be interesting to explore how the nature of these global networks plays out in firms of other nationalities.

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#### <TABLES AND FIGURES FORE CHAPTER 12>

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<table>

<tcap>*Table 12.1*<em>Sectoral profile

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Co.	Education background	Year of inception Year of internationalization	International markets (locations)
1	<i>Institution:</i> Ballyfermot – Degree in Animation	Inception: 2003 Int: 2005	Hungary, UK, Canada
2	<i>Institution:</i> Ballyfermot – Degree in Animation <i>Institution:</i> Dun Laoghaire – Degree in Animation	Inception: 2002 Int: 2003	France, Scandinavia, Spain, Italy

3	<i>Institution:</i> Ballyfermot – Degree in Animation	Inception: 2000 Int: 2000	USA, UK, Canada, Australia
4	<i>Institution:</i> Ballyfermot – Degree in Animation	Inception: 1994 Int: 1995	UK, USA
5	<i>Institution:</i> Ballyfermot – Degree in Animation	Inception: 1999 Int: 1999	USA, UK, Asia, Singapore, Holland
6	<i>Institution:</i> Ballyfermot – Degree in Animation	Inception: 1999 Int: 1999	USA, UK, Belgium, France, Germany
7	<i>Institution:</i> NCAD – Degree in Design <i>Institution:</i> Edinburgh College of Art – MSc in Animation	Inception: 2008 Int: 2010	Australia, Canada, Scotland, France, Denmark
8	<i>Institution:</i> Ballyfermot – Degree in Animation	Inception: 2002 Int: 2002	USA, UK, Scandinavia, Australia, Holland
9	<i>Institution:</i> Ballyfermot – Degree in Animation	Inception: 2001 Int: 2001	UK, Germany, Canada
10	<i>Institution:</i> NCAD – Degree in Animation	Inception: 2003 Int: 2003	Europe
11	<i>Institution:</i> University of Wuppertal and Bachum Social Sciences and Communication	Inception: 1994 Int: 1994	Germany, Scandinavia, France, UK, USA
12	<i>Qualification:</i> Engineering Degree and Law Degree	Inception: 2010 Int: 2010	USA, Canada
13	<i>Institution:</i> Trinity – BA Arts in English and French	Inception: 2004 Int: 2005	Poland, Australia
14	<i>Qualification:</i> Accountant	Inception: 1995 Int: 1998	Germany, France, Scandinavia, USA, UK, Canada, Australia
15	<i>Institution:</i> NUI Galway – Commerce	Inception: 1988	USA, UK, France, Germany,

		Int: 1999	Australia
16	<i>Institution:</i> Ballyfermot – Degree in Animation	Inception: 2007 Int: 2008	

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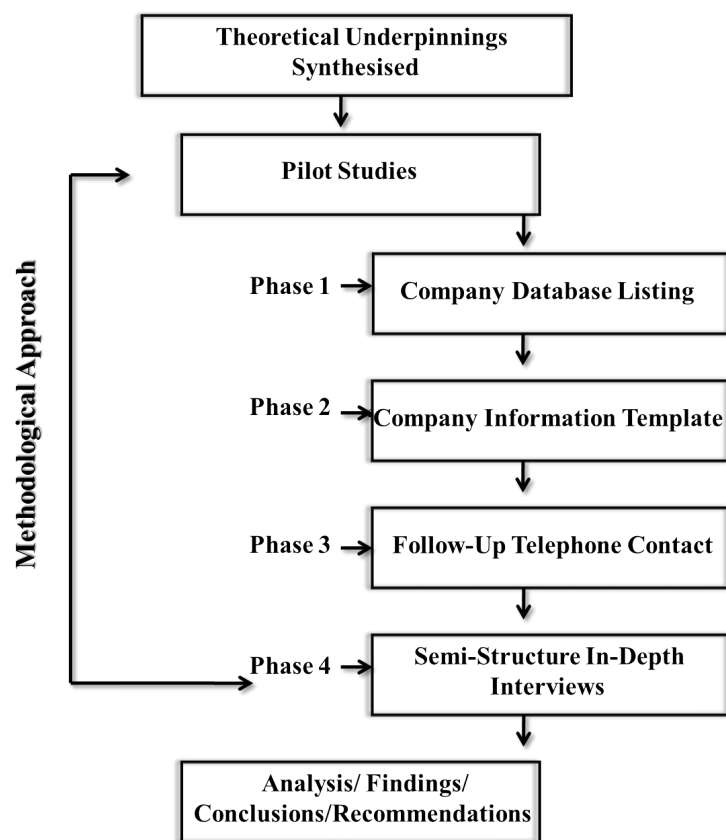
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change ‘synthesised’ to ‘synthesized’; and close up space between ‘Analysis/’ and ‘Findings/’ in

the bottom box.>



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<fcap>Figure 12.1<em>Research process

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<tcap>Table 12.2<em> Profile of example digital animation industry tradeshow events and festivals

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Name	Profile
MIP Junior (www.mipjunior.com)	The world's leading children's entertainment content forum.  Inclusive of 1250 participants, 550 buyers, and 760 exhibitors from 65 countries
KidScreen Summit (www.summit.kidscreen.com)	A yearly forum for those involved in the children's entertainment industry. Comprising nearly 1500 delegates. Representing 800 companies, from 43 countries
The Cannes Film Festival (www.festival-cannes.fr)	An international yearly film festival  Including 1201 authors, 4499 distributors, 4479 producers, from 117 countries
Annecy International Animation Film Festival (www.annecy.org)	The world's top reference for animation films  Inclusive of approximately 7000 professionals from 70 different countries

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