

Navigating global markets

Challenges and opportunities for SMEs

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Foreword

As Irish SMEs navigate an increasingly complex global marketplace, the need for practical, real-world insights into international growth has never been more pressing. Navigating Global Markets is the result of a multi-year research collaboration between the All-Ireland Business Foundation and the Kemmy Business School at the University of Limerick, proudly supported by the Mauve Group.

This report explores the motivations, barriers, and opportunities facing Irish SMEs in their internationalisation journey. It offers an actionable plan designed to help businesses build the confidence, agility, and resilience required to thrive globally.

We are deeply grateful to **Dr Briga Hynes**, Associate Professor at UL, for her leadership and expertise throughout this project. Her input has been instrumental in shaping a research approach that reflects the real-world experiences of SMEs across Ireland.

We also extend our sincere thanks to the team at the **All-Ireland Business Foundation**, whose mission is to empower and elevate Irish enterprise. AIBF's national community of accredited companies, peer-learning events, and initiatives like Entrepreneurs University play a vital role in supporting SME growth and innovation.

To our sponsors, the **Mauve Group** - thank you for your belief in this project. As a global leader in international hiring solutions, your perspective and support brought a truly global dimension to this work.

Finally, we wish to acknowledge the guidance and valuable input of Kieran Ring, Deputy Chair and CEO of the Global Institute of Logistics, whose insights were instrumental throughout the development of this research.

We hope that the findings and tools shared in this report will help Irish SMEs unlock new opportunities, overcome barriers, and scale internationally with confidence.

We're currently in the midst of the Fourth Industrial Revolution, with an eye on the emergence of the Fifth Revolution. It's an era in which the globalisation of business has never been more crucial for small and medium-sized enterprises (SMEs) in Ireland. The integration and interconnectedness of physical, digital and biological systems are reshaping industries and economies, making globalisation ever more important for SMEs.

This current wave of globalisation is characterised by deep political and geopolitical uncertainty, climate change, economic uncertainties and demographic shifts; meanwhile, the rise of stakeholder capitalism is reshaping the business world. There is a reordering of global alliances towards regionalisation, protectionism and 'friendshoring,' with supply chains rerouting to politically and economically stable allies.

What does all of this mean for SMEs in Ireland? While globalisation offers numerous advantages, including access to new markets, materials and opportunities for diversification, it also presents several challenges. These include:

- heightened competition;
- the need to navigate cultural differences;
- the complexity of regulatory requirements;
- access to the right skills and staff;
- the pressure to maintain both quality and competitive pricing.

In this current climate, SMEs in Ireland find themselves at a pivotal stage. It's time to adapt, innovate and internationalise in order to thrive in an increasingly competitive and complex global landscape. But how can we do that?

This research report aims to answer that question by exploring both the opportunities and the risks of navigating global markets from the perspective of an Irish SME. By presenting the results of our research and focus group insights and highlighting policy support, we offer a series of practical strategies. We aim to demystify the concept of internationalisation and share a comprehensive plan of action designed to guide SMEs in Ireland.

An Internationalisation Action Plan is included in Section 6 at the end of this report. It distills the results of our research and focus groups into a series of clear, actionable steps — designed to help SMEs take the first or next step on their international journey. Whether you choose to read this report cover to cover, or skip straight to the practical takeaways, the insights within aim to support real-world decision-making.

As we look to the future, it's clear that success in global markets will depend not just on scale or speed, but on agility, resilience and strategic collaboration. Our report will act as a useful tool for SME decision-makers, entrepreneurs and stakeholders who are shaping the next phase of Ireland's economic growth.



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Internationalisation is central to economic growth and strengthening the economic, social, technical and environmental vibrancy of the Irish economy. Despite SMEs constituting 99.8% of enterprises in Ireland, they are underrepresented in internationalisation.

Understanding the reasons behind this underrepresentation is essential for developing appropriate and targeted support interventions to both increase the number of first-time exporters and build the capacity of current exporting firms.

Our research set out to explore:

- owner-managers' perceptions of internationalisation;
- their level of engagement;
- the strategies they adopt;
- the barriers and opportunities they encounter;
- what supports are required to increase SME engagement in internationalisation, including areas for competency and capacity building.

Key findings for non-exporters

The findings of our qualitative and quantitative survey show that the intent to internationalise exists among non-exporters, and that current exporters are ambitious to scale further internationally. However, companies that are not exporting often perceive internationalisation as irrelevant to their business, or as excessively complex, time-consuming and costly. Challenges also include:

- a lack of expertise in market research;
- limited information on how or where to get support;
- difficulty in forming partnerships and networks;
- a lack of suitable skills and competencies.

Generating a positive internationalisation mindset is essential. This involves bringing internationalisation from the periphery to the core of the business, and shifting perceptions to recognise its potential.

Supports needed for non-exporters

- Practical, user-friendly information on what is involved in exporting
- Mentoring and training in market research
- Help with identifying and managing networks and partnerships
- Competency and capacity building for internationalisation

Key findings for exporters

Our findings show that motivation and intent for internationalisation are proactive and positive. Important drivers include technology, social networks and customers; time is also needed to undertake market research and develop a clear plan for the 'why' and 'how' of internationalisation.

Insights for exporters included the following points:

- Avoid limiting market choice to one country: consider the potential to follow the customer
- Internationalisation is not a solo run: collaborate, network and partner with trust and legal governance (creating a win-win situation)
- Remember that the process involves both personal and organisational change: be agile and ready to adapt
- Align domestic and international strategies to enhance efficiencies and achieve economies of scale
- Make trust and relationships the heart of your selling process: personal selling is key
- Know when to walk away from a market, customer or partner; assess financial, reputational, and brand risks in advance
- Invest in digital for an integrated, firm-wide approach that builds agility
- Make sustainability a key component of your international strategy

Supports needed for exporters

Our report identifies common areas of support needed by both exporters and non-exporters, which should be tailored to their stage in the internationalisation journey. These include:

- > reducing information and knowledge deficits;
- > developing competency and capability at managerial, strategic and employee levels;
- > assistance with partnerships;
- > digitalisation — creating a firm-wide integrated digital infrastructure;
- > creating a sustainability roadmap and strategy.

There is strong demand for support in digitalisation and sustainability across both groups. The intersection of digitalisation and globalisation presents both opportunities and challenges. SMEs now have the potential to operate like micro-multinationals, transforming business functions across the value chain. However, adopting suitable digital solutions remains difficult for many SMEs due to:

- > financial and time investments;
- > skills gaps;
- > limited digital capabilities within the firm.

While most respondents recognise the importance of sustainability — and acknowledge increasing compliance pressures — many are unsure how to:

- > define effective sustainability for their organisation;
- > embed it across the value chain;

- > set meaningful metrics;
- > measure impact;
- > adopt a multi-stakeholder sustainability perspective.

Internationalisation agility

Overall, the results demonstrate that achieving sustainable success in global markets requires agility, responsiveness and resilience at managerial and organisational levels.

Being part of strong international networks and partnerships is a core enabler of this agility. These relationships offer valuable market and social intelligence to help mitigate risk and improve efficiency.

To that end, support should focus on building 'Internationalisation Agility'. This concept builds on existing organisational agility and extends it to include collaboration, partnerships, integration, adaptation, innovation and continuous improvement — enabling businesses to respond effectively in an era of rapid and unpredictable change.



Next steps: from insight to action

This report doesn't just outline the challenges and opportunities around internationalisation — it offers a clear way forward. Based on what we have heard from businesses through surveys and focus groups, our practical Internationalisation Action Plan (in Section 6) recommends a series of actions and resources designed to help SMEs take the next step to build their internationalisation agility.

The goal is simple: to make internationalisation feel more achievable, more scalable for exporting companies, less overwhelming, and more relevant. With the right support, the right tools, and the right mindset, SMEs in Ireland can go further — and our Internationalisation Action Plan is here to help make that happen.



Research overview and aims

Helping Small and Medium Enterprises (SMEs) to grow internationally is a national priority. The Government's Economic Recovery Plan (2021) and SME Taskforce set clear targets: bring 2,000 new SMEs into export markets and support 3,000 more to become digitally advanced exporters by 2030.

These goals reflect a serious challenge: Ireland has one of the lowest ratios of exporters to total enterprises in the EU and a small number of large companies dominate the country's export performance (SME Taskforce: National SME and Entrepreneurship Growth Plan 2021). The export base is also highly concentrated in a limited number of international markets.

Enterprise Ireland's 2022 strategy backs this ambition, committing to support resilient Irish businesses ready to expand their global reach.

But the backdrop is not simple. SMEs face a rapidly changing global environment shaped by economic shocks, geopolitical uncertainties, rapid technological disruption, and increasing pressure to embed sustainable practices. These forces are reshaping how, when, and where companies can grow internationally — and many SMEs are unsure how to respond.

That's why this study matters. It looks to understand how Irish SME owner-managers view internationalisation today — what's holding them back, what's driving them forward, and what kind of support could unlock new levels of engagement.

Specifically, we examined:

- > SME engagement with internationalisation;
- > strategies in place among exporters;
- > perceived and actual barriers to international growth;
- > opportunities for new and growing exporters;
- > potential areas for competency and capacity building.

For this report, we use the EU definition, i.e. that SMEs employ less than 250 persons, their annual sales do not exceed €20m and they are independent (meaning other companies' share of ownership does not exceed 25%).

The report begins with an overview of Ireland's SME export activity — highlighting the nature, location and levels of the activity and the identification of both gaps and potential opportunities.

It also explores the international context SMEs are operating in: the megatrends driving global trade, the shifting rules of competition, and the need to rethink traditional models of internationalisation.

Much of the literature on internationalisation focuses on large organisations. But SMEs operate with tighter resources, leaner teams, and very different constraints. They require practical, targeted support — financial and non-financial — that meets their needs where they are.

Our methodology combined both quantitative and qualitative methods, capturing insights from SMEs at different stages of the international journey. We contrasted the experiences of non-exporters with those who are already active internationally to identify common patterns — and to shape the recommendations in this report.

Ultimately, this research provides not only a diagnosis but an actionable way forward — with a series of recommendations designed to help more SMEs succeed abroad and contribute to Ireland's wider economic resilience.

Irish SMEs and export activities: trends and insights

SMEs are the backbone of the Irish economy, constituting 99.8% of all enterprises. In 2021 alone, they accounted for:

- 69.2% of total employment;
- 41.5% of total turnover;
- 34.8% of Gross Value Added (GVA).

(Source: CSO, 2023)

By contrast, large enterprises (250+ employees) made up just 0.2% of Irish firms, accounted for 30.8% of persons employed and generated 58.5% of total turnover and 65.2% of total GVA in 2021.

Boosting the export performance of Irish SMEs is critical — not just for economic growth, but to unlock broader economic and social benefits. Looking at

export activity helps policymakers and businesses understand how competitive Irish SMEs are on the global stage, and where support is needed to improve their international reach.

Tracking this activity also reveals how resilient SMEs are to economic shocks and helps shape future strategies to strengthen their ability to adapt in an unpredictable global market. Most of the data on SME export performance comes from CSO, offering valuable insight into how well Irish SMEs are doing when it comes to internationalisation.

Highlights of Facts and figures from 2022:

- Ireland exported a record €208 billion of goods (Source: CSO, 2023)
- The nation imported a record €141 billion (Source: CSO, 2023)
- Just 469 large firms (with 250+ employees), accounted for €161 billion — or 79% of all exports
- These large firms comprised just 4% of all enterprises
- Over 11,000 SMEs exported €38 billion — or 19% of total exports
- 6,917 micro-enterprises (firms with fewer than 10 employees) exported €10.1 billion
- Micro-enterprises made up 59% of exporters, but contributed only 5% of total export value
- Almost 49,000 SMEs imported goods to a value of €72 billion

Table 1.0 shows variations across firm size and sector.

Encouragingly, SME exports are growing:

- €32.8 billion in 2020
- €35.2 billion in 2021
- €38.3 billion in 2022

This upward trend reflects marginally renewed activity over 2021 and 2022 — but the fact remains that most Irish SMEs are still not exporting. Why not?

The most frequently cited reasons include:

- difficulty identifying international business opportunities;
- limited knowledge of markets and distribution;
- uncertainty about where to find reliable information;
- lack of managerial time and capability.

Table 1. Exports by enterprise size and sector for 2022

Sector	€million				
	Micro	Small	Medium	SMEs	Large
Industry	2,418	3,667	13,039	19,125	155,780
Wholesale/retail	4,056	3,751	3,129	10,936	3,807
Other activities	3,696	1,915	2,623	8,234	1,356
Total	10,169	9,334	18,791	38,295	160,943

	Number of enterprises				
	Micro	Small	Medium	SMEs	Large
Industry	1,407	901	548	2,856	177
Industry	3,278	1,304	310	4,892	75
Other activities	2,218	924	410	3,552	217
Total	6,903	3,129	1,268	11,300	469

The takeaway is clear: skills and confidence are key. Building the right capabilities helps address knowledge gaps, strengthen decision-making, and lower the barriers to international growth.

Research undertaken by Bibby Finance (SME Confidence Tracker 2024) shows that Irish SMEs remained ambitious in 2024:

- > 67% expected sales to grow;
- > 53% saw new customer opportunities;
- > 33% planned to recruit new staff;
- > 23% intended to launch new product innovations;
- > 23% were adopting new digital technologies.

Despite these positive indicators, ambitions are tempered by ongoing concerns about rising costs, recruitment challenges, and resource constraints. In today's unpredictable global

economy, SMEs are navigating a world shaped by:

- > geopolitical tensions
- > climate and environmental risks
- > accelerated digital transformation
- > changing consumer expectations
- > supply chain complexity

For many, internationalisation can feel daunting — especially when day-to-day operations are already under pressure. But this complexity also creates opportunity. By breaking down global megatrends into actionable insights, SMEs can uncover new routes to growth, innovation and resilience. This report is about showing how we do just that.



An evolving landscape

The evolving internationalisation landscape

Today's global business landscape is more complex than ever. The scope of SME internationalisation is determined by a range of interconnected factors, including:

- the impact of digitalisation and AI;
- political and geopolitical uncertainty;
- climate change and sustainability priorities;
- demographic shifts;
- the long-term effects of Brexit;
- the growing influence of non-state actors and stakeholder capitalism.

One of the most significant shifts is the move toward regionalisation. Geopolitical tensions and global supply chain disruptions — especially during and after COVID-19 — have driven countries and businesses to rethink their reliance on far-flung suppliers.

As a result, supply chains are being realigned around regions that are politically and economically 'safe' — a trend known as 'friendshoring'. This is a practice in which

companies reroute supply chains to countries perceived as low-risk political and economic allies (World Economic Forum 2023). It's enabled and made attractive by country and regional policies to incentivise companies to gain and retain local supplies and employment (Charbit and Gatignol, 2021).

This shift marks a departure from the ethos of globalisation, which is based on the free movement of goods, services, capital, and talent. Instead, we're seeing a form of 'deglobalisation', where countries and companies focus on protecting strategic resources, reinforcing local supply chains, and prioritising resilience over interdependence (Witt, 2019, Petricevic and Teece, 2019; Evenett, 2019; Grundke and Moser, 2019).

Ongoing advances and investment in digitalisation and AI have radically influenced the social, economic and geopolitical landscape. This has facilitated global connectivity and trade, enabling SMEs to participate in the global economy to overcome geographical barriers and reach international customers more effectively (Reuber et al. 2018); it's a key component in improving supply chain robustness and agility.

The relationship between politics and geography (or geopolitics — how a country's location, terrain and land resources influences power relationships) will be a major driver of international trade and relations, barriers and tariffs. As geopolitical shifts redefine global power structures, the balance between developed and developing economies is narrowing. The EU projects that 90% of global growth in the coming years will happen outside the EU, and that emerging markets will account for 60% of global GDP by 2030 (European Strategy and Policy Analysis, 2015). (European Strategy and Policy Analysis 2015).

These megatrends create opportunities and challenges for all firms but are more challenging for SMEs; higher costs, tighter regulations, and more bureaucracy make it harder for small firms to scale internationally. But while the risks are real, they shouldn't overshadow the opportunities that come from rethinking internationalisation — not as an end goal, but as a smart, strategic response to a changing world.

The benefits and opportunities of internationalisation

As the landscape of internationalisation evolves, the way we talk about it also changes. The terms 'exporting', 'internationalisation' and 'globalisation' are interconnected and often used interchangeably, but each reflects a different aspect of doing business across borders.

Internationalisation is the strategic decision to expand business activities beyond domestic markets, aiming to diversify markets, enhance growth opportunities, and increase competitiveness (Caputo et al., 2016; Hilmersson, 2014; Vissak, 2023).

This process can look very different depending on the business. It generally starts with export activity, continuing on to partnerships and the development of foreign subsidiaries, and the formation of strategic alliances and foreign direct investment (FDI) (Louw and Venter, 2019; Lobo et al., 2020).

The extent of internationalisation varies, ranging from new ventures entering a single foreign market to established companies with global operations across multiple countries and regions (Luu et al., 2022); it can obviously differ by sector. The Degree of Internationalisation (DOI) serves to identify a company's level of investment and commitment to internationalisation and is increasingly recognised as a measure of internationalisation. A DOI threshold of 25% is suggested as showing that a firm is committed to sustaining internationalisation (Kuivalainen, Saarenketo, et al., 2012).

The benefits of internationalisation are multidimensional and both financial and non-financial (Ruzzier and Konečnik, 2006; Tan et al, 2018); they include:

- increased turnover, profit, and market share;
- more innovation and brand awareness (Abel-Koch et al., 2018)
- faster firm growth (Bernard et al. 2007; Wagner 2012);

- stronger profits of up to 26% and higher levels of productivity (Atkin et al., 2017; Love and Roper, 2015);
- better capacity and capabilities for innovation (Oura, 2016);
- new jobs and broader economic impact (EU Annual Report on European SMEs 2020/2021)
- greater resilience to economic shocks (WTO, 2021).

SMEs that export are often seen as learning organisations; they ‘learn by exporting’ as they gain valuable insights and build human, sector and social capital throughout the process (Alvarez et al., 2013). Engaging with global value chains brings fresh insights that benefit not only international operations but also domestic performance (Gereffi et al., 2014).

Given these wide-ranging, multidimensional benefits, SME owner-managers need support to reframe internationalisation as a practical scaling strategy — even in the face of global uncertainty

Regionalisation: a new route for resilient growth

For Irish SMEs, regionalisation offers a clear path to enhance supply chain resilience and reduce the risks of global disruption. Shorter, more localised supply chains are easier to manage, more adaptable, and can cut transport-related emissions — supporting both resilience and sustainability goals.

Regionalisation also helps build stronger local and regional networks. SMEs can form closer partnerships with suppliers and peers, identify niche opportunities that bigger firms may overlook, and deliver tailored products to loyal customer bases. Their natural agility and responsiveness make SMEs well-suited to this environment.

Internationalisation opportunities may be found in leveraging opportunities in sustainability strategies of reshoring or ‘friendshoring’ of supply chains across

industry sectors. Many Irish SMEs are fundamental to the supply chain of multinational corporations (MNCs); this growing integration of SMEs in global value chains (GVCs) or strategic alliances enables them to avail of import and export opportunities (Montalbano et al. 2018).

Creating more micro-multinationals in Ireland

SMEs engaging in strategic alliances or joint ventures are referred to as micro multinationals (Lobb et al 2020). Micro-multinationals share similar traits with multinational corporations, embodying the mindset of a global MNC, with an identity that goes beyond any single country or product using strategic partnerships and knowledge exchange for added value and global growth.

The micro-multinational business model is gaining attention for encouraging SMEs to adopt a global mindset from the onset of their business. By leveraging their relative speed, agility, and responsiveness, these small enterprises can seize global opportunities and navigate the challenges as they arise, paving the way for sustained growth.

It may feel daunting and overwhelming, but the global landscape contains opportunities for international growth for SMEs. SMEs that aren't yet exporting need clear, real-world education and support to explore global opportunities confidently. Those already active internationally should be supported to scale further, with easy access to financial and non-financial resources.

By inspiring SMEs to think beyond local markets and embrace international opportunities proactively and at earlier stages of business growth, we shift internationalisation from being a peripheral or add-on activity — something to pursue only after domestic success — to being a central driver of business growth and resilience.

The internationalisation journey

The SME population is extremely diverse, which we see in the diverse means, speed and mode of SME internationalisation. At one end are the so-called 'Born Globals' — start-ups that operate in knowledge-intensive or high-tech markets in global niches; they do so from the onset of the formation of the business rooted in the founder's international orientation (McHenry and Welch, 2018, Pidduck, et al 2020).

These born global firms are characterised by high levels of adoption of digital and AI in an integrated manner across processes, products services development and business models. They target niche markets to globally dispersed clients using technology to gain access to these customers. (Paul and Rosado-Serrano, 2019; Escandon-Barbosa et al 2019).

Most SMEs, however, follow a more traditional trajectory. The internationalisation journey does not always progress in a stable pathway (Ndofirepi, 2024) and can include episodes of volatility, uncertainty, fluctuating resource demands, and varying levels of commitment and resources (Dominguez and Mayrhofer, 2017; Kafouros et al., 2022) and is influenced by a range of internal or external factors or a combination (da Costa Júnior et al 2022, Costa et al., 2023; Haddoud et al., 2020).

The internationalisation process includes a series of key decisions:

- Should you go international and what motivates that decision? (Bell et al., 2001; Li et al., 2018)
- Which markets should you enter and when? (Schu and Morschett, 2017; Hilmerston and Johanson, 2016; Ahi et al., 2017)
- What's the most suitable type of market entry strategy? (Ahi et al., 2017)
- What kind of business partners should you choose? (Andersen and Buvik, 2002)
- Do you have an exit strategy if you need one? (Benito, 2005; Benito and Welch, 1997)

These stages are interconnected, with decisions in one area triggering a chain reaction in others, and are most often determined by the owner-manager (Chittoor et al., 2019; Contractor et al., 2019; Niittymies and Pajunen, 2020). The owner-manager or senior team's export orientation, perceived level of readiness and interest in internationalisation are central factors influencing the degree of internationalisation (DOI) and resources allocated to it (Gerschewski, et al (2020).

Research on internationalisation tends to focus on larger organisations, with less emphasis on SMEs — despite their importance and potential for international scaling. Many theoretical models providing insights into the process often fail to align with the practical realities faced by SMEs; they don't fully consider the unique challenges and constraints encountered.

SMEs require more tailored frameworks that consider specific needs and operational contexts. One framework that can be easily tailored to the SME context is Feys et al (2016) Five M Model. This model examines the internationalisation process in the areas of Motives, Markets, Modes, Methods and Management with a practical focus that accounts for the main steps and decision points of internationalisation. The model also presents a useful set of subject themes for owner-managers to evaluate when starting or expanding their global footprint.

Motives: drivers for internationalisation

The decision to internationalise is driven by a mix of proactive (pull) or reactive (push) factors (Hollensen 2017; Bowen 2019). Proactive motives come from internal ambitions or external opportunities — such as market potential, the international experience of the owner-manager, or connections through networks and partnerships. Reactive motives, by contrast, occur when firms feel forced to export due to limited domestic demand, surplus capacity, or the loss of key customers.

In most cases, there is a combination of push and pull factors at play that evolve over time to shape their market choices. Irrespective of the nature of the motivation, the ultimate decision to internationalise lies with the owner-manager.

Perceived opportunities, risk assessment, and available resources play a major role in this decision (Haddad et al. 2019, Aghazadeh and Zandi 2022; Faroque et al. 2023; Mostafiz et al. 2019, 2023). Entrepreneurs who are proactive, innovative, and open to risk tend to be more alert to international opportunities (Miller 2011). These traits result in entrepreneurs being proactive in scanning and making decisions about the business landscape for international market scaling opportunities and identifying potential benefits in foreign markets (Haaja 2020; Tabares et al. 2021; Falahat et al. 2018).

Owner-managers who are open-minded, creative and willing to rethink their current ways of doing business are more likely to identify and pursue international market opportunities (Bonfim et al. 2018). Importantly, social networks and relationships play a crucial role in shaping opportunity perception (Bowen 2019; Omri and Becuwe 2014; Shree 2012). SMEs that connect to diverse networks, both within their home country and internationally, benefit from a broader spectrum of information and new global opportunities (Galan and Torsein 2021; Kazemi and Johnson 2022).

Market choice

Choosing where to export involves balancing many factors: the owner's international experience, attitude to risk, willingness to invest time, available resources, and how much control they want over business operations. Most SMEs begin in low-risk, culturally similar, and geographically close markets, which offer easier access

and a chance to learn before scaling further (Monreal-Pérez & Sánchez-Marín, 2017).

Many firms start out by internationalising into neighbouring markets that are believed to be “psychically closer” (Magnani et al., 2018), only extending into more distant markets when they gain experience and insights. (Rundh, 2015, Ooi and Richardson (2018). Often SMEs choose developed markets over emerging markets; they see emerging markets as risky due to macroeconomic and political fluctuations and less developed regulatory or business support institutions (Kim, 2017).

This incremental approach, known as the Uppsala model, allows firms to test markets they understand before expanding (Johanson and Vahlne, 1977). It's a strategy clearly reflected in Irish trade patterns — in 2022, over two-thirds of exporters and three-quarters of importers traded with the UK (CSO Profile of Trading Enterprises 2022).

Modes: market entry approach

How a firm enters a new market is a key strategic decision. It shapes organisational structure, the level of control, and long-term business direction (Nakos and Brouthers 2002). Common structural arrangements include:

- exporting: a lower risk, lower cost way to start
- joint ventures and alliances: partnering with a foreign company to jointly own and operate the business
- acquisitions: buying into an established market presence and gaining local knowledge and resources
- franchising: granting a foreign company the right to use the SME's business model and brand

These fall into three categories:

- Export-based methods (direct or indirect exports)
- Non-equity methods (licensing, franchising)
- Equity methods (joint ventures, acquisitions, FDI) (Hollender et al. 2017; Bahar 2023)

The choice or combination of modes can have long-term implications for the direction of the business, risk levels, control commitment and equity ownership. Choosing the right mode — or combination of modes — depends on the owner-manager's values, risk appetite, desire for control, and growth ambitions. It's often a balancing act between vision and practical constraints.

Methods: strategies and processes

Methods refer to the strategies firms use to enter and expand in international markets. This includes leveraging existing networks, establishing partnerships, adapting products to local preferences and investing in local talent to avail of the most important and influential get-to-market strategies.

The importance of business networks and relationships for firm internationalisation has become well-established (Odlin et al, 2017; Schweizer, 2013; Hohenthal et al., 2014; Johanson and Vahlne, 2009); these networks alleviate some of the resource constraints faced by SMEs and help them overcome the liability of newness or being the 'outsider' (Li and Fleury, 2020).

They achieve this by providing access to market insights, competitor intelligence, and key relationships (Coviello, 2006; Odlin and Benson-Rea, 2017; Schweizer, 2013, Yamin & Kurt, 2018). They reduce time, cost, and uncertainty through real-time learning and shared experience (Nowiński and Rialp, 2016; Leppäaho et al. 2018, Idris and Saridakis 2018).

Ultimately, networks are not just a support mechanism — they are part of 'learning by internationalising' and result in collaborative shared learning with a purpose (Hohenthal et al., 2014; Johanson and Vahlne, 2009;).

Management: managing and leading internationalisation

Internationalisation is a complex decision process that requires transformation at owner-manager, employee and structural levels (Leonidou 2004, Kraus et al. 2017). The challenges may be internal (skills, funding, digital readiness, lack of connections) or external (market unfamiliarity, regulation) (López et al 2019.)

Internal challenges arise around the liability of foreignness or newness, leadership, human capital, information deficits, organisational competencies and capabilities, technology/digitalisation, financial resources and international connections.

The Liability of Foreignness (LOF) or liability of newness refers to the additional costs that SMEs face in foreign markets compared to local competitors (Fiedler et al, 2021, 2022, Aluko, et al 2022). Host businesses and

networks may be hesitant to establish relationships with 'outsiders' due to a lack of trust in their reputation, offering, and ability to deliver. Trust must be earned. SMEs can gain local legitimacy through partnerships with suppliers, distributors, and customers.

Owner-managers must also step up as leaders — delegating, managing risk, sourcing funding, and adapting roles as the business expands. They need to build international skills across the team, support adaptability and learning, and create a psychologically safe culture. (Teece, 2014; Zhang et al., 2019)

The appropriate skills and competencies positively impact internationalisation and financial performance in international markets (Ahmed and Brennan 2019; Buzavaite and Korsakienė 2019); this is a key decision for the owner-manager as it requires financial commitment and change at managerial and employee level.

Internationalisation exposes firms to uncertainties and risks that require adapting internal routines, systems, decision-making processes and processes to new and uncertain external environments (Cheah et al., 2022, da Costa Júnior et al 2022). Managing international uncertainty requires fast action; managerial agility is an important part of successful internationalisation (Teece et al., 2016; Fourné et al., 2014) as it can mitigate risk through more responsive strategies (Jafari-Sadeghi 2021, Hagen et al., 2019) to quickly meet international customer, distributor, supplier and regulatory demands.

Being part of networks and partnerships that offer knowledge, learning, and access to valuable resources helps SMEs become more agile (Ahmadi and Ershadi, 2021; Kurniawan et al., 2020). Owner-managers with international experience, strong networks, social capital, and cross-cultural competence are better equipped to make strategic decisions, foster collaboration, and build agile international businesses (Bonfim et al. 2018; Faroque et al. 2023; Kruk 2019; Sadeghi et al., 2018).

Information and intelligence are essential for sound decision-making and reducing risk, especially during early internationalisation and scaling. For SMEs, major knowledge gaps exist around validating unknown market opportunities and conducting market, industry, and regulatory research (Sanderson 2014, Wasowska, 2016). The source of the knowledge deficit is multifold — a

lack of understanding of where to source relevant information, the type and depth of information required to reduce the risk, perception of source, and quality and cost of the information. SMEs that engage in diverse networks — both domestically and internationally — gain access to a broader range of information and opportunities (Galan and Torsein 2021; Kazemi and Johnson 2022; Bertrand, et al 2022).

Digitalisation — driven by technologies like big data, artificial intelligence, and the Internet of Things — has led to major changes in how, when and where business transactions are undertaken (Kgakatsi et al 2024, Schmitt and Baldegge 2020). Digital and online tools have enabled SMEs to address knowledge and information gaps quickly, cost-effectively, and in real time.

More broadly, applying digital technologies across the organisation can reduce geographic limitations and allow SMEs to operate like micro-multinationals (Schmitt and Baldegge 2020).

Strategically, digitalisation can impact the structure, membership and coordination of the SME value chain. It changes how businesses coordinate production, transport, logistics, and information — shifting from physical flows to data flows — and boosts responsiveness and agility (Hannibal and Knight 2018, Schmitt and Baldegge 2020, Meyer et al 2023). It also enables the 'work from anywhere' model (Choudhury, Foroughi and Zhu, 2021), platform-centered ecosystems (Kretschmer, Leinonen et al, 2022) and digital-first networking (Brouthers, et al, 2016). While digital tools enable internationalisation, adoption varies widely among SMEs, many of whom face challenges understanding which technologies are most useful, what skills are required, and how to manage the process across the business. (e.g., Firk et al., 2021; Fitzgerald et al., 2014).

The same applies to sustainability, which is increasingly 'key' to global SME growth. The European Commission estimates that SMEs contribute more than 60% of all greenhouse gas (GHG) emissions across Europe (OECD 2021) which makes SMEs both part of the problem and the solution when it comes to sustainability and climate change.

Research shows the interdependence of environmental strategies and economic outcomes as the adoption

of sustainability initiatives generates added value and potential for growth in international markets. Sustainability will become less of a choice for SMEs that are part of the supply chain or customers of larger organisations.

The Corporate Sustainability Reporting Directive (CSRD) introduces an obligation on (mostly) larger businesses to report on the carbon emissions of their supply chain partners; in this way, 'value chain reporting' will have implications for SME business practices. SMEs in these larger supply chains are caught in a trickle-down effect with expectations that they need to be able to supply climate-related information when required to do so; otherwise they risk losing contracts and partnerships and reducing their network value.

SMEs will not come within the scope of the CSRD until 2027 (in relation to the 2026 financial year) and there's an opt-out in place for two further years to 2029 (for the 2028 financial year). However, they need to invest in sustainability measures that go beyond compliance so they can be part of the sustainability solution in social value creation, alongside commercial value and environmental value (de Bakker et al., 2020, Barnett et al., 2020).

In spite of this, SMEs are slow to adopt sustainability practices. Owner-managers often lack a clear understanding of its relevance, impact, and benefits for their customers and markets. Financial constraints, skill-deficiencies and competency gaps — and the perception that sustainability is time-consuming — all pose significant barriers (OECD 2022, Kumar et al.2023). Informal structural and decision-making approaches further complicate the process (Wang et al 2023).

In an increasingly unpredictable global environment, SMEs face many external factors they can't control. But by investing in agile systems and responsive capabilities, they can better adapt — and take advantage of international opportunities. Having explored the key stages of the internationalisation journey through the literature, the next step is to examine how these apply specifically to Irish SMEs — an area that remains under-researched.



Research methodology

Our research team used mixed methods, combining a quantitative survey and qualitative focus group interviews to obtain insights into the SME internationalisation process. The quantitative survey (Appendix 1) was conducted among members of the All-Ireland Business Foundation (AIBF) to examine owner-managers' perceptions of internationalisation, focusing on the following key areas:

- > extent of engagement in internationalisation;
- > evaluation of the internationalisation strategies adopted;
- > identification of barriers;
- > recommendations for support to assist both non-exporting and exporting SMEs.

For the qualitative insights, five focus group interviews were conducted, involving 25 SME owner-managers representing both exporters and non-exporters, as well as a diverse range of firm sizes and industry sectors. Each session lasted around one hour and included open-ended questions designed to encourage in-depth discussions on the experiences of participants. The findings from both research approaches were integrated to identify key themes, which are presented in the research findings section.

Respondent profile/characteristics

Firm size:

The largest cohort of firms are micro with less than 10 employees and the second group falls in the 11-50 employee category. Only six firms had over 100 employees. Size characteristics will be an important factor for deeper analysis; initial analysis shows that it is the larger firms who are more deeply engaged in internationalisation.

Type of business:

The vast majority of respondents operate in the service sector representing a broad spectrum of services such as lifestyle; training education; consultancy; distribution and haulage; software; education; recruitment; banking/financial services; web design/content creation; health and safety; project management; green and sustainability services. The companies involved in manufacturing existed in food, engineering, and construction and most of these firms also offered a range of services.

Customer profile:

Business to Business (B2B) was the most dominant customer focus, followed by respondents selling to a combination of customers including B2B, consumers, professional organisations, and government agencies. The trend of selling to a combination of customers is linked to the broad nature of the services offered; these were attractive to both the B2B and end-user-providing firms with greater market coverage.

Ownership structure:

All but two firms were completely Irish owned. Of the remaining two, one was 50% UK owned and the other had a 50% holding by a Spanish partner.

Respondent role:

The founder and co-founder completed the surveys.

Figure 1. Distribution of survey participants by company size

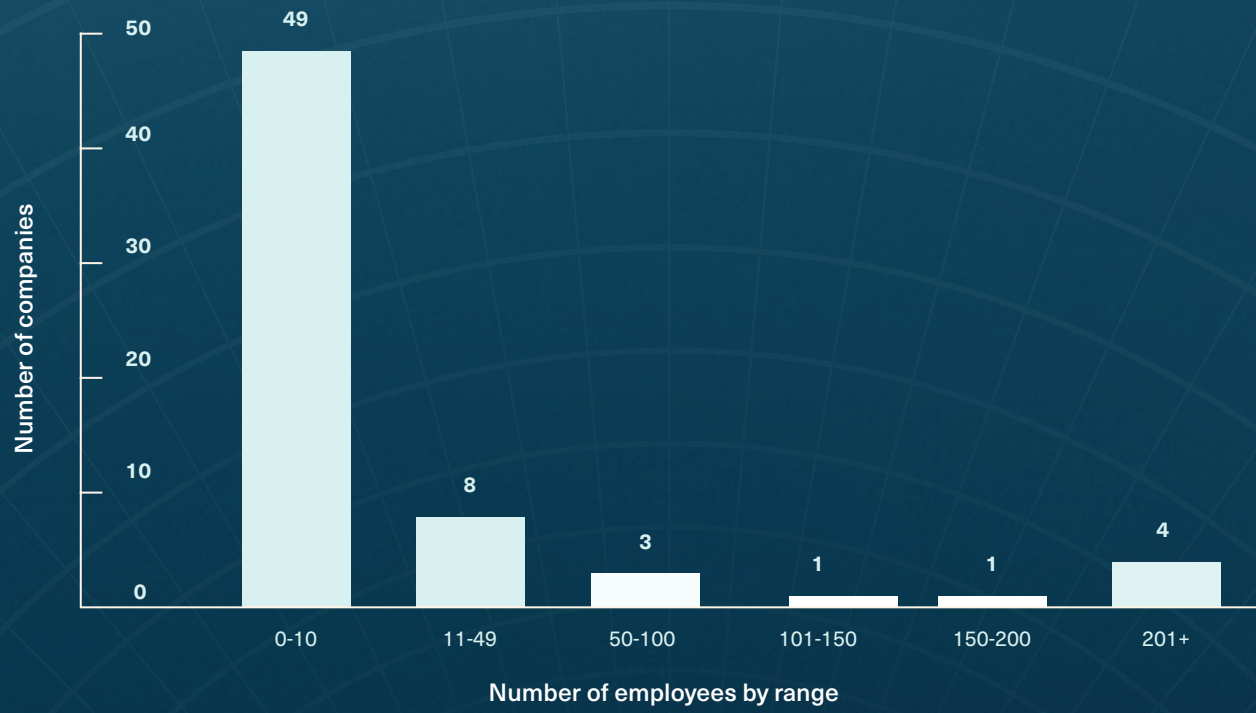
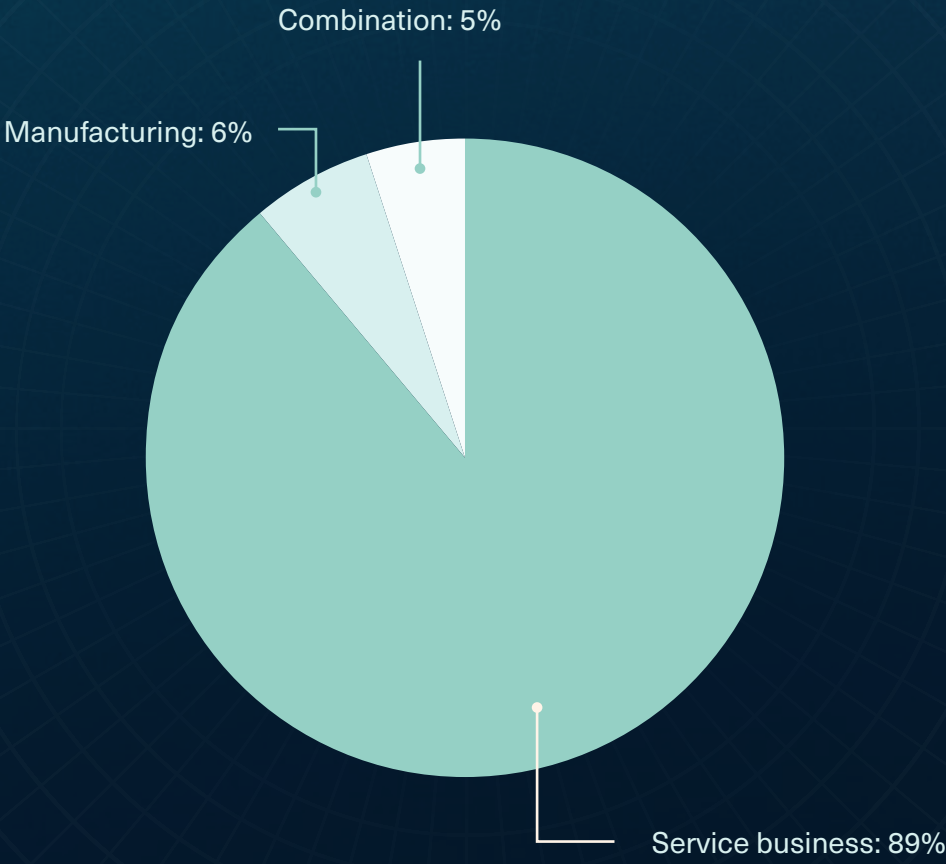


Figure 2. Distribution of survey participants by manufacturing/service



5

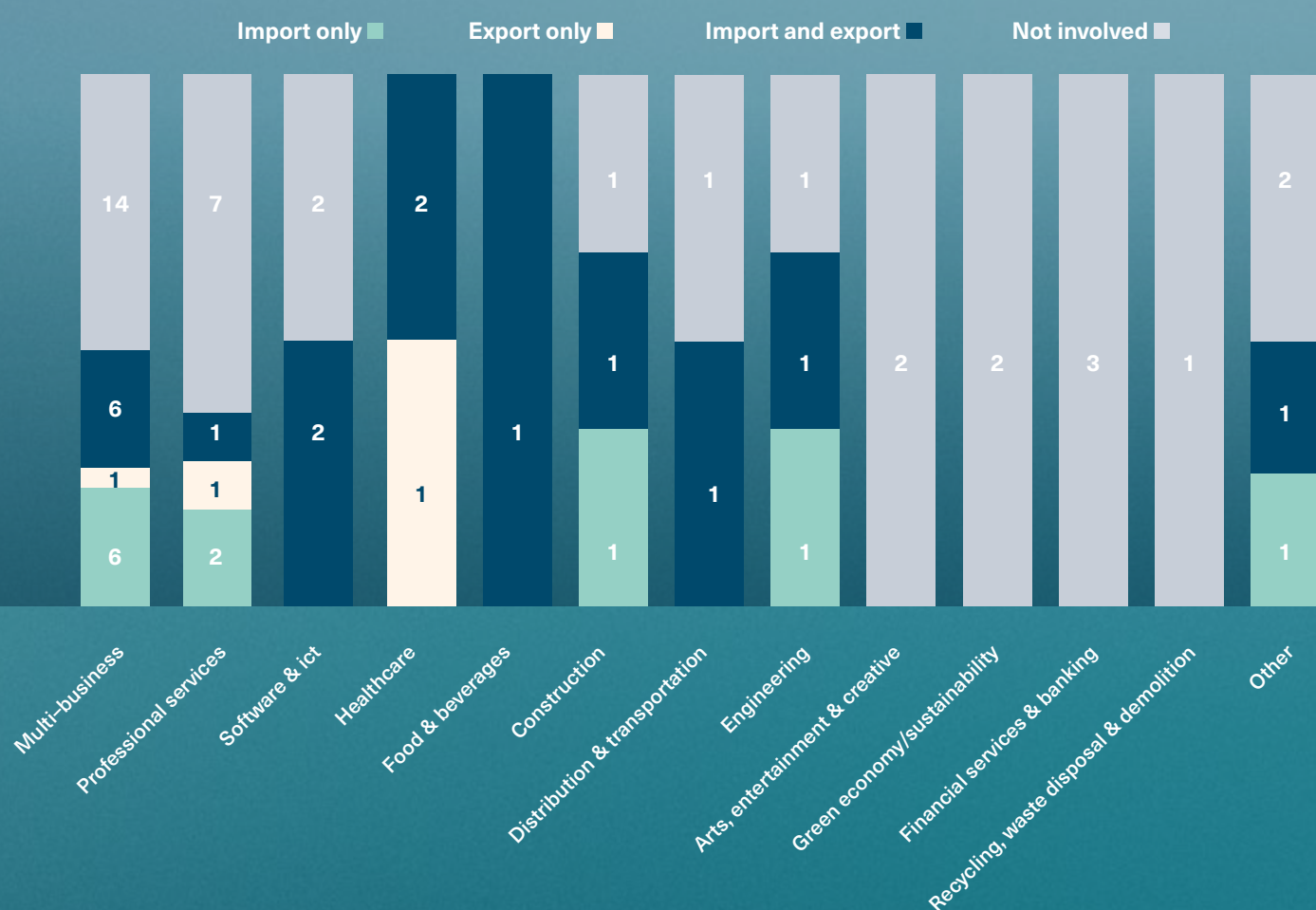


Research findings

Overview of sectoral engagement in internationalisation activities

This bar chart illustrates the distribution of SMEs across various sectors, as well as their level of engagement in importing and exporting activities. The visual breakdown highlights the proportion of companies involved in international trade within each sector.

Figure 3. SME involvement in international trade by industry sector (N = 66)



Sectoral analysis of SME import and export activities

Export only (yellow) — focus on international markets

- Multi-business (1), professional services (1) and healthcare (1) are the only categories showing solely export-driven businesses.
- This suggests that most companies engaged in internationalisation are more involved in importing than purely exporting.

Import only (green) — reliance on foreign goods/services

- Multi-business (6), professional services (2) indicate a higher dependence on foreign supply chains.
- Other sectors, such as construction, engineering and other, have at least one business in this category.

Import & export (dark blue) — strongest international engagement

- Healthcare and food & beverage are the only sectors where all businesses are fully engaged in international trade, with no businesses in the 'not involved' category.
- Multi-business (6), professional services (1), software & ICT (2), construction (1) and distribution and transportation (1) also show participation in both import and export activities, but they still have businesses that are not involved in internationalisation activities.

Not involved (grey) — no international engagement

- The largest category across multiple industries; e.g., multi-business (14), professional services (7), financial services and banking (3).
- Sectors such as green economy/sustainability and recycling/waste disposal show no international activity, indicating a strong domestic market orientation.

Table 2. Analysis of sectorial engagement in internationalisation activities

Analysis of SME import and export activities

Business is increasingly global, making it easier for companies to both import and export products and services across borders. This can reduce costs and provide access to products and services that aren't available locally. SMEs that import are already operating in an international context—and in doing so, they gain valuable skills and experience that can support future export activity. This includes a better understanding of international markets, familiarity with regulatory requirements, and experience in building relationships with global suppliers and customers.

These relationships can be especially useful when considering a move into exporting, as suppliers may offer insights, support, and even customer connections. They can also help SMEs navigate logistics, understand distribution networks, and manage common risks such as currency fluctuations, political instability, and supply chain disruptions.

Of the respondents, over half (54%) were not engaged in import activities, 38% were engaged in import activities and a further 8% planned to engage in the next two years.

Engaged in import activities (38%)	Plan to engage in import activities (8%)	Not engaged in import activities (54%)
25 respondents	5 respondents	36 respondents

Table 3. Level of engagement with import activities

The survey data reveals that most of the 25 companies import across four categories of product range, services, raw materials and labour (Figure 4). The most frequently cited imports were product range, mainly raw materials and parts for manufacturing firms, and services such as software and IT, specialist expertise/consultancy labour/recruitment.

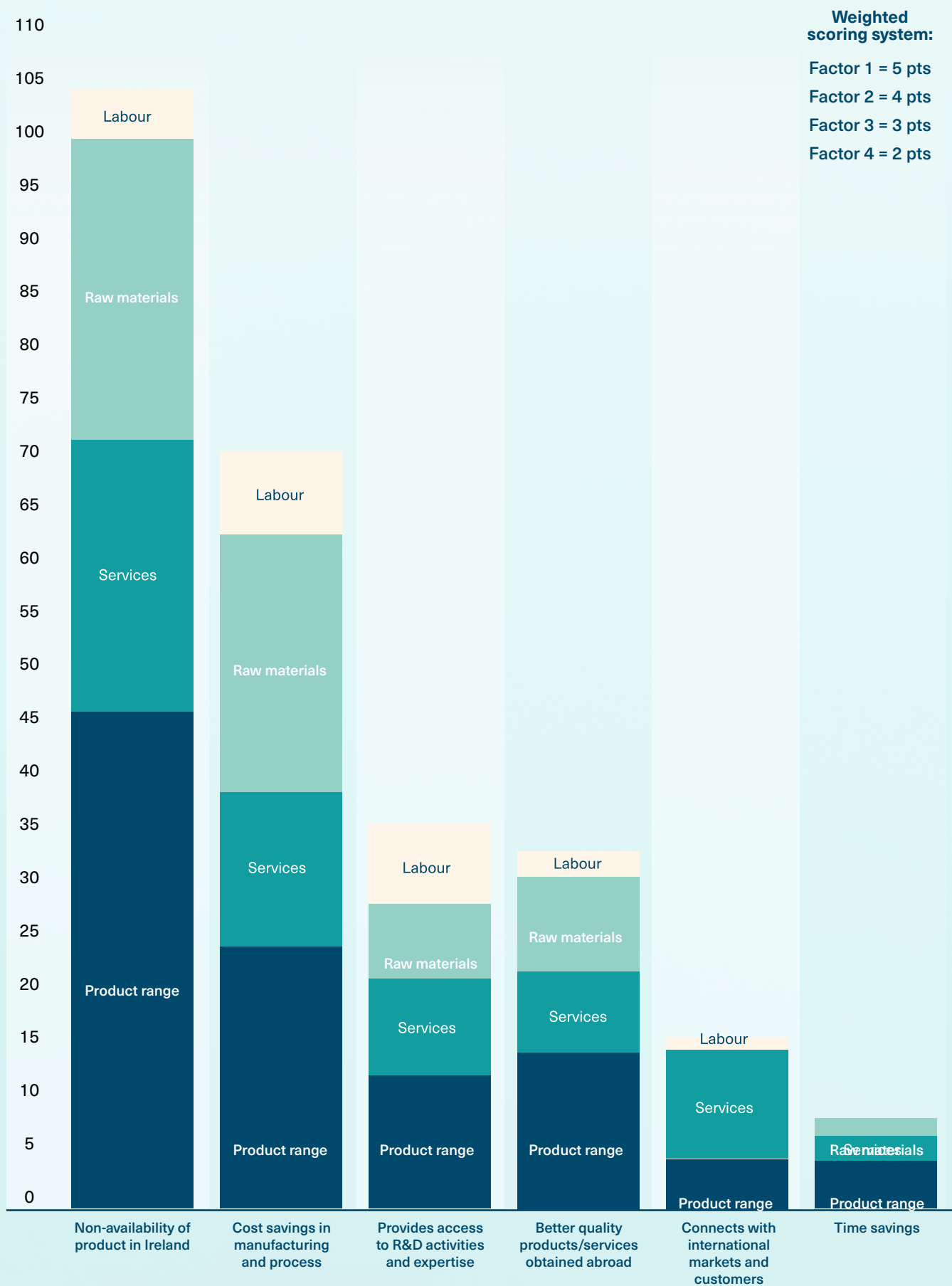


Figure 4. Key drivers of importing across various categories (n=25)

Motivation to engage in import activities

The reasons cited for importing are summarised below, with a common theme of being able to source better quality products/services at a more cost-effective price.

Factor 1: Non-availability of product in Ireland

***strongest influence**

The top reason businesses import across all categories. Product range, services, and raw materials make up the largest share, showing that companies primarily turn to imports when goods or materials aren't available domestically.

Factor 2: Cost savings in manufacturing and process

***second-strongest factor**

A key driver for imports in product range, raw materials, and services. Labour also features, suggesting some businesses import workers for cost-efficiency.

Factor 3: Access to R&D and expertise

***mid-level influence**

Relevant across all categories, especially labour and raw materials. Indicates that companies import to access specialised knowledge, technology, or innovation not available locally.

Factor 4: Better quality products/services obtained abroad

***mid-level influence**

A notable influence on product range, services, and raw materials. Highlights cases where domestic options don't meet the required quality standards.

Factor 5: Connecting with international markets

***less important factor**

Applies mostly to services, with little impact elsewhere. Suggests imports are driven more by local demand than global growth strategies.

Factor 6: Time savings

***least important factor**

The weakest overall driver. Minimal presence across categories shows that urgency plays a small role compared to cost, availability, and quality.

SME import patterns

While single-category imports dominate, companies importing across multiple categories (especially product range and services) demonstrate strategic efforts to address both market demands and operational infrastructure. The UK consistently emerges as the most prominent import jurisdiction across all categories, reflecting its strong trade links with these companies.

Table 4. SME import activities: categories, jurisdictions, and company size

Import category	No. of companies	Import range (%)	Juristictions	No. of employees				
				0-10	11-50	50-101	101-150	201+
Services	11	5-100%	UK, Scotland, Wales, EU (Denmark), Non-EU (Brazil, India)	9	1	0	0	1
Product range	11	10-70%	UK, Scotland, Wales, Mainland Europe, Non-EU (Turkey and Brazil)	7	2	0	1	1
Raw materials	8	10-30%	UK, Scotland, NI, EU, non-EU (China)	5	2	0	1	0
Labour	4	30-85%	EU, Non-EU	1	1	1	0	1
Other	3	95%	not specified	2	1	0	0	0

Note: The total number of companies in this dataset is 25. However, the sum of companies across import categories exceeds this total, as some companies import across multiple categories. Therefore, the figures in the 'No. of companies' column represent category-level counts, not unique businesses.

Respondents identified import challenges that resonated with managing the external regulatory environment, paperwork and procedural challenges—resulting in delays in securing the imported services and products. This challenge was more pronounced for manufacturing firms, resulting in slower Customs clearance—particularly in the post-Brexit UK context—making it harder for companies to plan effectively, which in turn reduced operational agility and incurred additional costs. Several of the import firms involved are also active exporters, demonstrating an integrated approach where efficiencies in one area can potentially positively influence the other.

Lesson takeaway

Given the strong level of activity in importing and the related learnings for exporting, it is important to view importing and exporting as the two sides of one coin. After all, an importer is an exporter in another country. When deciding whether to internationalise, a good starting point is to assess the strength of the firm's import network for sourcing market, customer and competitor trends and network building.

Level of export activity

Of the companies surveyed, 19 (n=19) reported being involved in exporting activities. Among these, five companies (n=5) focused exclusively on exporting, while 14 (n=14) engaged in both import and export activities. The most commonly reported employee size for exporting companies was 0–10 employees (n=7).

In addition to exporting, three companies (n=3) also imported across multiple categories, showing greater variance in company size, ranging from 0–10 to 11–50, and 201+ employees. Meanwhile, 34 respondents indicated that they were not involved in export activities and had no plans to pursue exporting. Of 66 respondents, 19 are exporting and the remaining 47 respondent owner-managers are not engaged in exporting.

Engaged in export activities (34%)	Plan to engage in export activities (5%)	Not engaged in export activities (61%)
19	3	34

Table 5. Level of engagement with export activities

Non-exporting companies — key findings

Why are companies not exporting?

Respondents were asked to rate factors by their respective level of importance when it comes to influencing their decision not to export (summarised in Table 6). Non-exporting firms were dominated by micro firms (less than 10 employees) in the service sector, professional services sector, training or lifestyle sectors. The findings of the quantitative study are supported by comments from the analysis of the focus group interviews.

1. Not relevant or appropriate to the business of our type	70
2. Limited information to locate/analyse markets	20
3. Unfamiliar foreign business practices/ legal and regulatory issues	14
4. Shortage of working capital to finance exports	12
5. Lack of managerial time to deal with internationalisation	10
6. Technology not sufficient to support international activities	5
7. Lack of suitably trained or skilled personnel for internationalisation	4
8. Unsure about the types of export assistance that are available	4
9. Perceived the risk to be too high	4
10. Lack of resources to spend on marketing and sales	2

Non influence (non constraint)	
High influence (major constraint)	
Moderate influence (moderate constraint)	
Lower influence (lesser constraint)	
Minor influence (limited constraint)	

Table 6. Factors influencing the decision not to export

The majority of respondents were not exporting, while 5% had planned to do so in the next year. Among those interested in exporting, the UK was considered the most likely first market—thanks to shared language, proximity, and ease of access. This aligns with the concept of 'psychic distance', where businesses are more likely to export to culturally, geographically, and commercially similar markets.

The responses highlight how both internal and external factors—at strategic and operational levels—shape decisions around internationalisation. A key theme that emerged was the perception that exporting is not relevant to the business. Many respondents felt internationalisation didn't align with their operations, whether due to the nature of their products, services, or business models.

A lack of familiarity with international business practices and varying regulatory requirements across countries also came through strongly as a deterrent. Operational barriers included a shortage of suitable skills and staff, along with a lack of managerial time.

These challenges were reinforced in the focus group interviews, particularly the idea that exporting simply doesn't feel relevant. This perception may be linked to another recurring issue: a lack of knowledge about where to go for information or how to start the process. For many SMEs, internationalisation feels like a daunting prospect—especially within the constraints of an already time-pressured work environment.



'The idea of exporting is intimidating. It feels like a complex process with a lot of risks involved.'

'I'm worried about the financial investment required for exporting. It seems like a big gamble for a small business like ours.'

Several knowledge gaps emerged as key barriers to internationalisation. The most prominent is related to conducting market research—specifically, how to approach it, what information to collect, and where to find support for what is often a time-consuming process. This challenge is compounded by the limited managerial time available to dedicate to exploring international opportunities.

A lack of knowledge about where to access suitable networks was also seen as a disadvantage, particularly when it came to identifying markets and choosing entry strategies.

Similarly, respondents highlighted a knowledge gap around partnerships—including how to establish them and what types of partnerships are most effective. Partnerships were widely viewed as essential for entering certain markets, but many SMEs felt unequipped to pursue them effectively.

'Lack of networks or contacts in markets outside Ireland...feel this is a limiting factor'

'Building relationships with international partners is challenging. We don't have the network or the knowledge to establish these connections.'

The operational challenges mentioned were aligned with those identified in the quantitative study on human and financial resources.

'We don't have enough staff with the expertise in international trade. Our team is already stretched thin managing local operations.'

'Our budget is limited, and we can't afford to invest in market research or compliance with foreign regulations.'

Navigating different regulatory environments, adhering to compliance requirements, and foreign legal systems were deemed complex, costly and risky. Additionally, political uncertainty was cited as an additional risk and concern, especially in non-EU countries.

'Understanding regulatory and cultural differences and how they impact business practices is a major hurdle. We need more guidance on this aspect.'

'Managing logistics for international shipping seems daunting. We don't have experience with supply chains that extend beyond our region.'

Broadly speaking, there was an interest in and intent to internationalise; the level of intent varied from generally thinking about it in the next few years to more focused planned actions.

'It would be something to consider in the future — but future was not defined!'

'Too early and don't have an established customer base.'

'In the next year, I will feel more confident in doing it.'

When expanded on further, reasons for a longer-term approach were due to time constraints in growing the business; this appears to distract from looking to international markets. More focused, targeted timelines emerged in other comments.

'It will become more of a focus.'

'Focus on the international market for 2024/2025 to recruit staff from the grant for international markets.'

'Our expanding clients require us to work globally.'

'We are undertaking the LEO export programme.'

Non-exporting firms made suggestions regarding the support they need to achieve internationalisation. Suggestions included:

- greater visibility of available support;
- information on where to obtain support.

Firms that did not meet Enterprise Ireland eligibility criteria, or which operated in the service sector, were particularly vocal on the need for this kind of support.

The quantitative and qualitative data complement each other by identifying key reasons why firms were not exporting. These barriers mainly arise from the perception that exporting is irrelevant, overly complicated and time-consuming. Respondents also cited a lack of expertise in market research and confusion about where to find advice on internationalisation and how to establish partnerships and networks.

Lesson takeaway

Perception plays a crucial role in shaping behaviour and actions; it can significantly influence the level of interest and engagement in internationalisation, and its perceived relevance to SMEs. If SMEs perceive internationalisation as overly complex, risky, or resource-intensive, they may be hesitant to pursue it.



Fostering a positive internationalisation mindset is an important first step in shaping realistic perceptions of exporting. It also helps inform the development of effective policy supports to encourage more non-exporting firms to explore internationalisation as a viable scaling strategy.

At the heart of this is the need for practical, user-friendly information — clearly outlining what exporting involves, the key steps, who to speak to, and how to get started. Providing targeted training and mentoring is also essential to help potential exporters confidently navigate the process.

Summary of key findings: Why SMEs don't export

Perceptions of internationalisation | Many SMEs feel internationalisation simply doesn't apply to them.

- It's not relevant to their business model
- It feels too soon in their growth journey
- There's a fear it might not work out

Knowledge gaps | Many SMEs don't know what they need to know.

- Lack of market research and intelligence
- Limited networking opportunities
- Few existing partnerships

Unclear where to find support (closed doors) | SMEs often struggle to access the right information.

- Unaware of which organisations to contact, especially if not eligible for Enterprise Ireland support
- Unsure where to find reliable data on markets and sector trends

Barriers to exporting | Several core challenges prevent SMEs from moving forward:

- Gaps in human capital
- Operational limitations
- Financial constraints

Supports needed | Clear, practical supports could make a difference:

- A "how to internationalise" checklist
- Help with market research
- Signposting to trusted sources of information
- Guidance on finding partners, distributors, or agents
- Advice on navigating logistics, regulations, and compliance in international markets

SME export patterns

Most firms began exporting between 2019 and 2023, with only three having started in the early 2000s. This reflects the relative newness of export activity, which aligns with broader trends in SME internationalisation — particularly within the small firm service sector.

Export activity saw a notable rise in 2020, likely driven by the impact of COVID-19. As offline sales declined, some companies turned to international markets to build resilience, pursue growth, and take advantage of digital opportunities that hadn't been considered before the pandemic.

The degree of internationalisation varied significantly. Only a minority (three companies) reported that exports made up 76–100% of their total sales. One company reported 51–75%, while four others were exporting at a level of just 0–25% of total sales — generally considered the minimum threshold for active and sustained internationalisation.

Most exporting firms indicated plans to expand internationalisation, as shown in some of the comments.

Expect to set up a fixed location in the UK and begin exporting to the US.'

'Increase UK export activity to existing and new customers.'

'It will become more of a focus due to interest from customers who are operating abroad and there is potential to export beyond the UK.'

'Liaising with non-UK distributors more as I am developing an international online portal for small independent retailers which will open up more markets outside the UK.'

'Expect to set up a fixed location in the UK and begin exporting to the US.'

'We plan on expanding within Europe in 2026.'

On the whole, respondents expressed positivity towards broadening their international presence. There is an awareness of the fact that it involves deepening their operations in current markets and exploring new ones; this represents a positive step forward for them. Supports designed to address barriers will provide a faster, more informed and knowledgeable connected pathway to internationalisation.

Internationalisation journey: planning, motivation, markets, mode and methods and management

Preparation and planning

The overall use or development of a formal export plan was relatively low, with only 58% of firms indicating they had one in place. However, there was clear agreement across both survey responses and focus group interviews on the critical role of market research, which participants felt needed dedicated time and resources.

Firms reported using a mix of formal and informal methods to gather market intelligence — including input from business contacts, customers, suppliers, and networks to access host country insights. Respondents who had customers already selling internationally found these relationships particularly valuable for exploring export opportunities in a low-risk, cost-effective way.

Online research emerged as a cost-effective market screening approach. However, many respondents emphasised the importance of complementing this with face-to-face engagement or on-the-ground research, as reflected in the comments.

'Even if you start selling overseas because of customers approaching you, first you need to feel comfortable and understand how the market works.'

'Best research is visiting the country and acting like a customer to get to know what competition you have.'

'Don't underestimate new markets; poor research will cost money and reputation damage.'

'If you have customers operating in international markets, use these as research sources.'

'Being a member of organisations and groups is important for getting information and contacts.'

'Research costs more than we thought; we should have used contacts rather than consultants.'

The focus group interviews highlighted the value of being part of industry networks and professional organisations. These provided access to people, international counterparts, and market or industry reports — all of which supported more informed and cost-effective decisions around market entry strategies.

Several respondents recommended developing a clear plan of action for market research to help maximise limited resources and identify where support can be accessed. This approach helps avoid wasting time and effort sourcing the same information from multiple places — essentially, reducing the need to 'reinvent the wheel'.

Informal sources of market research were also seen as important. These included attending seminars, webinars, and workshops, which not only offered useful insights but also provided practical lessons from the experiences of other owner-managers, introductions to networks, and links to relevant government agencies.



Lesson takeaway

- > Invest time in market research and develop a clear plan with timelines and focused questions to guide the process.
- > While online and desk research is useful, it's essential to spend time on the ground in your target market — experience it from the customer's perspective and observe local competitors.
- > Don't underestimate the value of your customers. They can be a fast, cost-effective source of insight and may even open up access to their own networks.
- > Membership of networks is key to overcoming the liability of newness and building a presence. Choose networks carefully for relevance and value, and start building these relationships early.

Motivation to internationalise

Respondents were asked to rate the importance of a series of both positive and negative factors associated with the decision to export. This aimed to provide a more detailed understanding of the wide range of interconnected influences shaping the decision to internationalise, as outlined in Figure 5.

The importance of factors in influencing the decision to export

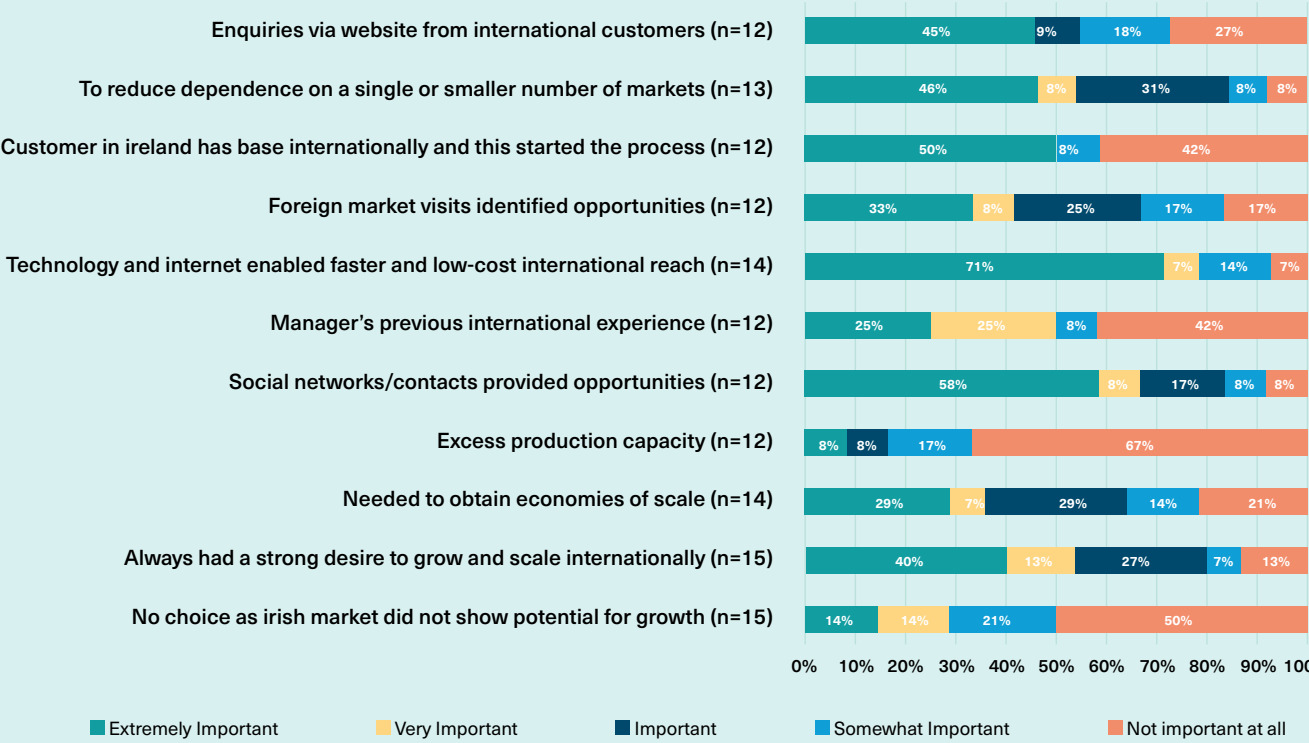


Figure 5. Importance of factors influencing the decision to import

Note: The number of responses varies for each barrier (11 – 15), and percentages are calculated based on the total responses for each specific barrier.

The responses indicated that internationalisation tends to involve a mixture of both proactive and reactive measures. Among the most frequently cited positive influences were the impact of technology and the internet (71%), social networks and contacts (58%), and having customers with international operations outside of Ireland (50%). Other influences included unsolicited sales through the website and social media marketing. These responses highlight the important role of digital connectivity, personal and professional relationships, and existing customer bases in driving export activity. A notable 40% of respondents also expressed a strong desire to scale internationally, underlining the role of proactive intent in motivating internationalisation.

Focus group interviews supported this, with many participants stating that their products or services had international appeal from the outset — evidence of Born Global companies — making exporting a natural and early part of the company's strategy.

A recurring theme among exporters in the focus group interviews was the significant influence of customers in shaping the internationalisation journey. Customers with international clients or global locations were seen as providing a ready-made infrastructure for expansion, helping SMEs enter new markets with lower risk and greater confidence. This aligns with network theory, which suggests that relationships often spark the

motivation to internationalise, influence market selection, and guide entry modes. These networks can help SMEs build market credibility, reduce costs, and manage risk more effectively—as reflected in the following comments.

‘Didn’t realise the benefits of piggybacking customers with international clients.’

‘Our customers were major motivators of why we internationalised as we could use their name and brand as a testimonial when approaching new customers.’

‘Follow the customer in their international markets.’

The role of customers was mentioned on a number of occasions in focus group interviews. Many saw customers as essential not only for opening international doors but also for providing reference points for sales, building brand credibility, and demonstrating the firm’s ability to deliver. Two comments referred to advice obtained from customers on country regulations and contacts for appropriate distribution channels; this area would have been difficult to navigate without such support.

On the reactive side, 46% of respondents cited a need to reduce reliance on the domestic market as a reason for exporting. While seen as challenges, both Brexit and COVID-19 were described as key catalysts—forcing firms to explore new markets following a drop in UK and local Irish sales. For some, this push created the space to re-evaluate their direction and plan for a different future.

‘COVID pushed and forced a decision to internationalise which in hindsight I am glad about.’

‘Brexit made me realise I could be more proactive in looking for new markets rather than relying on the UK.’

COVID forced me to go online for training and that by chance opened up new markets as customers found me online.’

Overall, it’s encouraging that drivers for internationalisation are proactive and positive—further highlighting the potential of internationalisation for Irish SMEs.



Lesson takeaway

- Defining the ‘why’ of internationalisation is key as it shapes the path forward and informs what resources are needed to identify and validate the best strategy.
- Negative or external pressures can sometimes reveal international growth opportunities that were not previously considered. This suggests there may be untapped potential in many SMEs that just needs the right spark to trigger a global outlook.
- Customers can play multiple valuable roles throughout the internationalisation process—from shaping market research and identifying growth opportunities to providing access to contacts and distribution networks. Do not underestimate their potential.

Market choice

The export activity of respondent firms is primarily focused on the UK and EU countries, underscoring the continued importance of physical and cultural proximity—even post-Brexit. For many firms, particularly micro-enterprises, psychic distance played a key role in market selection, with businesses tending to export to the nearest and most familiar countries. Other countries mentioned include China, Iceland, Lithuania, Canada, Italy, Germany, France, and Spain.

The UK was commonly chosen as the first export market due to its proximity, shared language, and ease of access. While the US was seen as attractive, respondents emphasised the need to focus on specific regions within the US due to significant economic, cultural, regulatory, and taxation differences between states and regions.

Firms exporting to multiple countries were primarily operating in the software, consultancy, and sustainability sectors. Their decision to expand into several markets was influenced by the cross-sectoral nature of their products and services, with customer type—rather than country—guiding market selection. This was especially true for businesses supplying data centres or software services, where the location of the customer group mattered more than geographic borders.

Lesson takeaway

- Familiarity with markets (guided by market intelligence) saves time and adaptability requirements.
- Don't just focus on the country as the choice of market—is there potential to follow the customer?
- Acknowledge differences and build on commonalities; balancing localisation with standardisation is important as market expansion occurs.



Mode and method

There was little variation in the type of export strategies adopted by the sample of exporting firms. The most commonly cited approaches included direct selling within the target country and forming partnerships or strategic alliances, with these strategies making up two-thirds of preferred methods. The remaining third relied on using agents, distributors, or leveraging word-of-mouth and referrals.

While online channels and e-commerce were mentioned, many firms also stressed the continued importance of personal selling and networking—particularly for building relationships and trust in new markets. Alongside sales strategies, respondents emphasised the need to establish strong contacts, build networks, and most importantly, find the right fit when it comes to partnerships.

Comments were made on the need to spend time establishing partnerships as they are key to success or failure in international markets. Partnerships were viewed not just as a strategy, but as an integral part of the business model. Focus group discussions highlighted variation in the type and role of partnerships, and the challenges involved in managing them. Respondents recommended thinking carefully about the purpose and expectations of any partnership, and whether those expectations are realistic.

Several comments underlined the importance of being clear about what each partner brings to the table, and ensuring the partnership delivers mutual value: it must be a win-win. Others advised against rushing into agreements, emphasising that partnerships are long-term commitments that can reshape the direction of a business. As one participant put it, “the fit of the partnership with your company values and where you see the business going is important.”

Participants also noted that partnership arrangements can vary significantly between countries. Strategic thinking is needed when leveraging partnership relationships, and firms should build extra time into their internationalisation research plans to manage this process well.

‘Establishing trust and building strong relationships with local partners and customers takes time and effort. It’s crucial for long-term success.’

While legal contracts were considered crucial, there was widespread agreement that trust, openness, and delivering on expectations are just as important. These relational aspects help manage conflict and support businesses in overcoming market and customer challenges.

Some challenges were raised in relation to agents — particularly in monitoring how much focus agents give to the firm's product compared to others in their portfolio, protecting confidential information, and ensuring brand reputation is upheld. As with partnerships, clear contracts and ongoing oversight were deemed critical. This requires time, presence in the market, and robust systems to manage agent relationships effectively — both in-person and virtually.

Lesson takeaway

Internationalisation is not a solo run; collaborate, network and partner effectively by considering the following points:

- Is there a choice? Sectoral, county and cultural laws and regulations may mandate it.
- Identify who you need to collaborate with and why; quantify the added value they contribute.
- Undertake extensive research, talk to the people on the ground.
- Governed collaborations with legal contracts can help by clearly identifying roles, responsibilities, expectations, KPIs, conflict resolution and exit strategies.
- It's not a one-way street; what do you bring to the partnership? Is this a win-win situation?



Managing the internationalisation process

Internationalisation is often a period of significant transformation — both for the business and the owner-manager personally. For SMEs, assessing strategic fit is essential to ensure that expansion into international markets aligns with the firm's core values and capabilities. As firms scale, owner-managers and leadership teams must learn to balance local and global priorities, leading to changes across organisational structures, leadership demands, staffing, operations, processes, and systems.

At the same time, managers must address external challenges across countries and regions, many of which are increasingly unpredictable and volatile. The results of the research and particularly focus group feedback strongly emphasised the deep personal commitment required from owner-managers to maintain this balance and drive growth across diverse markets.

The survey results pointed to a number of managerial and operational challenges, with the most pressing being a lack of managerial time (74%), difficulty in finding reliable company representatives for international sales (73%), issues with offering credit (71%) and concerns about inadequate or untrained staff (63%). Internally, many SMEs reported limited expertise in international trade and difficulty recruiting employees with the specialised skills required for export growth. More broadly, simply finding and affording staff remains a challenge in the Irish market — one that is amplified in an international context.

'Finding and managing talent with the right skills and experience for international markets is difficult.'

'We need people who understand local contexts and can navigate them effectively.'

At a managerial level, moving from working in the business to working on the business can be challenging. This requires a strong management team that can manage domestic operations to allow owner-managers to visit new international markets.

'It takes a lot of time to ensure there is a strong management team taking care of business in Ireland.'

'Found we did not spend enough time building a strong team in Ireland as we got distracted with international markets.'

'The owner manager needs to let go as otherwise nothing will work. I had to overcome the resistance to delegate.'

'Let go and trust your management team.'



Internationalisation plans must be communicated to obtain buy-in and reduce potential uncertainties of fears staff have in relation to their roles and responsibilities.

A recurring point from the focus group interviews was the need to factor in contingency time when planning internationalisation. Entering new markets often takes longer than expected, especially in today's unpredictable global environment. Delays were attributed to both internal factors, such as cash flow and limited finance, and external factors, including regulation, compliance paperwork, and the time required to establish reliable partnerships. These delays often led to rising costs before any sales had been made.

'Add time (at least 2X2 time) to plan for market entry.'

'Took a lot longer than I thought to work out logistics and distribution agreements.'

Owner-managers are at the front of key internationalisation decisions; one such decision is the establishment of partners who become part of the business model. Respondents shared mixed experiences — some noted the benefits, others pointed to slower decision-making or reduced profits. This variation reinforced the importance of having clear, legally defined partnership agreements in place from the outset.

'Manage partners and don't create a competitor for yourself.'

'Take time and ensure a good legal contract is in place.'

Many respondents agree that international languages are vital for global business operations, especially for conducting business and recruitment. However, while there is recognition of the value of hiring employees with language skills, there's a trade-off between hiring for language fluency versus hiring for technical or market-specific skills. In some cases, the availability of more sophisticated online translation tools compensated for language barriers.

Lesson takeaway

- Internationalisation involves both personal and organisational change – review readiness for both.
- Set clear goals and define a high-level strategy. Visualise success and work backwards, allowing time for delays and uncertainty.
- Align domestic and international strategy to build efficiencies and economies of scale.
- Build strong relationships based on trust, but always support them with legal agreements.
- Know when to walk away — from a market, a customer, or a partner. Assess financial, reputational, and brand risks in advance.
- Be ready to adapt, change and pivot quickly. Agility is not optional — it's essential.

Operational factors: financial, regulatory and political challenges

Almost half of our respondents (47%) see currency fluctuations as a major issue, highlighting the volatility of international markets. Linked to this is the challenge of managing payments to suppliers, collecting customer payments, and ensuring credit terms facilitate cash flow. The ongoing volatility in foreign exchange rates, fluctuating costs, and unpredictable payment terms were cited as restricting growth, making it hard to maintain competitive pricing and manage cash flow.

Responses from the focus group interviews reinforced the findings of the quantitative study, particularly the need to closely monitor input costs—including raw materials, distribution, packaging, and the overall cost of doing business.

Participants also stressed the importance of understanding and adapting to the political landscape of each country, especially when making high-level investment decisions. They noted the significance of cultural and economic connectedness between countries, with specific concerns raised about the influence of the USA and how shifts there can affect economies and trade flows globally.



'Political risk is a new challenge and one that will be more important.'

'Concerned about the US market and what might happen over the next two years so slowing down investment there.'

The complexity of country rules and regulations was another recurring theme, with 40% of respondents agreeing this was a barrier. Increased paperwork and compliance requirements—particularly in customs and distribution—were cited as time-consuming and often resulted in additional legal costs.

'The constant changes to trade policies and tariffs make it difficult to plan long-term arrangements and impacts delivery time.'

'Meeting compliance requirements in different countries is a huge challenge. It feels like we're spending more time on paperwork than on actual business.'

Finally, 64% of respondents agreed that the complexity of foreign distribution channels posed a significant challenge. Establishing reliable channels that deliver the expected time and place utility was seen as both difficult and resource-intensive.

Digitalisation and AI

There was broad acknowledgement of the benefits of digitalisation — both for business in general and as a catalyst for international trade. Respondents recognised its role in enhancing production, marketing communications and customer engagement. Many noted the importance of building both their own and their employees' digital skills, as well as strengthening overall company infrastructure to support digital activity. However, they also emphasised that developing this infrastructure requires significant investment and comes with a number of challenges, as reflected in the comments below.

'The company and management need to know what digital platforms are needed and why, which can be difficult without technical expertise.'

'Think long-term when investing in IT and digital as it is very expensive.'

'As a service firm, developing a good relevant e-marketplace was a necessity from a competitive position.'

'Don't underestimate the cost and need for allocating people to manage your digital online platforms; if not managed then a waste of money.'

'Major concern for IT security and protecting data and IP as a service firm.'

'A lack of knowledge about technology providers to use.'

While financial resources were identified as a barrier, it's interesting to note the non-financial related factors of a lack of understanding of what digital to use and where to source it. By addressing these foundational challenges, a more targeted informed direction to spend the funding can be identified.



Lesson takeaway

- Digitalisation for internationalisation depends heavily on the overall level of digital maturity within the business. A good starting point is to review or audit whether your current digital infrastructure is fit for purpose — particularly in the context of international market expansion.
- Ask: what does digital mean for my business? Consider this from an external perspective, looking at customer expectations and competitor activity.
- Investment in digital requires an integrated, firm-wide approach — bringing together people, processes, and systems — to build the agility needed for international growth.

Marketing, sales and communications

Sourcing and communicating with new customers was identified as a significant challenge (88% of respondents agreed). Similarly, 87% reported difficulties accessing reliable data sources, making it harder to identify and evaluate international opportunities.

Nearly half (46%) of respondents expressed concern about how to effectively leverage online and social media channels for marketing and communications, noting that it is often time-consuming and resource-intensive.

Online visibility was seen as more important in international markets than in domestic ones. Focus group participants highlighted that both B2B and B2C customers conduct initial research online — meaning that if you're not visible online, you're invisible, and potentially missing out on sales.

A lack of online sales and customer service functions or expertise was also flagged, with 40% agreeing this is an area requiring development. While digital platforms are essential, focus group interviews reinforced that personal selling remains critical in international markets. Owner-managers were seen as central to this process, with sales success built on relationships, trust, and cultural understanding — elements that take time to develop.

There was strong agreement on the importance of researching key decision-makers in the buying process, as these roles are not always obvious from online research. Spending time in the market — talking to people, learning about local business culture, and observing practices first hand — was viewed as vital.

Some participants pointed out that selling also means understanding the competitive landscape. Knowing who your customers see as the “next best alternative” to your offering is crucial in positioning your value effectively.

‘Know and don’t underestimate your competitors.’

‘Be clear on what makes you different – your USP.’

‘Don’t just compete on price – it’s short-term.’

Focus group interviews stressed the need to have a clear sales plan that includes contingency targets and cash flow considerations. Early sales efforts can be costly, so businesses need to ensure they are financially prepared. Finally, respondents warned against focusing solely on initial sales: follow-up, delivery, and customer service must all be in place to support long-term success. As one participant put it, “Sales support and customer follow-up structures need to be in place when making sales — they take time.”

Lesson takeaway

- Despite advances in digital marketing tools, personal selling remains a necessity in international markets, often preceding all other selling functions.
- View market research as both a selling or preselling activity. It’s a two-way process: the customer gets to know you, and you begin to identify their pain point.
- Trust and relationships are at the heart of the selling process.
- Have a clear and credible ‘Why buy from us?’. Your USP should position your business favourably against competitors and help potential customers understand why you’re better than the next best alternative.
- Don’t assume your USP in Ireland will automatically transfer to international markets — make sure of it.
- Develop a clear sales plan and pipeline for international markets, despite uncertainty. Constantly monitor it to establish areas in need of attention.



Sustainability

Along with digitalisation, sustainability is a major challenge for SMEs. Focus group comments showed that lots of companies are grappling with the issue, with many not 'knowing where to start' and lacking funds to apply to it. Investing the required financial resources is impacted by the deeper practical challenges of understanding the right level of sustainability for individual businesses. Challenges include:

- a lack of relevant expertise and knowledge to design and implement effective practices;
- the time and paperwork involved in regulatory compliance;
- staff limitations, including the absence of dedicated personnel.

Owner-managers who have implemented sustainability practices report benefits such as enhanced brand credibility and a competitive advantage, especially in the B2B market. Additionally, sustainability is seen as crucial for employee sourcing and retention — a priority for many SMEs. The majority also highlighted that it is and will be demanded by customers and suppliers, making it an essential component of any international strategy.

Internationalisation assistance and supports

Government agencies were widely seen as valuable, particularly in helping SMEs access expensive market research reports, specific sectoral expertise, global contacts and guidance on cultural and business norms in different countries. Enterprise Ireland's online country reports were mentioned positively, as shown in the following examples:

'Extensive user friendly market research industry and country reports.'

'The support of the EI staff in connecting us with relevant networks made a big difference.'

However, several respondents also pointed to challenges — particularly the bureaucratic nature of applying for and securing support, especially financial assistance. This was seen as a barrier given the fast pace of change in international markets and the need for SMEs to respond quickly to new opportunities. The rigid eligibility criteria were also flagged as problematic. A 'one-

size-fits-all' approach meant that some businesses didn't fit neatly into categories and, as a result, missed out on support. In light of the unpredictable global environment, it was suggested that agencies adopt more flexible and agile support models, particularly for firms that have already demonstrated international potential.

Respondents who availed of the Local Enterprise Office (LEO) export supports found these to be helpful — particularly in guiding companies on where to source information and offering vouchers to fund consultants to undertake market research and market visits.

Other useful sources of support included InterTrade Ireland, the British and Irish Trading Alliance (BITA) Bord Bia, and Enterprise Ireland networking events. Participation in industry-specific trade shows was also cited as a good way to build connections in international markets.

However, service sector firms, especially those in more traditional industries, reported being at a disadvantage. Many were not eligible for Enterprise Ireland supports and lacked access to funding or non-financial assistance for export strategy development or market research.

Respondents also called for more help with accessing networks, industry and market insights, and especially regulatory information, given how quickly international rules and requirements are changing.

'As a service firm, I feel isolated and see very limited support to internationalise even though my business has potential.'

Summary of key findings: SME exporters

Motivation to internationalise

- Customers play a key role in establishing contacts
- Unsolicited online sales
- Limited market potential in Ireland
- Reduced sales and excess production capacity

Market choice

- Importance of physical and cultural proximity
- Local markets used as testing ground for more far-flung markets.

Mode and means

- Importance of direct selling and forming partnerships/strategic alliances
- Collaboration, relationships and trust are critical for success.

Managing the internationalisation process

- Be prepared and ready to change and pivot quickly
- Align domestic and international strategy to build efficiencies and economies of scale

Challenges

- Operational factors: financial, regulatory and political challenges;
- Digitalisation and AI;
- Marketing and sales;
- Sustainability.

Supports

- More flexibility in criteria and application process for supports;
- Service firms feel left out of the support ecosystem;
- Training and education on scaling and in-market support for networking and partnerships.

SMEs are increasingly recognising the importance of expanding into international markets to gain competitive advantage, scale and to reduce dependence on a restricted domestic market. Our analysis provides insights into the reasons for not exporting, and barriers encountered by non-exporting firms, much of which lies in the perception that exporting is not suitable for them.

Among SMEs who are not eligible for Enterprise Ireland supports, there is a significant lack of understanding of where to go for information or assistance. For exporting companies, challenges exist around strategy, human capital, operations, digitalisation, sustainability and finances.

Strengthening SME agility for global growth

This research captures feedback from both exporters and non-exporters, providing a well-rounded view of the challenges, opportunities, and strategies linked to SME internationalisation. By combining these perspectives, the findings highlight both common themes and differing viewpoints, offering a more nuanced understanding of the internationalisation journey. Importantly, insights from owner-managers already exporting offer practical guidance for those planning to enter international markets — and demonstrate that internationalisation is both achievable and an effective strategy for business growth.

The findings emphasise that adopting a global mindset and embedding internationalisation into the firm's overall scaling strategy — rather than approaching it reactively — is essential. For firms expanding internationally, the leadership team must balance local and global demands, which calls for agility and speed in how business is conducted. As with domestic growth in uncertain conditions, strategic and organisational agility are critical for success in international markets.

Building scalable operations that can respond to diverse cultural, regulatory, and market needs — while being supported by robust planning and risk management — is central to long-term international success.

Strong relationships and targeted networking also play a vital role in enabling agility. They give SMEs access to valuable external knowledge, connections, and resources. To help SMEs navigate today's unpredictable global landscape, the research recommends a stronger emphasis on building Internationalisation Agility — developing organisational and systems-level flexibility, resilience, and the human capabilities required to adapt quickly to evolving market conditions.

International agility should be seen as an extension of a company's existing strategic agility. It includes additional capabilities in collaboration, partnership-building, integration, adaptation, innovation, and continuous improvement. Together, these qualities will enable SMEs to stay agile and responsive in a world defined by rapid and ongoing change.



The Internationalisation Action Plan

This Action Plan recommends a series of actions designed to support Irish SMEs in taking clear, confident steps towards international growth. Based on in-depth research and insights from SME owner-managers, it identifies eight themes that encapsulate the real challenges businesses face —and proposes practical, focused resources to help overcome them.

1

Reframing internationalisation: making global growth relevant to all SMEs

Internationalisation is no longer a choice for some—it's a necessity in an increasingly complex and fast-moving global landscape. But many SMEs still view exporting as too complicated or simply not relevant to them.

Actions:

- Run a national masterclass series (online and in person) to reframe internationalisation as achievable, practical, and relevant to every SME.
- Host Reframing Internationalisation events to explore global megatrends (e.g. digitalisation, climate change, regional value chains) and their impact on Irish businesses.
- Create a Micro Multinationals guidance series, offering practical steps to shift internationalisation from the periphery to the core of business strategy.
- Deliver themed workshops on megatrends to break down complex issues into actionable opportunities for SMEs.

2

Building a global mindset: encouraging ambition and clarity

A global outlook is key to growth, but many owner-managers still struggle with confidence, access, or awareness. This theme focuses on shifting the mindset from hesitation to ambition.

Actions:

- Develop a Global Mindset Toolkit to help SMEs understand the international landscape and how to build a globally orientated business culture.
- Create a simple Internationalisation Journey Checklist, covering the path from pre-export to scaling.
- Launch a targeted communications campaign to promote the benefits of internationalisation and reach underrepresented or hard-to-reach SMEs.
- Promote a 'no door closed' approach across support agencies, ensuring SMEs receive direction and advice even if they fall outside formal eligibility criteria.

3

Creating a supportive SME ecosystem: enabling connection and collaboration

Internationalisation is made easier when SMEs can connect, learn, and grow together. The goal of the All-Ireland Business Foundation (AIBF) is collaboration, shared learning, education and creating a supportive ecosystem. But there's currently no cohesive network focused solely on international growth for SMEs.

Actions:

- Establish the AIBF SME Internationalisation Network as a dedicated space for training, education, peer learning, mentoring, and business connection.
- Develop the AIBF Internationalisation Mentoring Panel, bringing together practitioners, government agency representatives and sector experts to provide practical, real-world guidance.
- Create regular networking opportunities, including meet the buyer events, supply chain building and international partnerships, aligned with the Regional Meet Up and AIBF Annual Conference.

4

Empowering SME competencies: giving firms the tools they need

International success isn't just about mindset—it requires specific skills. This strand focuses on capability building across key stages of international expansion.

Actions:

- Deliver focused training in importing and exporting, showing how both can inform international strategies.
- Run readiness assessments to help SMEs understand whether they are “export willing” or “export ready”.
- Develop a simple signposting resource, answering key questions about where to find support and why it matters.
- Offer hands-on training in market research, validation, and opportunity screening—helping SMEs build data-led strategies.
- Introduce “internationalisation as a process” workshops, focusing on the key stages: Motivation, Markets, Mode and Means and Management.
- Help SMEs map and use their networks effectively, understanding not just who's in their network, but how those connections can enable international growth.
- Service sector internationalisation: address intangibility, simultaneous production-consumption and supply chain management.
- Create peer-to-peer learning and business opportunities in the SME community to enable collaboration, the sharing of intelligence and the generation of business contacts that strengthen international presence.

5

Using digital to drive international growth

Digitalisation allows SMEs to operate like micro multinationals—but adopting the right technologies can be expensive, complex and time-consuming.

Actions:

- Run a digitalisation deep dive series: when, why, and how to adopt digital tools that support international expansion.
- Create case studies on using AI for supplier relationships, exploring digital integration across the value chain.
- Support firms in developing digitalisation strategies, alongside practical change management plans to lead digital transformation.

6

Building global partnerships: practical guidance on collaboration

Strong international partnerships can accelerate growth—but many SMEs don't know where to start or how to manage these relationships effectively.

Actions:

- Provide training on finding and screening partners, including cultural fit, values alignment, and shared goals.
- Deliver workshops on managing partnership relationships, covering legal, financial governance and operational considerations.
- Offer conflict resolution and exit strategy planning for international partnerships.

7

Embedding sustainability as a competitive advantage

Irish SMEs understand the importance of sustainability—but many still don't know what good sustainability looks like in practice, or how to measure impact.

Actions:

- Run awareness and education campaigns (via social media, webinars and blogs) to demystify sustainability for SMEs.
- Offer workshops on applying sustainability principles, from supply chains to local adaptation and stakeholder engagement.
- Help SMEs assess their sustainability footprint, taking a multi-stakeholder view and identifying areas for improvement and competitive positioning.
- Support SMEs in developing a Sustainability Roadmap, with clear strategic pillars and metrics to measure progress.
- Mentoring for sustainability: provision of targeted mentoring to guide the successful implementation and evaluation of sustainability practices in SMEs.

8

Creating a scalable, agile infrastructure for internationalisation

True international agility requires strong infrastructure—but many SMEs don't know how their current systems stack up or where to improve.

Actions:

- Self-assessment and training supports on international agility: a mindset and a culture that embraces flexibility, innovation and rapid adaptation.
- Support SMEs in auditing their current infrastructure, assessing systems, processes, and readiness for scaling.
- Provide training and tools to build internationally agile organisations, aligning values, strategy, process, and systems for responsive growth.

Laying the foundations for international success

SMEs play a vital role in job creation, economic growth, and competitiveness across the Irish economy. Expanding into international markets strengthens their long-term growth and profitability by diversifying revenue streams, reducing reliance on domestic demand, and improving resilience to global shocks.

Yet international expansion brings challenges—particularly in balancing flexibility, control, and operational efficiency. To meet these demands, SMEs need international agility: the ability to quickly adapt business models, strategies, operations, and processes to shifting global conditions. This includes embracing digitalisation, developing the capacity to innovate, fostering a culture of continuous learning, and building strong international networks and partnerships.

To support this, SMEs must be equipped with targeted awareness, education, and training; accessible supports; mentorship and networking opportunities; and collaborative platforms for internationalisation. Together, these efforts will help SMEs innovate, adapt, and navigate the complexities of global expansion with greater confidence.

International growth takes time. But with the right supports, and by implementing the measures set out in this Action Plan, SMEs can take meaningful steps forward, building the agility, resilience, and capabilities needed to succeed in an ever-changing global environment.

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As the global economy evolves at speed, Irish SMEs are experiencing mounting pressure to expand their reach overseas. Increased digital connectivity and moving supply chains coincide with ongoing policy and economic challenges, most notably Brexit and the lasting impacts of the pandemic. These factors combine to elevate internationalisation from a potential opportunity for Irish SMEs, to a pressing necessity.

With thirty years' experience in the field of global HR and business expansion solutions, Mauve Group has been at the forefront of supporting Irish SMEs on their overseas journeys - helping to navigate operational and regulatory complexities, and simplifying expansion into new territories.

Navigating global markets provides timely and crucial insights into the motivations, challenges, and short- and long-term goals of Irish SMEs as they consider or pursue global expansion. In doing so, this report makes a real and important contribution to the broader conversation about Ireland's role in a globalised economy, as well as the support structures required to help smaller firms thrive abroad.

These findings offer valuable insights that can inform practical action and strategic planning for business leaders, policymakers, and organisations alike.

We extend our sincere thanks to the SMEs that participated in this study for sharing their perspectives. Special appreciation goes to Teresa Lewis, Business Development Executive at Mauve Group, the dedicated teams at the All-Ireland Business Foundation (AIBF), and Dr. Briga Hynes of the Kemmy Business School at the University of Limerick for their invaluable work in compiling this report.

I would like to invite you, the reader, to explore the findings within this report and consider how its recommendations can help shape the future of international growth for Irish SMEs.



Ann Ellis
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Mauve Profile

Mauve Group is an Employer of Record and global hiring solutions provider, active for almost thirty years. First established in Italy in the early 90s, Mauve Group quickly expanded into regions as diverse as Hungary, Thailand, and Brazil, responding to market demand. Since then, Mauve has established operations in over 150 countries worldwide, employing thousands of individuals on behalf of hundreds of client companies across the spectrum of industry.

Mauve supports businesses of all sizes, from SMEs to educational institutions, NGOs to multinational corporations, offering a suite of hiring, payroll, employment and expansion service offerings.

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Navigating global markets

Challenges and opportunities for SMEs