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# FUTURE TRENDS IN INTERNATIONALIZATION OF BUSINESSES

Prof. Robert Kappel

# STARTUP SUPPORT AT HEI

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- New Economic Geography, agglomeration economies
- Education is key
- Role of institutions
- Economic power: superstar enterprises
- Global value chains
- New trends in globalization
- Globalization, hyper globalization, slowbalization, re-globalization
- Market and power shifts

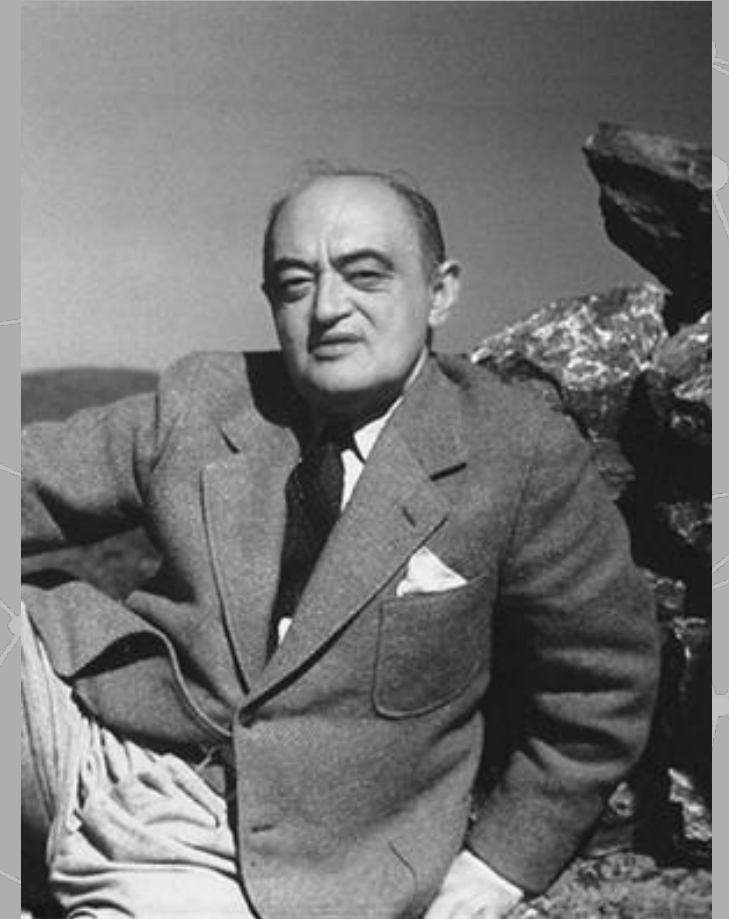
Source: [gruendungsradar.de](http://gruendungsradar.de)

# Alois Schumpeter (1883-1950)

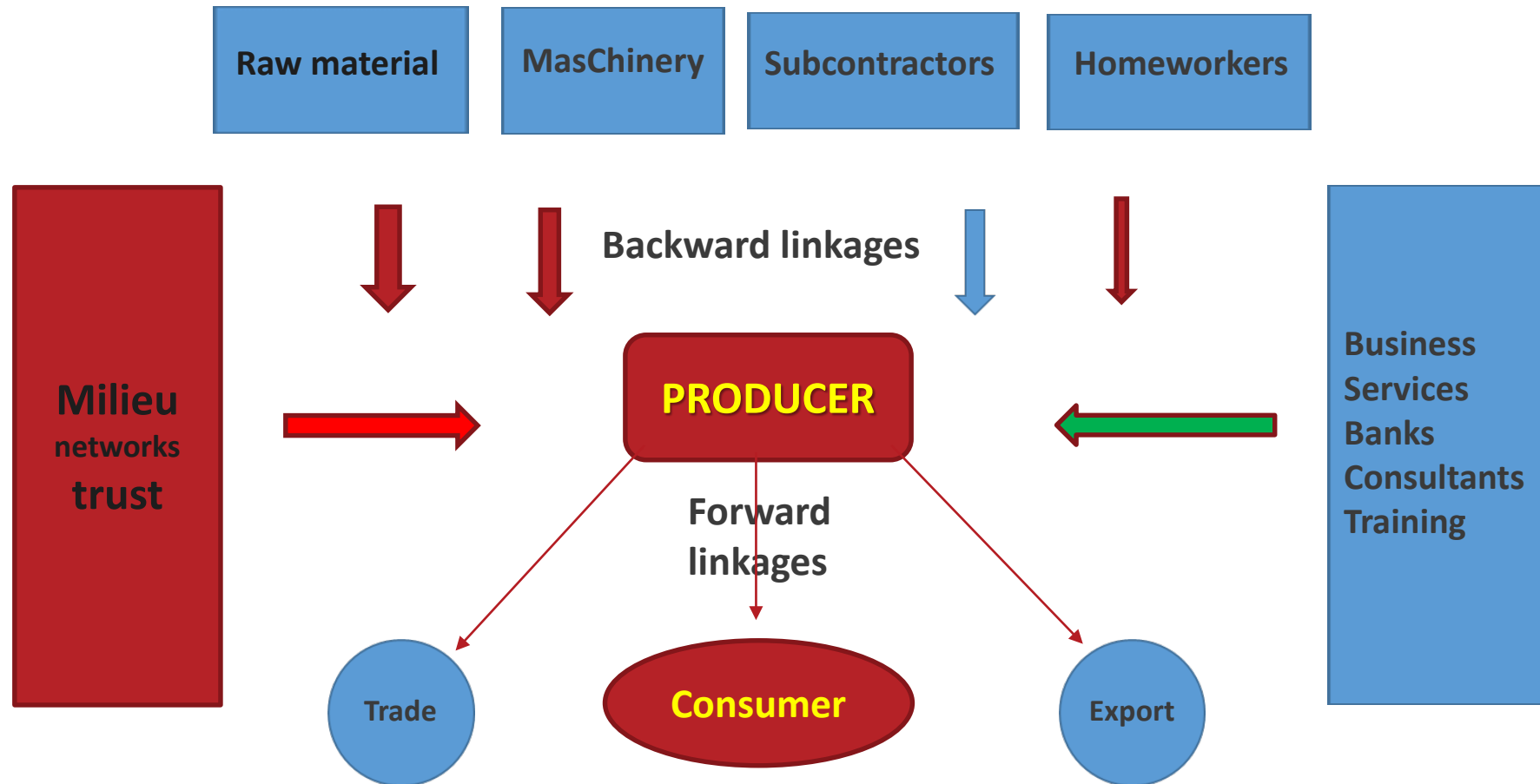
Leadership in the economic process of modern capitalism. Technological revolutions and their diffusion. FIRMS and COUNTRIES can dominate.

**Entrepreneurs** bring together a bundle of incremental and fundamental innovations, implement new combinations and trigger '**creative destruction**' that generates growth. Innovation encompasses the following:

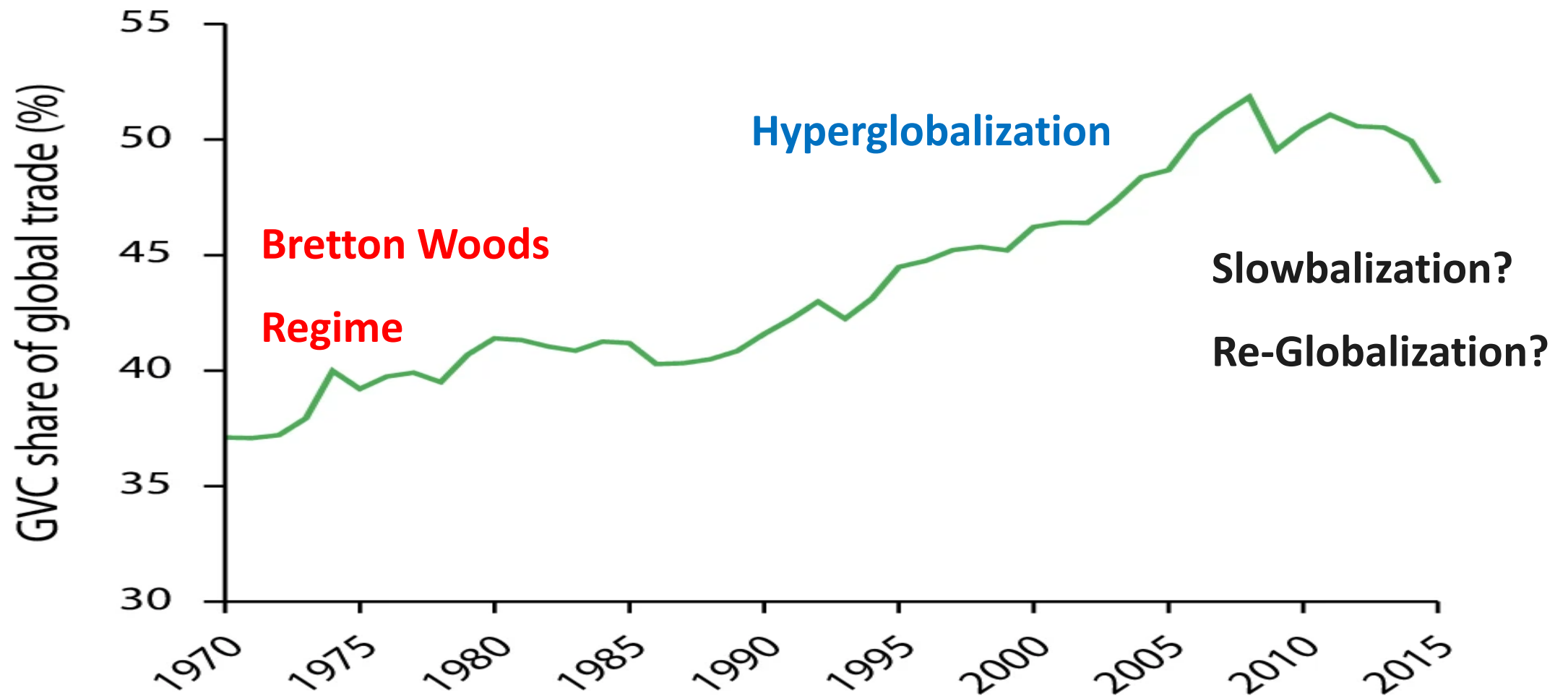
- (1) creation of a new good or new quality of good,
- (2) creation of a new method of production,
- (3) opening of a new market,
- (4) capture of a new source of supply and
- (5) new organization of industry (for example, creation or destruction of a monopoly).



# FORWARD AND BACKWARD LINKAGES



# Globale Value Chains' Share of Global Trade, Percent







# MARKET AND POWER SHIFTS ALSO OPEN UP OPPORTUNITIES FOR SMES

## TEN ARGUMENTS:

1. Companies invest in regional markets and increasingly rely on regional value chains
2. Digital technologies optimize production and business processes and reduce the use of materials.
3. Small and medium-sized enterprises can make much better use of agglomeration economies. "industries without smokestacks"
4. Growing class of innovative start-ups, knowledge-based and ICT-based firms
5. Companies should want to take off

# MARKET AND POWER SHIFTS ALSO OPEN UP OPPORTUNITIES FOR SMES

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6. Small and medium-sized enterprises can particularly benefit from openness
7. Participation in value chains is beneficial for the parties involved, provided there are backward linkages to the local industries
8. Increasing global conflicts, trade disputes, and wars pose threats to SMEs
9. Climate change and increasing environmental awareness open up prospects for localizing production and consumption
10. Stakeholders need to start working on creating better conditions for business and jobs, i.e. inclusive growth.





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**iHAPPY 30TH ANNIVERSARY, SEPT!**