## ***Eighteen Research-Based Lessons for a Would-be International, High Growth, New Technology Based Firm***

One important objective of the 1997 Anglo-German study was to be able to offer pragmatic and practicable advice to new technology based firms wishing to improve their chances of successfully growing and internationalising. Therefore, the key findings of the study have been distilled into a number of recommendations to the firm's founders and management. In each case, there is evidence of a significant association between the actions recommended and the incidence of successful international activity by the high tech firms that we have observed.

1. ***Recruit as good a team of founders and managers as possible*** with high levels of international experience, preferably gained in both large and small firms.
2. ***Start as large an enterprise as possible*** including the size of the founding team and the financial, technical and experiential resources available.
3. ***Incorporate highly innovative technologies*** into products and services but not at the cost of usability and reliability.
4. ***Select products which are sold to industrial users*** rather than consumers.
5. ***Build a portfolio of demanding customers*** but do not become excessively committed or integrated into the non-standard needs of a few large customers.
6. ***Commit the firm to international sales from Day 1*** in both actions and all planning targets.
7. ***Build a business model that is scaleable*** in both volume and number of market targeted.
8. ***Be prepared to enter additional new countries rapidly*** after the first internationalisation activity.
9. ***Plan for significant additional costs*** in developing international sales and marketing activities.
10. ***Appraise markets*** *in terms of aggregate international demand* rather than domestic demand and growth.
11. ***Develop a permanent and focused R&D activity****.*
12. ***Avoid 'deep niche' products*** if high growth is a desired goal. Ensure a wide range of applications for both products and technologies.
13. ***Continue to reduce product adaptation/transaction costs***, particularly the installation and maintenance costs incurred by new customers or the vendor.
14. ***Assess rigorously the 'pros and cons' of exporting direct versus the use of distributors***, and consider the effect of industry sector, target country and technological innovativeness on channel selection.
15. ***Manage distributor relationships effectively*** recognising the need for continued investment of time and resource in supporting network linkages.
16. ***Get known quickly*** Larger firms, including customers, are likely to be very wary of entering into trading relationships with unknown firms.
17. ***Be prepared for the rapid entry of new competitors*** into your product/market space.
18. ***Consider objectively the merits of external finance*** (venture capital, business angels), if you wish to grow your firm aggressively.