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Infant multinationals venturing into distant markets: How do Polish firms enact opportunities in Sub-Saharan Africa?

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Abstract

Purpose – We wanted to find out how infant multinationals originating from Poland enact opportunities in Sub-Saharan African (SSA) countries.

Design/methodology/approach – We conducted a comparative case study of four Polish firms operating in SSA.

Findings – We found that when entering SSA, studied firms employed effectual decision-making logic. Thus, their internationalization was means-driven, serendipitous, partnership-oriented, based on the "affordable loss" principle and focused on shaping opportunities in SSA, rather than predicting, analyzing and planning any firm-specific assets or capabilities.

Originality/value – We illuminated the nature of the means employed in effectual internationalization and the role of partners ("effectual stakeholders") in this process. Thus, we contribute to a deeper understanding of how infant multinationals navigate extreme uncertainty in the emerging SSA markets.

Keywords Multinational, Poland, Sub-Saharan Africa, International opportunity, Effectuation, Decision-making logic

Paper type Research paper

Introduction

Over the last two decades, international business researchers focused on two important phenomena, namely the growing number of multinationals from emerging economies and the emergence of new destinations for international investments. First, despite their disadvantages and liabilities, a "new breed" of emerging market multinational enterprises (EMNEs) has proliferated in the world economy (Ramamurti, 2012). Besides the typical liabilities of "foreignness" and "outsidership," discussed in international business (IB) literature, these infant multinationals need to overcome the "liability of origin," which encompasses tangible and intangible resource limitations and a weak institutional regime at home countries (Pant & Ramachandran, 2012). Researchers argue that in response to these constraints, EMNEs use alternative and often creative ways to gather, develop, and use

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limited resources (Bruton, Filatotchev, Si, & Wright, 2013; Panibratov & Klishevich, 2020). For example, they engage in bricolage (Nowiński & Rialp, 2016), develop a dominant logic that promotes opportunity-seeking, experimentation, and flexible organizational design (Obloj, Obloj, & Pratt, 2010), and focus on leveraging critical resources, linking with relevant partners and learning quickly and efficiently (Mathews, 2006; Tan & Mathews, 2015). Second, some less developed regions have undergone rapid economic transformation and become attractive destinations for both developed and emerging market multinationals. This was the case for some Asian countries, followed by Central European countries. Finally, recently, Sub-Saharan Africa (SSA) has become "the last frontier" in the global economy, providing a new research laboratory to study the entrepreneurial behavior of multinational firms (George, Corbishley, Khayesi, Haas, & Tihanyi, 2016; Nachum, Stevens, Newenham-Kahindi, Lundan, Rose, & Wantchekon, 2023).

Addressing these two phenomena, we focused on infant multinationals from Poland. Infant multinationals are firms originating from countries in their early stage of internationalization (e.g. Trąpczyński & Banalieva, 2016), such as Poland and other CEE markets. Typically, they have entered markets that were geographically, culturally, and institutionally close to their home countries (Trąpczyński, Gorynia, Nowak, & Wolniak, 2015; Maciejewski & Wach, 2019). However, recently, an increasing number of firms from CEE have ventured globally, particularly to SSA, thus attracting media and think tanks' attention (e.g. Cibian, 2017). Entries to SSA by infant multinationals constitute unexpected and pioneering moves, which we may call "adventurous FDI" (Zdziarski, Świątowiec-Szczepańska, Troilo, & Małys, 2017). Following the notion that research into firms from CEE may help "better understand the adventurous internationalization of entrepreneurial firms without resources and knowledge, the learning and growth of small multinationals" (Jaklič, Obloj, Svetličič, & Kronegger, 2020, p. 432), we addressed this gap and aimed at answering the following research question:

RQ1. How do infant multinationals originating from Poland enact opportunities in SSA countries?

The structure of this article is as follows. We will first present our theoretical framework, drawing on literature on EMNEs, international opportunity, and effectuation. Next, we will discuss our research methods. In the following section, we will present our findings, and we will conclude by discussing the theoretical and practical implications of our study.

Theoretical framework

Two streams of literature guided our study. First, the literature on emerging market multinational enterprises (EMNEs) suggests that these firms suffer from the "liability of origin," which poses an additional legitimacy threat and, more broadly, changes the nature of their firm-specific assets (Yamakawa, Khavul, Peng, & Deeds, 2013). Moreover, EMNEs differ from their developed country counterparts in terms of motives, resource endowment, internationalization trajectories, and strategies (Caputo, Pellegrini, Dabic, & Dana, 2016). Typically, EMNEs are smaller and less endowed with traditional ownership advantages, such as brands, reputation, and technologies (Madhok & Keyhani, 2012; Panibratov & Klishevich, 2020). These differences have provoked a debate as to whether the internationalization patterns of these companies can be explained by existing International Business (IB) theories, such as the internalization theory (Buckley & Casson, 1976) and the OLI framework (Dunning & Lundan, 2008).

The first group of researchers argued that based on studies of Western Multinational Corporations (MNCs), existing theories can easily accommodate new players from emerging markets because, in spite of some observable differences, they are not of a distinctive character (e.g. Narula, 2012). The second group of scholars suggested that EMNEs constitute a “new species” of organizations and thus require new theoretical frameworks, such as the LLL (“leverage-linking-learning”) framework (Mathews, 2006) or the “springboard perspective” (Luo & Tung, 2007). Since the origin of EMNEs has widely been regarded as a unique liability (Pant & Ramachandran, 2012), these frameworks focus on overcoming latecomer disadvantages or resource deficiencies. The third group proposed a balanced view, arguing that unique conditions in developing countries shape the behavior and internationalization of EMNEs in such a way that they are “just right” to test and refine existing theories (Cuervo-Cazurra, 2012).

We adopted the latter approach. Following Verbeke and Kano (2015), we argued that it is possible to explain EMNEs’ behavior using general theories of International Business (IB). For example, if we accept that EMNEs possess different (yet not necessarily inferior) sets of assets, their behavior does not contradict the internalization theory. However, we believe that studying EMNEs offers unique research opportunities to shed light on the “making of” these assets and the initial stages of EMNEs development when the processes of opportunity identification and exploitation are critical for firm survival and growth (Wąsowska, Obłój, & Ciszewska, 2016). Thus, we adopted an entrepreneurial perspective to examine EMNEs’ performance. This is particularly relevant because, in these economies, companies face challenges in internationalization due to limited resources and experience. This process occurs under conditions of uncertainty, involving bounded rationality and bounded reliability (Verbeke & Ciravegna, 2018).

Consistently, we adopted the concept of opportunity, central to the field of entrepreneurship (Shane & Venkataraman, 2000). In the IB context, scholars have used this concept particularly in the domain of International Entrepreneurship (IE) (e.g. Wach, Głodowska, & Maciejewski, 2023), originally defined in terms of “innovative, proactive, and risk-seeking behaviors across borders” (McDougall & Oviatt, 2000, p. 903). As a stream of literature initiated by studies on international new ventures, IE has recently moved towards a greater emphasis on the international entrepreneurial behavior of different actors (including MNEs), in the process of “discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future goods and services” (Oviatt & McDougall, 2005, p. 540).

We followed Mainela, Puhakka, and Servais (2014, p. 120), who define international opportunity as “a situation that spans and integrates elements from multiple national contexts in which entrepreneurial action and interaction transform the manifestations of economic activity.” The origins of opportunities and the role of entrepreneurs in opportunity “emergence” have been the object of a heated ontological and epistemological debate in entrepreneurship literature, with two major standpoints (e.g. Wood & McKinley, 2010). The objectivist perspective argues that opportunities exist independently of an entrepreneur and, therefore, entrepreneurs can “recognize” or “discover” them (e.g. Shane & Venkataraman, 2000). The constructivist perspective assumes that opportunities do not exist independently of an entrepreneur and are “created” or “enacted” through the process of social construction (e.g. Sarasvathy, 2001).

In this article, we assumed that opportunity discovery and creation, often viewed as contradictory approaches to entrepreneurship (Alvarez & Barney, 2007), coexist. Specifically, we propose that characteristics of the situation (e.g. home and host country characteristics) may generate opportunities, corresponding to the notion of opportunity discovery, but their enactment is socially constructed (Garud & Giuliani, 2013). For the sake of clarity, following the constructionist perspective, we will use the term “enactment” to refer to the origins of international opportunities, capturing the process of “interacting and negotiating a common ground with a variety of stakeholders from different markets and social contexts” (Mainela *et al.*, 2014, p. 120).

Existing studies reveal two opposing logics of entrepreneurial decision-making in the context of opportunity enactment, i.e. effectuation and causation (Sarasvathy, 2001; Sarasvathy, Dew, Velamuri, & Venkataraman, 2010; Maine, Soh, & Santos, 2015). The former is goal-driven and starts with a particular effect that the decision-maker wants to achieve, focusing on selecting means to achieve this effect. The principles of causal decision-making logic include maximization of expected returns (and looking for an "optimal" decision), competitive analysis, exploitation of pre-existing knowledge, and emphasis on predictable aspects of the future. On the other hand, effectual logic is means-driven. It starts with a set of means determined by "who (the entrepreneur) is, what he knows, and whom he knows," and focuses on possible effects that can be achieved with these means. It is guided by a different set of principles than causal decision-making: affordable loss and experimentation, partnerships, exploitation of contingencies, and controlling the unpredictable (Sarasvathy, 2001).

As reviewed by Karami, Wooliscroft, and McNeill (2020), existing studies on the role of effectual logic in internationalization typically focus on small firms, new ventures, and "born globals" (e.g. Ciszewska-Mlinarič, Obłój, & Wąsowska, 2016; Pawęta, 2016). However, recently, the effectuation theory has increasingly been used to shed light on the internationalization of EMNEs, shifting the debate about EMNEs' advantages and disadvantages in a new direction. Regardless of their resource endowments (or their lack), EMNEs, due to their entrepreneurial orientation, may discover, enact, and exploit international opportunities, using a mix of causal and effectual decision-making logic, depending on the level of environmental uncertainty (Dash & Ranjan, 2019). This flexibility in their mode of operation might be the crux of their advantages, especially in such complex environments as SSA.

Methods

Considering the relative novelty of the phenomenon under study and the exploratory nature of our research question, we employed a case study method following the approaches of Eisenhardt (1989) and Yin (1994). To select case companies, we used purposeful sampling, focusing on Polish multinationals venturing into Sub-Saharan Africa, identified from publicly available data provided by the Ministry of Development and the Council of Investors in Africa. Our sample comprised four companies chosen based on two criteria. First, since we studied the internationalization process, we selected those that were, according to our initial knowledge, committed enough to stay in SSA long enough to be studied longitudinally. Second, due to the unclear factors driving organizational internationalization in such unknown and distant countries, we employed maximum variation sampling. As noted by Eisenhardt (2021), selecting companies facing a similar situation (in our case, internationalization into SSA) but in different "places" (in our case, different industries and sizes) facilitates the findings' generalizability.

The first company (Com-A) is one of the largest firms in the IT sector in Poland. Founded in 1991, it initially provided IT solutions with a focus on the banking sector before diversifying its product and client portfolio. It expanded through acquisitions, first in European markets and later into emerging markets, including Sub-Saharan Africa.

The second company (Com-B) transformed from a family-run tannery into a manufacturer of PVC products, such as windows and windowsills, in the 1990s. It began its internationalization efforts through exports to adjacent countries during the same decade. Faced with strong competition from cheaper Chinese imports, the company leveraged its core technical competencies and machinery to enter the less competitive market of vinyl sheet piles. These served various purposes, including collateral or retaining walls to protect sites with variable water levels, floodwall reinforcement, and riverbed regulation. The company acquired technological licenses from a US producer but eventually developed its technologies and products, becoming the leading Polish provider of such equipment. It gradually expanded its operations within Europe, entered Asia in 2013, and recently ventured into Africa.

The third company (Com-C) started operating in 1991. The founders were two entrepreneurs who started by importing second-hand semi-trailers from Western Europe, upgrading them, and selling them in the Polish market. As the company expanded, it started making durable semi-trailers suitable for rough Polish roads. This expertise became valuable in Russia when Western truck companies found their semi-trailers were too delicate for Russian roads, leading them to rely on Com-C as a supplier and complement to their truck offerings. Eventually, it became a large producer with its brand and a presence in most European markets, some served by its subsidiaries and some by dealers.

The origins of Com-D date back to 2002 when the founder, who is the current CEO, launched a sole proprietorship involved in the construction of cereal dryers. This endeavor later evolved into a production company that initially served the Polish agricultural sector. The company benefited from Poland's accession to the European Union in 2004 and the system of EU subsidies for this sector. Within a few years, it expanded to Romania and Belarus, later to Germany, Bulgaria, Ukraine, Latvia, Mongolia, and finally, in 2016, Tanzania.

We conducted six interviews in Com-A, which included a member of the supervisory board, an operational director, two project managers, and two managers of African subsidiaries. In Com-B, we conducted two interviews, involving a member of the management board and a communication director. In Com-C, we conducted three interviews, including a member of the management board, the head of the region, and the firm's legal advisor. In Com-D, we conducted two interviews with members of the management board. Whenever possible, we recorded interviews and transcribed them verbatim. In other cases, we took detailed notes from the interviews. We analyzed our data following the coding of effectuation activities used in recent entrepreneurship studies (e.g. Jiang & Rüling, 2019). Table 1 presents our data structure.

Results

The entry of all four firms into SSA resulted from serendipity and market-seeking rather than an intended strategy or recognition of any ownership advantages, i.e. firm-specific assets or capabilities. Com-A enacted the international opportunity when a friend of a member of the company's Supervisory Board became the ambassador to Ethiopia. At this time, the Polish government was reducing the number of diplomatic posts in SSA, trying to decide which of them could bring political or economic value in the future. As our interviewee recalls:

> My colleague received an ultimatum that either he shows that something can be done there economically or the embassy will be closed. So, he had a very good reason to fight. At the same time, he asked me to come to see if he could organize a meeting, maybe I would come up with an idea and give him a hint. And so, completely by accident, because we hadn't thought about Africa before, I went to Africa (A1).

On the trip, he encountered Ethiopian parliament members and the central bank head, receiving a warm welcome and a declaration that Com-A is the company the country had been anticipating (though he later realized these statements were customary in the local culture rather than a true commitment). Upon his return, he convinced the CEO that African markets were worth exploring. While the CEO did not share his excitement, he gave him a free hand:

> He said he would not go to Africa, but if I want to go, I can do that, and we will see what happens (A1).

Firm	Industry	Year of establishment	Employment	Sales revenues (in mln PLN)	Markets	Informants
A	IT services	1991	32,700	17,400	SSA: Nigeria, Ethiopia, Angola	• Member of supervisory board • Member of management board • Three mid-level managers • Managers of two subsidiaries in SSA
B	Geosynthetic products and geotechnical services used in civil engineering	1960 (tannery) 1990 (PVC windows producer) 2010 (geosynthetic products and geotechnical services)	250	64	SSA: Rwanda, Nigeria	• Member of management board • Communication Director
C	Semi-trailer production	1996	3,100	3,433	SSA: Cote d'Ivoire	• Member of management board • Regional director
D	Production of grain silos	2007	160	76	SSA: Tanzania	• Two members of management board

Source(s): Authors' own elaboration

Table 1.
Firm characteristics

Com-B decision-makers emphasize the role of serendipity but also consider the company's checkered history. The company was initially a small but profitable tannery that diversified into PVC windows and windowsill production during Poland's transformation. It began exporting to post-communist economies and geographically close Germany, but the third generation of family members decided to abandon these product lines and developed a portfolio of specialized but simple infrastructural products and their maintenance services. Due to lower production costs in Poland and satisfying product quality, they started selling in some European countries. After a few years, they received the first inquiry from an Asian dealer and the CEO decided that it was time to go global:

> My grandfather established our business in Poland, my father internationalized it in Europe, and for me, the challenge became global markets (B1).

The first trip of the CEO of Com-B regarded a trade mission that preceded the visit of the Polish Prime Minister to Nigeria. At first, he treated it as an adventure and an opportunity to visit a "dangerous" country safely. He was surprised to see that the Polish embassy matched each firm participating in the mission with three or four potential local partners. After two days of talks with them, the CEO decided, "Let's take this risk, let's invite them for training in Poland, and see what happens." Upon their return to Nigeria, the invitees turned out to be very active traders, sending trade requests, which opened the market to Com-B.

Com-C's venture into Africa started with the company's Belgian dealer who began selling a small number of the company's products to Cote d'Ivoire. Com-C learned about it from a Polish manager, a graduate of French universities working at this time in Africa, who saw an opportunity to collaborate with a Polish multinational and got in touch directly with a company:

> I was a logistics director at a cement holding company, and Com-C was selling its products to our supplier. In Africa, people are entrepreneurial, and everyone is interested in such transactions, new contracts, and products. Poland is not in the headlines in Africa, so that caught my attention. ... So, I called Com-C, and they invited me. I came here for dinner to discuss how I could help the Polish company and learn about how it operates in this part of Africa (C3).

Com-C decided to set up its subsidiary and appointed this manager as the head of African operations because he persuaded them that he had the necessary knowledge, experience, and contacts with transportation firms. As he explains: "To succeed in Africa, you need to have all important people in your mobile."

Before entering SSA, Com-D was active in Eastern European markets, with a particular focus on Belarus. It produces and assembles grains and food storage. The economic crisis in Belarus in 2010–2011 forced the firm to explore expansion to other markets.

> We traveled to various places around the world and conducted our searches. We visited Kazakhstan and the republics of the former Soviet Union. We followed missions organized by the Polish Chamber of Commerce, where opportunities emerged. We also discovered that there are government loans available to support investment. Given the nature of our industry, which focuses on grain storage and logistics, we eventually found that it was well-suited for Africa (D2).

The CEO of Com-D decided to invest in Africa when he realized that due to seasonality (dry season followed by the rainy season), about 40% of grains were wasted, and storage facilities were limited or non-existent. He decided to enter Africa with an offer of storage systems in Tanzania.

The companies analyzed had prior international exposure, primarily in European markets, before venturing into Africa. They did not consider this international experience very useful because they all pointed to the very limited transferability of this experience to African markets, which are more complex and challenging to understand due to significant cultural, language, and administrative differences.

According to the respondents, African business relationships are truly paradoxical. On the one hand, the development of strong relationships is crucial. Investors are welcomed, but local administration and business partners prefer dealing with individuals and businesses they know and accept. They also favor individuals and businesses with backing from diplomats and representatives of banks and insurance companies. Business and personal matters are often interconnected and it is important to consider "who knows whom." The search for common ground is encouraged during official meetings, and the whole process of relationship development takes time. Nobody is in a hurry, and as one official explained to a manager complaining about waiting seven days for a scheduled meeting: "You have your watch, and I have time" (B1). On the other hand, business operations are characterized by a lack of trust and a competitive, cutthroat form of capitalism. According to our key informants, they often encounter fraudulent practices, bribes, and supplier changes in the middle of a contract. As one of our interviewees stated, "business in Africa is interesting; anything can happen there, anytime" (C3).

The complexity of the business environment meant that the companies entering SSA had to overcome various barriers that exacerbated the inherent uncertainty associated with internationalization. Our main discovery is that to navigate this difficult environment, all the companies we studied adopted the entrepreneurial approach of effectuation (Sarasvathy, 2001). Our respondents observed that planning and "traditional" strategy-making, based on causal decision-making logic or any pre-defined advantages, were impossible under the conditions of extreme uncertainty. As one of our interviewees noted:

> We ventured into Africa without any plan or strategy, fully aware that it's challenging to formulate a strategy for areas we know very little about (A1).

Effectual decision-making logic helped the studied firms pursue international opportunities, despite severe resource limitations. Our data indicate that the behavior of studied firms followed five main principles of effectuation (Table 2).

Firstly, the internationalization process of studied firms was means-driven, as opposed to goal-driven. As one of our interviewees noted:

> IBM would set up a subsidiary, employ 10 people, and say: "Let's try for 3 years, if we're not profitable, we close the office and dismiss all the people." In (our firm) we do not say that we will close the business, but we do not employ 10 people from the beginning, we do it gradually (A2).

The studied firms utilized available means, starting with "who I am, what I know, and whom I know." We identified the following "means" that became the necessary and efficient repertoire of management moves during the expansion of studied firms in SSA. First, as indicated in the quotation above, studied firms slowly built international structures, using available human resources, e.g. own employees with experience in other foreign markets and managers who had personal relationships with Polish diplomats. Second, in allocating people to tasks, they considered individual interests and passions, especially passion for travel, adventure, or relationship-building. Third, as diplomatic support (such as the presence of ambassadors or diplomatic representatives in business meetings) was often necessary to prove the company's credibility, country selection of studied firms was largely "institutional means-driven." Hence, firms targeted primarily countries where Polish diplomatic posts were present. Fourth, the studied firms used extensive leads and business contacts that were presented to them by their distributors and other partners. Fifth, the examined companies creatively utilized stories about the development paths of their home and host countries (such as historical parallels between colonialism in SSA and partitions of Poland, support from Soviet bloc countries during decolonization movements, and recent rapid economic growth) to overcome differences and establish connections with local stakeholders. As one of our interviewees explained:

> Certain things open doors for us, while closing them for others. Our past is important. The fact that we had political and economic transformative experiences in the 1990s is important. It often also happens that when our teams travel to Africa, they meet people who have completed their studies in Poland during the communist regime and, for instance, hold high positions. Sometimes, they have connections with Poland. All these Western countries operated in a free-market environment, while we did not. This is valuable for Africans because they are just like us – hungry for a better tomorrow, entrepreneurial – we agree, and we are similar (B2).

The second principle that the studied firms followed was to be flexible and exploit opportunities or contingencies as they arise, which was in line with effectual decision-making logic rather than the use of pre-existing knowledge and advantages. For example, the initial idea of Com-A was to enter Africa via acquisitions, which was its common pattern of internationalizing. In Ethiopia, the company identified 30 acquisition targets, approached 10 candidates, performed due diligence on two of them, and selected a target company. However, before the deal completion, it became apparent that the targeted company did not perform as well as initially stated. Hence, the company decided to sign a long-term contract with a governmental agency, which has since been its main client in Ethiopia. As our interviewee explained:

Decision-making principle	Effectual actions	Example from the data
Basis for action: means driven (Who I am? What I know? Whom I know?)	Building sales structures based on human resources at hand	"We didn't have a structure in the company, or let's say even a dedicated unit or even a person who would deal with these emerging, exotic markets. I selected two of the best traders that we had to serve Europe, and I gave them the task: 'gentlemen, let's try to do something in these markets.'" (B1)
	Undertaking activities that follow individual passions	"I, personally, visit Africa very often, so I am happy to take part in all these conversations, and I also love building relationships." (B1)
	Choosing countries where diplomatic posts of home country are present	"We also followed the algorithm of our Embassies. We have an embassy in Ethiopia, we have an embassy in Nigeria, because in African countries it is very useful to have government support, such as legalization and authorization of the company through the Ambassador." (interview A1T)
	Following leads and inquiries received from distributors	"Our distributor is very active there to this day, and he turned to us himself. This is a man who, even though he runs a small business, very effectively follows markets all over the world. And often we even get inquiries from him from the strangest corners of the world, which we obviously follow." (B1)
	Leveraging history of host and home country to bridge the distance	"Africans have a resentment towards colonial countries, but there is also a simple logic behind it: they know the language, they know the law. There is no love for these countries, and sometimes I play the 'anti-French' card, because I say that now Europe is Poland." (C3)
Attitude towards unexpected events: exploit contingencies	Adaptation and flexibility learned in turbulent markets	"These transactions generally take a long time, we always have a plan B and a plan C, because the customer and the transaction can create problems. You should always have other options available. And this is where our Eastern experience pays off. We are flexible." (C3)
Attitude towards outsiders: strategic alliances	Building partnerships with local agents	"In Africa, anonymous business is not possible. You do business with specific people who know each other, in circles of mutual trust, to secure transactions. . . . I employ small locals there, clean slates with limited financial expectations, to teach them. And I rely on them as regional managers." (C3)

(*continued*)

Table 2.
Coding scheme and examples of effectual actions

Decision-making principle	Effectual actions	Example from the data
	Building partnerships with local governments	"We concluded that it would be best for the government (of this country) and Com-A to form a joint venture together. One that we will treat each other as partners. We will help you build an entire organization from scratch, including hiring people and training them." (interview A2)
View on risk/resources: affordable loss	Limiting the resources committed to internationalization	"We are running this risk in Africa. But it's my role to determine up to which point, so I go there, I meet people, because there are often meetings at the level of the ministry, the president, the prime minister; so I go there representing the company." (A1)
Attitude towards future: control instead of prediction	Actively "creating" the future and influencing market conditions	"In our company, decision-makers do not have the corporate bureaucrats' perspective. They have the business owners' perspective." (A1)

Source(s): Authors' own elaboration

Table 2.

> The exact strategy was not created. . . . We made an offer to one company and came close to the acquisition, but the process took a long time . . . It turned out that the company did not deliver the results it had declared at the time of valuation and making the offer. Meanwhile, without the support of a local company, we secured a large project in Ethiopia. It turned out that, no matter how we looked at it if we had bought the company, we would have overpaid, and the outcome would have been uncertain. The strategy has its way, and life has its way (A2).

Third, our sample firms self-selected partners who played the role of "effectual stakeholders" co-creating opportunities in SSA markets. Due to the specific nature of local markets and the underdeveloped middle class, they establish enduring relationships with government agencies, often the main consumer of their products. Building friendly relationships with the government included actions such as providing scholarships and offering internships to the children of government officials or establishing joint ventures with local government involvement with the intention of knowledge and technology transfer. Moreover, they build strong connections with local agents, helping to grow networks of distributors and intermediaries. They also offer training to locally hired individuals, preparing them for roles as regional managers. As one of our informants noticed:

> Africa is just beginning the process of creating this middle class, so we are trying to create our intermediaries, distributors ... we have a potential person who knows our field, who has mediated in one transaction, in another, so we persuade him – listen, make yourself a company, right? (B1)

Building local relationships entails also extensive support for customers, such as helping them secure financing or negotiating port fees, going beyond the standard product delivery. As one of our interviewees explained:

> You need to constantly assist in the sales process and support the customer. Write him a business plan, go to the bank . . . So I have a wide range of activities (C3).

Fourth, instead of making a business plan and calculating the risk or estimating future revenues, they set limits on resources that can be allocated to SSA markets. In essence, they all follow the “affordable loss” rule of effectuation. Their “affordable loss” is estimated based on the current financial condition of the company and considers the possible commitment in the “worst-case scenario.” Consequently, the internationalization process of the studied firms is slow and careful. It involves gradually increasing commitment based on available means because these infant multinationals do not want or cannot afford high losses. Therefore, they take baby steps when entering SSA. As one of our respondents explained:

> I believe that only a certain percentage can be involved in these activities, especially since they are burdened with a high risk due to a lack of skills (D1).

Fifth, in line with the “pilot on the plane” principle of effectuation (Sarasvathy, 2001), the studied firms preferred action over analysis. Thus, instead of trying to predict the future and the conditions of the environment, they took an active role in shaping it. Decision-makers of each of the companies often traveled to SSA “to learn and to see what can be done” (A1), to be “present and active” (B1). They “took the owner’s perspective” trying to “decide on the company’s future” (A1). Studied firms allocated entrepreneurial and proactive managers to internationalization tasks and urged them to “take initiative and become the engines of the African business” (C2). The decision-makers actively tackled bureaucratic obstacles and devised creative solutions to problems, often drawing on experience gained in transitional Poland. As one of our interviewees noticed:

> Perhaps it’s easier for us to conduct business there because we understand that it was not so different here not that long ago. Barriers must be dismantled. You need to go, push, inquire, write letters, and take the initiative in every matter because nothing happens on its own (D2).

Conclusions

Previous research on EMNEs has often assumed a relatively static, dichotomous perspective on “advantages” (often referred to as “firm-specific assets”) or “disadvantages” for multinationals entering host countries. Typically, it has been argued that EMNEs face a liability of origin (Pant & Ramachandran, 2012) because they lack “traditional” home country-specific advantages (e.g. reputation, technological prowess) or firm-specific advantages (e.g. brand, technology) that companies from developed economies enjoy.

However, researchers have also argued that while EMNEs are typically poorly endowed with “traditional” firm-specific advantages, such as strong brands, reputation, or cutting-edge technologies, they might possess other types of advantages, such as relationship-building capabilities, political know-how, operational innovations triggered by scarcity of resources, and flexibility and entrepreneurial freedom resulting from their early stage of development (Verbeke & Kano, 2015; Panibratov & Klishevich, 2020). They can also develop “good enough” products (Gadiesh, Leung, & Vestring, 2007) seek strategic assets aggressively from the outset (Kumar, Singh, Purkayastha, Popli, & Gaur, 2020), and have experience in navigating difficult and unstable institutional environments (Cuervo-Cazurra & Genc, 2008; Trąpczyński & Banalieva, 2016; Ciszewska-Mlinarič, Wójcik, & Obłój, 2020).

Building on these initial insights, we gained confidence that we understood the complexity and dynamism of EMNEs’ internationalization in distant and unexpected territories. Figure 1 presents our model of processes, focusing specifically on the means-driven actions that support the successful opportunity enactment of Polish companies in SSA markets.

Following Dash and Ranjan (2019), we argue that “traditional” firm-specific advantages are not a prerequisite for EMNEs’ internationalization. Instead, the latter can be effectively crafted as unknown opportunities. Firms we studied venture into SSA with adventurous, market-seeking motives, seizing serendipitous opportunities to commercialize their products. Thus, firm-level and environment-level preconditions (i.e. market-seeking motives and serendipity) constitute a starting point for opportunity enactment by infant multinationals. This entrepreneurial attitude compensates, at least initially, for their limited firm-specific assets and experience. To navigate the extreme uncertainty and demands in SSA markets and overcome the liability of foreignness, outsidership, and origin, they employ effectual decision-making logic, creatively utilizing available resources (e.g. in the process of building sales structure), exploiting contingencies, forming partnerships with "effectual stakeholders" (e.g. local governments, clients, distributors, intermediaries, local staff), limiting resource allocation in SSA to the level of "affordable loss," and actively shaping opportunities in SSA rather than attempting to predict the future. Their internationalization is supported by a constant interplay between two processes, i.e. making better sense of the local conditions and taking entrepreneurial actions.

Although this might seem like common sense, the complexity of this interplay during internationalization to a "strange land" stems from effectual, entrepreneurial logic. To overcome challenges hindering entry and adaptation in the host country, companies need action-driven approaches, consistently seeking potential allies, exploring and capitalizing on emerging opportunities, being proactive in obtaining and assessing information, utilizing relevant experiences, and responding to external demands. Over time, these practices led to the development of a better, collective understanding of the business situation, triggering subsequently adaptive moves.

Hence, our findings suggest that the internationalization of EMNEs is not necessarily based on predefined "advantages" as theories of internationalization, especially the OLI framework, assume. While it is a valid and crucial framework, we suggest that its explanatory effectiveness will improve when paired with an entrepreneurial action theory akin to the Uppsala model (Johanson & Vahlne, 1977, 2009) but more focused on entrepreneurial, adventurous orientation, and mindset. Therefore, we should see the EMNEs' internationalization as an entrepreneurial process of opportunity enactment and exploitation, in which effectual decision-making logic, applied to a set of "means at hand," plays a major role. We may hypothesize that this kind of logic was "available" to our companies since each of them had, as one of our interviewees mentioned, an "entrepreneurial spirit" derived from the fact that each of them was run either by the founder or a family successor. When talking about possible sources of advantage for his company, he stressed:

> Are we more capable than others? It's hard to say. It appears to me that flexibility is likely the key factor here. We need to keep in mind that our organization is built upon a family structure, which means we have a very flat structure, enabling quick decision-making (B1).

In essence, our research implies that entrepreneurship and international business theories might be essentially complementary ways of describing and accounting for internationalization, albeit for different types of ventures. The OLI framework is particularly well-suited to study and explain the internationalization process of established companies that developed firm-specific advantages in their local, institutionally developed markets. On the other hand, the theory of effectuation seems particularly well-suited to explain the internationalization of companies from emerging markets. For them, internationalization is essentially an entrepreneurial project, especially during either the initial stages of their internationalization and/or when they venture into distant geographically, institutionally, and culturally diverse territories.

The practical implications of our research are as follows: the internationalization process essentially has an entrepreneurial character. For this reason, even relatively mature organizations, such as MNEs, need to behave like entrepreneurs (e.g. employing effectual decision-making logic), especially when entering new, unknown markets burdened with a high level of uncertainty. This observation is crucial for both managerial practice and education. In courses on strategy and IB conducted in business schools, managers typically

Source(s): Authors' own elaboration

Figure 1. Opportunity enactment

practice causative decision-making. A crucial focus for managers, especially those aiming to expand into foreign markets, should be learning how to make decisions using effectual methods. As research on entrepreneurial education reveals, this skill can be "learned" not only through entrepreneurial practice but also in an educational setting (e.g. Makimurto-Koivumaa & Vesa Puhakka, 2013).

Our findings are subject to a few limitations that future research can overcome. In this regard, we propose four important avenues. First, due to the early stage of internationalization of Polish firms in Africa, our sample was limited to four cases of pioneering ventures in SSA. As more companies from Poland or CEE venture into Africa, future research should focus on maximum variation sampling within these firms. This approach will help us understand whether the pattern we uncovered is common and represents the first stage of entry into unknown and distant territories. Alternatively, researchers should explore whether distinct patterns arise depending on the background and features of the companies under study, such as their size, resources, and accumulated international experience.

Second, our study's timeframe is restricted to the initial stages of these fledgling multinationals in SSA. An important area for further research would be to investigate when, how, and with what outcomes the effectual logic is complemented or replaced by causal logic, as previous studies suggest that these logics may co-exist in the internationalization process (e.g. Ciszewska-Mlinarič *et al.*, 2016; Dash & Ranjan, 2019). Moreover, the question of whether the observable differences between their behavior and their counterparts from developed markets will diminish as companies from emerging markets grow, evolve, and accumulate resources, and knowledge should be, in our opinion, a prime focus of future comparative research.

Third, it would be fascinating to trace whether and how the “available means” driving the effectuation process transform over time into valuable resources and capabilities that can serve as a basis for sustainable competitive advantage in foreign markets. Although we know that companies learn from the process experience, there is still insufficient understanding of what they truly glean from it in practice (Bingham & Eisenhardt, 2011). Hence, future research can reveal whether accumulated experience allows companies to build ownership advantages over time or if market specificities render such knowledge of limited value.

Finally, further research is needed to explore the development of relationships with “effectual stakeholders” and their role in creating value for the company. We understand that companies that internationalize, especially when entering distant and unknown territories, require partners, supporters, and complementors to limit their liability of outsidership. Our research highlights some ways that companies develop such ties, but future research could offer more detailed insights into how companies select partners and decide when to handle relationships based on trust or maintain them at arm’s length.

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