Looking for the next Start-Up fairy tale in India

Cultural and Institutional problems Swiss Start-Ups face when internationalising to India
Abstract

Switzerland has, despite being a rather small country, a big start-up scene which develops rapidly and puts forth many entrepreneurs. Currently, it is certain that any opportunity for competitive advantage must be exploited and emerging markets like India prove to be full of them. This research aims to investigate the cultural and institutional problems Swiss start-ups faced and how they overcame them when internationalising to India, using a qualitative research approach. Relevant theories regarding the topic were gathered and collated in a deductive manner with the empirical findings of five interviews conducted with Swiss Born Global start-ups, which internationalised either down- or upstream activities of their value chain to India. The findings show that institutional problems are largely dependent on the industry a company is working in. Cultural problems on the other hand occur in a more general manner and entrepreneurs internationalising to this market should be aware of the cultural differences to facilitate their internationalisation process. Further findings display the importance of an own network in the country and the indispensability of partners that help the companies navigate the Indian space.

Keywords
Swiss start-ups, Internationalisation, Born Global, Emerging Market, India, Culture, Institutions

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1 Introduction

The following chapter provides an insight into the chosen research topic of this thesis, by defining the background and the actuality of the topic. Furthermore, the problem definition is provided, giving an insight into the relevance and theoretical as well as the practical problems of the topic. Thereafter the research question for this study is presented, followed by the purpose of this thesis and the delimitations. At the end an outline about the different chapters can be found, to give an overview of the topics discussed.

1.1 Background

1.1.1 Internationalisation

Globalisation has been over years an unstoppable force and highly praised by everyone (Saval, 2017). When talking about multinational enterprises, this does not surprise. Internationalising means going abroad to do business in other markets, besides the domestic one. Business can be done with people, companies or even countries itself. The goal is to further increase and grow sales. Doing business abroad has a long history. For example, the silk road that was use by merchandisers to transport goods from Asia to Europe. Already many centuries ago some kind of internationalisation took place. Scholars have researched in this field for a long period now. In the 1970’s the research was divided into two streams, following different approaches. The result was an economic and a behaviour oriented research. The economic stream analysed why firms undertook Foreign Direct Investments (FDI) and the behavioural stream wanted to know how firms undertook the internationalisation process. The most significant theory that raised from that time is the Uppsala Model by Johanson & Vahlne. (1977), which still gets referred to in present researches. Thereafter, modern research did not fit in with past theories and frameworks. This gave incentives for Knight & Cavusgil (1996) to develop the theory about Born Global. Within the more recent studies about internationalisation Oviatt & McDougall have a big contribution. In 1994 they published about Global Start-Ups and The International Entrepreneurship Theory (Oviatt & McDougall, 1994). The phenomena of Born Global still is a field of current studies, as for example Scheela (2016) with Born-Global Start-Ups in Emerging Economies. Bringing two research streams together, Entrepreneurship and Internationalisation, the Born Global’s shows the importance of the entrepreneur in this process.

Swiss start-ups are rising and bringing new innovative products to the market, ranking them as most innovative country in 2017 (The Global Innovation Index, 2017). Switzerland has multinationals around the world such as Novartis, Nestlé and Roche. The big question is, if there is a start-up that can follow those companies and become a multinational company. Forbes magazine states that 2018 will be a good
year for entrepreneurs (Pridham, 2018). It will be interesting if entrepreneurs can fulfil those expectations.

1.1.2 Emerging Markets

When talking about internationalisation, the spotlight shines on emerging markets pretty quick. Emerging markets, this term is wide spread. Countries that are called emerging markets, have had high economic growth compared to the western economies. The potential seems to be limitless, also because of the huge population and therefor big demand. The most famous emerging markets are the BRIC countries. These are Brazil, Russia, India and China. It is said that Brazil, India and China are expected to be the world’s largest economies by 2050 (Lynn, et al., 2011). Companies have seen the potential of emerging markets and want a piece of the cake. The importance of this topic has raised so high, that it is impossible not to include it in today’s economic education at universities.

But not only the companies can gain out of internationalising to emerging markets, also the countries themselves profit. With more companies coming in, it has been possible for poor people to make a step up into middle class (Lynn, et al., 2011). India, as an emerging market, is been the spotlight of controversial discussions. Experts are in thought if India will continue performing on such a high level. OECD stats that India’s economic growth will stay as brisk as it has until now. Maybe not as high as in the years 2011-2015, but higher than China (OECD, 2018). On the other hand, CNBC states that Credit Suisse is in doubt if the economic growth will continue. It is highly dependent on the interest rates in the U.S. Higher interest rates could trigger capital outflow from emerging countries, since investors seek for higher yields in the U.S. (Lee, 2018). This is one possible reason for an underperformance of India. As seen the development of emerging countries, especially India, is dependent on many factors and a few changes in the world’s economy can turn everything upside down. It will be interesting to follow the development of India’s economy in this current year.

1.1.3 Culture

When internationalising it is unavoidable that different cultures collide with each other. Doing business with foreign countries can bear some difficulties that, when ignored, can lead to failure of the negotiations. Culture cannot be ignored. There have been many studies about cultural differences, one of them being Hofstede (2001). Whit the topic about the internationalisation of companies being so present, managers and entrepreneurs must take the cultural dimension into account. It is important to know that not all western business norms are well accepted in other countries, as for the likes of India, and that some adaptation must be made (Ardichvili, et al., 2012). The complexity of this topic is immense, but there are enough studies that try and explain the behaviour of specific countries. That should be taken in account when negotiating with different cultures, in this case with India.
When doing business in India, it is certainly different than in Western Countries. A lot of patience and social relations are required. But in general Indians are very hospitable and highly tolerant of foreign population. The exchange of presents is also a common cultural trait, when getting to know each other (Budhwar, 2001).

1.1.4 Institutions

Institutions is something close related to culture. There is a differentiation between informal and formal institutions. These are anchored in the behaviour of people and vary from country to country. Formal institutions have been formed into laws and regulations that the government have implemented (de Soysa & Jütting, 2006). In India there are some examples of formal institutions that must be respected when doing business there. For example, a government approval is required for appointing expatriate to high managerial positions, further a permission of the Reserve Bank of India is needed (Budhwar, 2001). Language, which belongs to one of the dimensions of the psychic distance model, is one of the keys to bring two countries closer together and reduce the psychic distance. As for the example of India, that has English as the second official language, it facilitates doing business all round the world (Budhwar, 2001).

Psychic distance has a close relation to culture and institutions, but covers various dimensions. The first-time psychic distance was being widely discussed was with the Uppsala Model by Johanson and Vahlne (1977). There after it has been the focus of further research. Since psychic distance covers various dimension, four were specified that include all the aspects (Carneiro, et al., 2008). Making a multidimensional model out of it, shows that the different dimensions all correlate with each other.

1.2 Problem discussion

1.2.1 Theoretical problem

The internationalisation process has widely been explored within the field of international entrepreneurship and the emerging market literature (Nordman & Rovira, 2009; Eisingerich & Huei-Ting, 2010). Even when looking at combinations of these research fields, a huge amount of work already has accumulated.

Entrepreneurship has been the base of many new research areas like Born Global, International New Ventures and many more. Entrepreneurs do have a very important and specific function in the economy nowadays. Relative to the firm size, they engender much employment creation and productivity growth. Furthermore, they also produce and commercialise high-quality innovations and the entrepreneurs themselves are more satisfied than regular employees (van Praag & Versloot, 2007). One part of the entrepreneurial activities, that particularly caught the interest of
researchers around the world, is the internationalisation. International entrepreneurship (IE) is defined as the cross-border discovery and exploitation of opportunities to create future goods or services (Oviatt & McDougall, 2005). The key-part in this definition being the opportunity since over the recent decades, the international entrepreneurship research field moved towards studying a wider spectrum of international entrepreneurial behaviours (Tuija, et al., 2014).

The theories about internationalisation started out with the Uppsala-model by Johanson and Vahlne (1977). It had a huge impact on any following theories, regarding how companies internationalise into new markets. The theory itself states, that the individual firm develops itself and uses the continuatively gained knowledge to further commit into the foreign markets (Johanson & Vahlne, 1977).

When entrepreneurs internationalise, they do not only go into developed markets, but start to go into emerging markets more and more. Emerging countries and their markets bare a huge potential for economic value like for example the BRIC countries (Goldman, 2003). The country of interest for this paper is India. The economy in this country is described as so mixed economy with a large private sector. This is now changing into the direction of a capitalist economy (Ahluwalia, 2002).

When doing business abroad, especially in emerging countries like India, culture has always played a unique role in the evolution of foreign relations. Even the discourses, strategies and objectives of India’s foreign policies rely on cultural difficulties, since the government is trying to recreate a new nation inherited from one of the world’s oldest civilisations and British colonialism (Schmidt, 2017). When looking at the culture of the country, it is very important to distinguish the private life to work life. Even though in the working space, there are similarities between Indian and Western culture, business leaders tend to underestimate the time and skills needed for managing projects in India. Most assume that the process that worked in the home-country, can easily be replicated in the foreign market. This often leads to unsatisfactory results and higher costs than previously calculated (Gurung & Prater, 2006). The characteristics of basic cultural behaviour can even differ when looking at different levels of management in Indian companies. For example, whilst a typical senior level Indian manager tends to underplay the role of hierarchy and approaches a participative or consultative style of management, the General Managers tend to emphasise the hierarchical structure more in the daily business (Joginder, 1990).

Psychic distance is an often-occurring term in the international business literature and its role in the internationalisation process of firms has widely been discussed. Psychic distance is defined as the sum of all the factors disturbing the information flow between an organisation and a foreign market (Johanson & Wiedersheim-Paul, 1975). This means it concerns the perceived differences between the business environment in a foreign country and the one in the home-country (Puthusserry, et al., 2013). When looking at the psychic distance though, it is important to keep in
mind, that institutional differences present a greater challenge in bilateral business, than socio-cultural ones do. Furthermore, does a high psychic distance not necessarily have a big impact on doing business in other countries (Puthusserry, et al., 2013).

Cultural-cognitive beliefs, rules and norms, are central ingredients of institutions together with associated behaviours and material resources. Institutions are defined as regulative, normative and cultural elements that together with activities and resources provide stability to the social life (Scott, 2008). There is a difference in formal and informal institutions, whereas only the formal ones are of importance for this thesis. Formal institutions are according to de Soysa and Jütting (2006) rules and constraints like constitutions, laws and regulations.

When looking especially into emerging markets, there are problems that also cannot be left out. Countries like India for example, mostly gain their attractiveness from their high economic growth rates and their huge market potential. At the same time, the country on the other hand is mostly characterised by institutional weaknesses such as low level of economic freedom and a high level of corruption (Holtbrügge & Baron, 2013).

In his work, Knight (2015) examined the developments in school research on the Born Global phenomenon and identified various potential future fields of research. Two of those being the role of cultural distance and its influence on the early internationalisation on Born Global firm, as well as the effect on Born Global internationalisation of market specific factors such as culture, the legal regulatory environment, political-institutional environment and government intervention. This paper will cover parts of this gap, namely the influence of cultural distance, legal regulatory environment and government intervention on the early internationalisation process, with regards to Swiss Start-ups and emerging markets, by looking at the cultural and institutional problems they faced when internationalising to India.

1.2.2 Managerial/Practical problem

The expansion for Swiss entrepreneurs into emerging markets like India is an especially complex endeavour, since there is huge psychic distance (Puthusserry, et al., 2013) and cultural differences between European countries and India (Hofstede Insights, 2018). Because of the research gap detected by Knight (2015) and the lack of literature concerning the cultural and institutional aspects of the early internationalisation process of Swiss Born Global firms, a deficiency of knowledge in the field is recognised. The relevance for the subject is given, due to the fact that a lot Swiss Start-ups are internationalising into the emerging market India at the present time and that there are even organisations dedicated in assisting Swiss Start-ups in this process (Swissnex India, 2018). The research done in this paper is focused on the Swiss Start-Up’s to provide future entrepreneurs with information on what the
major problems are which they might face when internationalising into the emerging market India and how to surpass them. This is meant to encourage those entrepreneurs to take the step into the emerging market and provide them with necessary information to prepare their undertakings.

1.3 Research question

How do Swiss Start-Ups overcome the cultural and institutional problems they face when internationalising into India?

1.4 Purpose

The purpose of this study is to get a better understanding of the cultural and institutional problems Swiss Start-ups faced when internationalising to India and what actions did the company take to overcome those problems. Further, we want to help future Start-ups that want to internationalise to India, with what cultural and institutional problems could appear and how to overcome them.

1.5 Delimitation

This study is limited to analyse the cultural and institutional problems Swiss Start-ups face when internationalising to India. The internationalisation to other emerging markets or developed countries will not be looked at. For this reason, only Swiss start-ups that have already internationalised to the emerging market India will be interviewed. No Indian companies will be respected, because they would not have faced the same cultural and institutional difficulties as Swiss Start-ups, due to their knowledge on how to conduct business in the targeted market. Further, only formal institutions will be analysed, because the topic institutions as a hole would be too complex and could not be assessed in our interviews.
1.6 Outline

- **Introduction**
  This chapter consists of the Background including the studied topic, the problem discussion, the research question posed in this study and the delimitations as well as this outline of the study.

- **Literatur review**
  This chapter contains the relevant literature regarding the subjects necessary for analysing the empirical data. Additionally, the theoretical synthesis is graphically illustrated to visualise the interconnection of the different subjects.

- **Methodology**
  The chapter contains the methodological choices and the respective motivation of the methodology applied to conduct the empirical research.

- **Empirical Findings**
  In this chapter the empirical findings gathered through the interviews are displayed case by case.

- **Analysis**
  The analytical chapter serves the purpose to connect the conceptual framework to the empirical findings, together with the analysis of the subject. Furthermore, found similarities and dissimilarities will be discussed.

- **Conclusion**
  In the last chapter of this thesis, the main arguments and implications are summarised, the stated research question from Chapter 1 is answered and recommendations for further researches are stated.

*Figure 1 - Outline (own illustration)*
2 Literature review

In this chapter we will discuss the relevant theoretical frameworks for our research. The relevant theoretical topics that we want to apply are: The internationalisation theory, International entrepreneurship, Born Global overview, emerging markets, culture, and institutions.

2.1 Internationalisation

In this chapter we take a closer look at the internationalisation theory. Since the Uppsala Model is one of the most relevant internationalisation approaches, we will take a brief look at it.

The internationalisation model by Johanson and Vahlne (1977) is one of the most important ones in the International Business theory. It had a big impact on the understanding how companies internationalise to other countries or markets. They define their model as follows: “we develop a model of the internationalisation process of the firm that focuses on the development of the individual firm, and particularly on its gradual acquisition, integration, and use of knowledge about foreign markets and operations, and on its successively increasing commitment to foreign markets” (Johanson & Vahlne, 1977, p. 23). The basic idea of this model is explained by them. The idea behind it is, the assumption that the lack of knowledge is an obstacle that can be overcome by gaining experience through operations abroad. The name given to this internationalisation model is: The Uppsala Internationalisation Model. It is known to be a dynamic model which means that the outcome of one decision constitutes the input of the next (Johanson & Vahlne, 1977). This dynamic model is as illustrated in the figure below.

![Figure 2 - The Basic Mechanism of Internationalisation-State and Change Aspects (Johanson & Vahlne, 1977)](image)

The company is determinant to keep risk-taking as low as possible. One decision makes an impact on others, this is best explained as follows: “The state aspects we consider are the resource commitment to the foreign markets -market commitment- and knowledge about foreign markets and operations. The change aspects are decisions to commit resources and the performance of current business activities.
Market knowledge and market commitment are assumed to affect both commitment decisions and the way current activities are performed” (Johanson & Vahlne, 1977, p. 26).

Broadly speaking the Uppsala model emphasises a stepwise internationalisation of the company through the acquisition, integration and use of knowledge concerning the foreign market. This model assumes that the learning about foreign markets occurs through personal on-site experience and management will not commit more resources until they have acquired enough experience and knowledge about that market. This process is very time-consuming, for that reason internationalisation evolves stepwise and rather at a slow pace. (Knight & Cavusgil, 1996)

2.1.1 Psychic distance

Psychic distance was first used in connection with the Uppsala Model. They argued that this concept is defined as factors preventing or disturbing the flow of information between the company and the market. This may be differences in language, culture, political systems, etc. (Johanson & Wiedersheim-Paul, 1975). Thereafter this has been a field of further research and it has been often used to explain international business decisions made by firms. It is a concept with wide acceptance. There are several different definitions about psychic distance that were made from several different authors, which makes it difficult to pin one down. There is no real agreement in the literature if psychic distance is a sum or aggregation of factors or a summery construct (Carneiro, et al., 2008).

To put all these factors together, four different dimensions that would define psychic distance were created. “If one considers the different conceptualisations in the literature, the following four dimensions (or constructs) have to be considered in their relationship with the psychic distance construct: (i) a physical dimension (geographic distance); (ii) a cultural dimension (culture as a whole or considered in terms of its constituent elements, such as cultural values, language, or religion); (iii) a macro-environmental dimension (including factors such as the economic, political and legal systems); and (iv) a business dimension” (Carneiro, et al., 2008, p. 7). This model is a multidimensional construct as it can be seen in the figure below.
It is hard to pin down precisely what psychic distance is, that makes this topic rather complex. With the multidimensional model above Carneiro, Figueiredo, Silva and Rocha (2008) want to show that this phenomenon has both individual and shared dimensions.

For this study the cultural and institutional distance are most relevant. Institutional arrangements can be strong or weak. They are considered as strong when they support the voluntary exchange underpinning an effective market mechanism. Conversely, institutions are referred to as weak when the fail to ensure effective markets or even undermine markets, as in case of corruption etc. (Meyer, et al., 2008). Belonging to the cultural distance are different dimensions such as language, values or religion, that raise the distance between two countries.

2.2 International Entrepreneurship

“International entrepreneurship is a combination of innovative, proactive, and risk seeking behaviour that crosses national borders and is intended to create value in organisations” (McDougall & Oviatt, 2000, p. 903). There is still a lot of potential within this research field, especially to give a more robust foundation (Keupp & Gassmann , 2009). It shows the link between internationalisation and entrepreneurship, since the entrepreneur has an important role in the process.

During the research Oviatt and McDougall (1994) found out that companies were internationalising straight from inception. After realising that they could not assign their new findings to some established theory, they came up with the framework for International New Ventures (INV’s), recognising the important impact they were having (Oviatt & McDougall, 1994). They defined what an INV is: “International new venture is a business organisation that, from inception, seeks to derive
significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (Oviatt & McDougall, 1994, p. 49). That these new ventures start right from the beginning with a proactive international strategy, to differentiate themselves from other start-ups, can be explained with the increasing homogenisation of many markets in distant countries, what makes international business easier for everyone (Hedlung & Kverneland, 1985).

2.2.1 Born Global overview

The definition given by Knight and Cavusgil (1996) for Born Globals is the following: “Born Globals are business organisations that, from near their founding, seek superior international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries” (Knight & Cavusgil, 2004, p. 124). The entrepreneur sees the world as a single, borderless marketplace right from the time of the firms founding. What differentiates these companies from others is that, the management at Born Globals does not see foreign markets as simple adjuncts to the domestic market (Knight & Cavusgil, 1996).

Based on a major study by McKinsey and Company (1993), the Born Global firms main features are:

- Management views the world as its marketplace from the outset of the firm’s founding; unlike traditional companies, they do not see foreign markets as simple adjuncts to the domestic market.
- Born Globals begin exporting one or several products within three years of their establishment and tend to export at least a quarter of total production.
- They tend to be small manufacturers, with average annual sales usually not exceeding $100 million.
- The majority of Born Globals are formed by active entrepreneurs and tend to emerge as a result of a significant breakthrough in some process or technology.
- They may apply cutting edge technology to developing a unique product idea or to a new way of business.
- The products that Born Globals sell typically involve substantial value adding; the majority of such products may be intended for industrial uses.

Further, they found out in this case study that, these firms are growing rapidly, with average growth rates exceeding 14 percent per year (McKinsey and Company, 1993). These companies operate in narrow market niches in which small firms may be able to avoid or minimise competitive pressures posed by large, more efficient operators (Knight & Cavusgil, 1996).
The most general accepted definition for Born Globals by Knight and Cavusgil (2004) refers to companies that at least have 25 per cent of revenues from foreign markets within three years of inception (Øyna, et al., 2018, p. 717).

Six factors giving the rise of Born Global firm were defined by Knight and Cavusgil (1996):

- First is the increasing role of niche markets. The main reason for this increase is the globalisation of markets. That means more competition, leaving smaller firms with no other choice but to specialise in supplying products that occupy a relatively narrow global niche.
- Second is the advances in process technology. Improvements in technology have led to low-scale production. That allows small companies to compete with multinationals in the production of sophisticated products for sale around the world. New technology allows production of diverse products on a smaller scale.
- Third is the advances in communication technology. The development of telecommunications aid like electronic interchange and electronic mail, managers, even at small firms, can efficiently manage operations across borders.
- The forth trend is the inherent advantages of small companies which facilitate the international endeavours of Born Globals. These might be quicker response time, flexibility, adaptability and further reasons. In the study done by McKinsey (1993), they found out that Australian Born Globals have a strong customer orientation and are quick to tailor their products to meet specific customer requirements.
- The fifth factor is the internationalisation knowledge, technology, tools, facilitating institutions and so on, which have become more accessible to every firm.
- The sixth and final reason is the current trend of global networks. International commerce today is increasingly facilitated through partnerships with foreign businesses-distributors, trading companies, subcontractors, as well as more traditional buyers and sellers.

These six factors show that Born Globals are truly a special kind of enterprise and only can evolve under certain circumstances. It is noticeable that globalisation has had an influence on Born Globals and especially the technological development, that makes communication and exchange of information’s much easier than in the past.
2.3 Emerging market

The first time the term ‘emerging market economies’ (EME’s) was used was in 1981 by Antoine W. van Agtmael. But there is neither a universally accepted list of countries called EME’s nor a definition with wide agreement. However, EME’s could be called a developing economy that has undertaken sustained macroeconomic reforms, which have resulted in sustained rapid GDP growth. Typically, EME’s are a market economy and have a fairly reliable financial infrastructure, although standards and regulations are not on par with advanced economies. To develop its external sector, they try to ensure a stable currency to encourage confidence in the economy, so that investors regard it as suitable for investments (Das, 2010).

Many multinational companies are operating in emerging markets. “Consistent with transaction cost theory, internalisation theory predicts that firms that follow its prescriptions and align their organisational forms accordingly will economise on transaction costs, which translate into enhanced performance in international markets” (Geyskens, et al., 2006, p. 531). This may explain the decision of some companies to internationalise, especially to emerging markets. These companies are generating returns from being multinational through exploiting market imperfections, due to their more efficient structure and better governance (Kirca, et al., 2016).

The popularity of emerging markets has not always been this high, in fact in the past it was doubted if the raise would continue. Paul Krugman stated that the recent success of emerging markets is a classic speculative bubble (Krugman, 1995). Today we can say that he was wrong, or is the bubble yet to pop? In his article, he refers to the Mexican peso crisis around 1995. The problems Krugman describes are limited to Countries that are recovering from the debt crisis in Latin America (Samuels II, 1995).

Unlike the Latin American countries to that time, the emerging markets have experienced a huge upswing. In the last 20 years the development was spectacular with an average GDP growth rate of over 6 percent between 1975 and 1982 and 7.5 percent thereafter (Samuels II, 1995).

The raise of the emerging markets has a lot to do with changes in those specific countries. “Inside the emerging market countries, radically and irreversibly transformed economic policies have in turn given rise to new internal economic forces, new political interest groups, and that tremendously powerful social force, consumerism” (Samuels II, 1995, p. 144). These changes have had a big influence and brought a fresh wind. It can be said that a new dynamic has been established, working to establish new economic interests across national borders (Sarasvathy, 2001). Emerging markets with a rapid growing consumer population are being targeted by multinationals worldwide, continuing their growth around the world (Samuels II, 1995). Besides that, the technological revolution also pointed an
irreversible and sustained change in emerging markets. An increase of youth attending secondary school also helped the development of emerging markets. Further all emerging markets are adopting policies to augment public and private savings (Ibid).

This development is underlined by other researchers. “The growth of the global economy is inextricably connected to the rise of emerging markets, which are currently experiencing impressive economic performance, changing demographics and cultural transformation. Rising incomes, exposure to international life styles and media, access to information and telecommunication technologies, and willingness to try foreign products and services are fuelling the growth of a new generation of consumers called the middle-class consumers” (Javalgi & Grossman, 2016, p. 657). Speaking of the emerging market India specific, they are expected to be become the biggest middle-class country by 2030, surpassing countries like China and the western world (Ibid). By 2039 India is to be said to be the fifth-largest consumer market in the world (Atsmon, et al., 2012). Indian middle class consumers are grooving and becoming an important segment. This means that multinationals in India cannot ignore these consumers anymore (Javalgi & Grossman, 2016). This led to an economic growth above 5 per cent over the las few years, even though western countries were experiencing economic contractions (Jodhka & Prakash, 2011).

The growth of Indian middle class has an important role in the Indian economy and shows a greater need for achieving life goals, what helps to contribute to the economic dynamic of the country. Also, Indians are better educated than in the past. They believe that investments in education leads to better jobs and assets. They feel that with a better education they will achieve their life goals and seek opportunities for growth (Javalgi & Grossman, 2016). Former studies have focused on Central and Eastern Europe and China (Meyer, et al., 2008), leaving India as an emerging market not yet deeply researched.

2.4 Institutions

The definition given by Scott (2008) for institutions is the following: “Institutions are comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life” (Scott, 2008, p. 48). The regulative, normative and cultural-cognitive elements are defined as the three pillars of institutions. North (1991) sees Institutions as a humanly devised constraint that structures political, economic and social interaction (North, 1991). Also, institutions are relatively resistant to change (Jepperson, 1991) and they have been implemented by humans to create order and reduce uncertainty in exchange (North, 1991). There is a differentiation between formal and informal institutions.
Institutional rules are not codified but they are legitimate and hence rules in operation. They are socially sanctioned norms of behaviour such as attitudes, customs, taboos, conventions and traditions. On the other hand, formal institutions are formal rules and constraints. This include constitutions, laws, property rights, characters, bylaws, statutes and common law, and regulations (de Soysa & Jütting, 2006). In other words, formal institutions are laws made and enforced by the government. Looking closer into formal institutions, one thing that stands out are the property rights, which get often discussed in relation with formal institutions (Cao, 2012; Behera & Engel, 2006). Property rights have a strong influence on resource management. One of the major reasons for the massive degradation of natural resources is a lack of well-defined and secure property rights (Behera & Engel, 2006). In the same category fall the formal legal protection of minority shareholders that should protect them from self-dealing by dominant shareholder-executives. Some of the negative effects of low formal legal protection is, that it may affect the firm’s performance, they might be more risk averse and hence be less profit-generating; they might appoint family members whom they trust instead of outside managerial experienced people and talents and they may exploit minority shareholders by tunnelling funds out of the corporation. The quality of a country’s formal institutions may affect the extent to which these problems occur (Estrin & Prevezer, 2011).

India’s formal corporate governance institutions were very poor, but have improved since the 1991 liberalisation. Capital markets have been liberalised, takeover codes have been adopted in 1994 and steps have been taken to improve corporate governance norms and disclosure practices (Estrin & Prevezer, 2011). Even tough national legal structures and policies apply in all states, there are distinctive variations in the implementation of the legal system at the state level. That means that in poorly performing states the rule of law are poor and formal legal codes are ineffective (Ibid). The Indian government is very bureaucratic and hard to get things done which is shown, for example, in the telecom industry, where regulatory processes involve multiple bodies in the regulatory system. Since the liberalisation of the industry, numerous irregularities in policy formulation and implementation have ben witnessed (Hallur & Sane, 2018).

2.5 Culture

When internationalising in to a foreign country one of the biggest differences that will stand out is the culture. Different countries mean different cultures and for that reason, this field has been widely researched. There is no precise and singular definition to pin down “culture”, therefore, when talking about culture everyone understands something else. There are different cultures like: pop culture, national culture, youth culture just to name some (Schech & Haggis, 2000). One of the most important frameworks to try and explain culture and compare it to each other, is the one of Hofstede (2001). At first, he defined five different dimensions to compare
culture with each other. Later he felt that adding a further dimension would help in the description of the cultures (Hofstede, et al., 2010), changing it to the framework known today. The six dimension he defined are: Power Distance Index, Individualism versus Collectivism, Masculinity versus Femininity, Uncertainty avoidance Index, Long Term orientation versus Short Term orientation (Hofstede, 2001) and Indulgence versus Restraint (Hofstede, et al., 2010).

Doing business in India is certainly different than doing business with European countries, such as Switzerland. The autocratic nature of Indian institutions has a big influence on negotiations, since they have a hierarchic way of doing business, decisions are made at the top level. This leads to high bureaucracy, especially when dealing with Indian institutions and it can drag out the negotiations process (Cavusgil, et al., 2013). That is why it is important to meet the right people, whereby Agents may help. Foreign negotiators must be aware that Indians do not appreciate disagreement or criticism of superior executives (Katz, 2006). For that reason, building trust and respect is very important when negotiating in India. The time to build trust is usually shorter than in other Asian countries, since Indian negotiators like to begin talks fairly quick. Indians expect information’s including data and facts and it is important to be as precise as possible. A clear and direct approach is favourable but be aware of emotions and direct confrontations and when doing business in India being prepared for long and competitive negotiations is recommended (Cavusgil, et al., 2013). Willingness to compromise can prove as effective (Katz, 2006) and Indians are also known to be hard bargainers, what may have an impact on price negotiations (Cavusgil, et al., 2013).

It is important to understand the differences between two cultures, especially for Swiss entrepreneurs that want to do business in India. Therefore, it makes sense taking a closer look at both cultures and compare them using Hofstede’s six-dimension model.

Starting with Power Distance, India scores a high value with 77 compared to Switzerland with 34. India appreciates hierarchy and top-down structure in society and organisation. On the other side there is Switzerland where the society believes that inequalities among people should be minimised (Hofstede Insights, 2018).

In the dimension Individualism, India scores 48 making them a country with both collectivistic and individualist traits. Switzerland’s score of 68 leads them to be an individualist society, that takes care of themselves and their immediate families only (Hofstede Insights, 2018).

For masculinity India scores a value of 56 and Switzerland 70, therefore, both are considered a masculine society. India has a masculine behaviour when it comes to visual display of success and power. Also, Swiss society show the same behaviour and are highly success oriented and driven, in private live as well as in work life (Hofstede Insights, 2018).
India scores a value of 40 for uncertainty avoidance and Switzerland 58. This means that Indians have a medium low preference for avoiding uncertainty. They accept imperfections, meaning that not everything has to be perfect or must go exactly as planned. On the other side Swiss people have a higher preference for avoiding uncertainty and there is an emotional need for rules, precision and punctuality are the norm (Hofstede Insights, 2018).

In the dimension long term orientation, India scores a value of 51 and Switzerland 74. With this score a dominant preference in Indian culture cannot be determined. Time is not linear, and therefore is not as important to people. On the other side Swiss culture can be defined as pragmatic. Traditions are easily changed to new conditions (Hofstede Insights, 2018).

In the last dimension, Indulgence, India scores a value of 26 whereas Switzerland achieves a value of 66. India has a culture of restraint. They have a tendency to pessimism. Further they do not put much emphasis on leisure time and control their desires. They feel that their actions are restrained by social norms and indulging themselves is somewhat wrong. On the other side Switzerland scores high in this dimension, meaning that they have the willingness to realise their impulses and desires with regard to enjoying life and having fun. Their attitude is positive and there is a tendency towards optimism (Hofstede Insights, 2018).
2.5.1 Theoretic Framework

The theoretic framework shows how the theories discussed relate and influence each other. It will build the foundation for the analysis. India as a country, being an emerging market, has a different culture than Switzerland. Culture has been explained by Hofstede’s six-dimension model, which describes different aspects of culture and will be a part of the analysis. Further, India has different formal institutions than Switzerland that need to be dealt with when internationalising and starting a business there. These two factors influence the internationalisation process of a company. Unexpected problems may occur, that have to be solved. The way of dealing and getting problems solved are certainly different to Switzerland. In addition, psychic distance will be mentioned in the analysis since it has both, influence on culture and institutions. All these factors together influence the internationalisation process of the Swiss start-up. Dealing with this cultural and institutional problems may cause a delay in the international problem. This could be because of bureaucracy, different time perception or simply because the knowledge to deal with the problem is not available.
3 Methodology

*In the following chapter a comprehensive understanding of the methodology, selected for this thesis, is provided. The chosen research approach, method and design are elucidated together with the sampling, interviews, cases and the operationalisation. Furthermore, aspects concerning the validity, reliability and the ethical considerations of this research are mentioned.*

3.1 Research approach

Deduction is a kind of reasoning that urges to be conclusive. This means, for a deduction to be correct, it must be valid and true. It is true if the premises given agree with the real world and it is valid, if the conclusion necessarily follows from the premises. This basically means, that the deduction is valid if it is impossible for the conclusion to be false if the premises are true (Cooper & Schindler, 2011). The deductive approach is the most frequent way of looking at the relationship between research and theory. First a hypothesis needs to be deducted, based on what is known about a domain and the theoretical considerations within it, and afterwards it needs to undergo empirical testing (Bryman & Bell, 2015). In other words, first the theory and hypothesis or research question are developed and afterwards a research strategy is designed to test the before named thesis (Saunders, et al., 2009). The Hypothesis itself consists of different concepts that need to be translated into researchable entities. This means there is a need to elucidate how data can be collected in combination with the concepts. Theory and research questions deduced are the parts that come first in the deductive research approach and drive the process of gathering data (Bryman & Bell, 2015).

Deduction owes more to positivism and the inductive approach to interpretivism (Saunders, et al., 2009). According to Robson (2002), there is a list of five sequential stages through wich deductive research will progress: deducing a hypothesis, expressing it in operational terms, testing it, examining the specific outcome of the inquiry and in the end modifying the theory in the light of the findings, if necessary.

If the theory is modified, as mentioned in step five, an attempt is made to verify the new theory by starting again at the first step, repeating the whole cycle (Saunders, et al., 2009).

In addition to the deduction there are also two more approaches which are applicable when doing research. The first is induction whereby a conclusion is dawn from facts (Cooper & Schindler, 2011) and the theory is the outcome of the research done (Bryman & Bell, 2015). The second being abduction, which is a mental process which results in no more and no less than a guess (Bohnsack, et al., 2003).
Since this paper’s research questions derive from previous research and assumptions in the international business field, the research in this thesis was approached in a deductive manner. Deriving from a theoretical framework is the most suitable way to conduct the following research. Because theories on the internationalisation and entrepreneurship are being applied, inductive or abductive approaches would not have suited this study.

3.2 Research methods

Even though qualitative research was mostly looked at as simply being “not quantitative research”, this has changed over the past few years. The research method has developed its own characteristics, even though to this date it is difficult to find a definition of qualitative research that is accepted by most of the researchers (Kvale, 2007). It is often described in contrast to quantitative research, since doing the comparison is easier, than to define them. Some of the major differences are that qualitative approaches concerned with interpretation and understanding, whilst quantitative on the other hand explains, tests hypotheses and analyses statistics. Furthermore, is the data collection and the analysis in qualitative research clearly sensitive to social and cultural context, whereas quantitative research excels at structured and standardised modes of collecting data (Eriksson & Kovalainen, 2016). The qualitative approaches are best used when trying to generate new theories, achieve a deep understanding of a particular issue and to present detailed narratives (Murray & Beglar, 2009). According to Saunders, Lewis and Thornhill (2009) the qualitative method is used in context with techniques and analysis procedures using non-numerical data.

Despite that the qualitative research inhabits multiple different approaches, there are some common features that can be identified. Those are that the research is intended to approach the world, to understand, describe and to explain. This is done by analysing either experiences, interactions or documents (Kvale, 2007).

As mentioned before, qualitative research has different theoretical and methodological approaches, nevertheless is it possible to define certain characteristics that occur when conducting qualitative research. For one, it accesses information in its natural context and it develops concepts in the process of the research. Furthermore, the researchers themselves are inevitably part of the research process, either with their personal presence as researchers or in terms of experiences in the field. Also, qualitative research takes context into consideration and is often heavily based on text and writing (Kvale, 2007). Those are the reasons this paper is using qualitative data.

When doing research, there is the possibility to either choose a mono method or multiple methods, including multi-method and mixed-methods, to answer a research question or test a hypothesis. The mono method refers to using a single data
collection technique and the corresponding analysis procedures (Saunders, et al., 2009).

This paper aims to understand the problems that occur during the internationalisation process of Swiss Start-ups into the Indian market. Since a deep knowledge is required to answer questions concerning this topic, the mono method qualitative has been chosen. It was required to gain a good understanding of the circumstances, in which the company and the entrepreneur were situated. Therefore, quantitative methods were not well suited for this study.

3.2.1 Data collection

When using data for a specific research, it has certain characteristics. Either it is gathered specifically for the research, making it primary data (Saunders, et al., 2009), or it has already been produced by others (Matthews & Ross, 2010). The latter kind is called secondary data and has been produced for other purposes than the specific research it is used for (Saunders, et al., 2009). The primary data is gathered by the researcher using a data collection method appropriate to the type of data that is needed (Matthews & Ross, 2010).

The empirical data gathered in this paper is primary data and it is done through interviews. Interviews ultimately go back to the form of the conversation. The purpose is to collect views, opinions and interpretations to better understand their meaning (Moser, 2003). The interview is a form of verbal communication in which the interviewee has the fundamental task of actively reconstructing experiences, actions and knowledge (Bohnsack, et al., 2003).

Qualitative interviews can have many forms. Some even resemble everyday conversations. In those, the target is more about the interaction rather than the lone transfer of information (Eriksson & Kovalainen, 2016). When doing an interview, it is particularly important that there is an atmosphere in which an open conversation can develop. The person conducting the interview should not pressure the interviewee, ask any suggestive questions and should take on the role of a neutral listener. Nevertheless, it must be ensured that the flow of discussions does not dry up, that a topic is not left too quickly and that the topic area is completely covered (Moser, 2003). According to Eriksson & Kovalainen (2016), there are three different types of interviews. Those are structured and standardized interviews, guided and semi-structured interviews and unstructured, narrative, informal and open interviews. The Guided and semi-structured interviews use a pre-designed outline of topics, issues and themes to question the interviewee. The flexibility of this type of interview is clearly bigger, than in the structured and standardised ones but it takes experience to make sure that all topics are covered and to probe for more in-depth responses (Eriksson & Kovalainen, 2016).
For the empirical research of this paper, the semi-structured interview type was chosen. The pre-designed outline helped to keep track of the relevant topics questioned in the interview, whilst also leaving space for flexibility, which is needed to really get in-depth responses from the interviewees.

3.3 Research design

In empirical research there are not only different types of research, but also different types of research designs. The choice of those designs ultimately follows a fundamental goal: hypotheses claim to explain interrelationships as clearly as possible (Paier, 2000). There are many different designs according to Murray & Beglar (2009), namely the survey research, quasi-experiments, true experiments, ethnographies, case studies and narratives.

The approach chosen in this research is the case study design. Case studies are intensive, in-depth studies of a specific individual in a certain context. This bares the potential to consider a certain case in great depth (Murray & Beglar, 2009). Additionally, this strategy has the ability to answer questions like “how?”, “what?” and “why?”. Therefore, the case studies are often used in explanatory or exploratory research (Yin, 2003). When doing case study research, there are two dimensions, according to Yin (2003), that need to be taken into consideration. The first being single case vs multiple case and the second being holistic case vs embedded case.

The multiple case looks, as the name indicates, at more than one case alone. This method is often used when there is a need to establish whether findings in a single case study also occur in other cases or if there is the need to generalise from the findings (Saunders, et al., 2009). Doing multiple case studies is preferable to the single case ones, since for doing a single case study, a strong justification is needed (Yin, 2003). The difference in the holistic and embedded approach is whether one thing is looked at in the case, or if smaller sub-units are considered (Saunders, et al., 2009).

To do this research it has been chosen to use a holistic multiple case study design, based on the five companies. This decision has been made to gain a deep understanding of the different chosen cases and their situations. Furthermore, this research design is especially well suited to answer the research questions stated in this study. The holistic approach has been chosen since the goal of this paper is to gather information about how the company reacted to the confrontation with problems during the internationalisation process.
3.4 Sampling

Sampling is needed whenever there is no possibility to analyse data from every possible case, which is called census. However, to answer research questions, there is often a need to sample, which is the case in this paper. In general, there are two types of sampling, including further subcategories with different uses and approaches to the sampling process. Those two are probability and non-probability sampling. The probability or representative sampling is mostly associated with survey-based research (Saunders, et al., 2009). This is the reason it is not taken into consideration for this paper.

The Non-probability sampling is mostly used in business research such as case studies, which was applied in this paper. In those sampling methods, the sample is chosen in some way or another, which makes it a non-random sampling (Saunders, et al., 2009). The method chosen for this thesis is the purposive or judgmental sampling, which enables the researcher to select the cases to a certain extent, so the research question can be answered. It is often used when working with very small samples, as it is the case in this study, and allows to pick particularly informative cases (Neuman, 2005). When picking the cases in the purposive sampling it is important to choose cases which are information-rich so the chosen sample is representative (Patton, 2002). This sampling method was used to select the five start-up companies featured in this paper, based on their past experiences regarding the internationalisation into the Indian market and their ability to provide key information regarding the researched topic.

The criteria, that are set to choose possible cases for a study, should reflect the purpose of the research and should guide the researchers in the right direction to identify appropriate cases. Therefore, the sampling was limited to companies and respondents which fit the following criteria:

The company must…
1. be a Swiss Start-up.
2. have either down- or upstream activities internationalised to in India.
3. be Born Global.
   a. Generate at least 25 per cent of profits through export.
   b. Operating in multiple countries.
   c. International active within the first 3 years.

The interviewee must…
1. have substantial familiarity with the internationalisation process of the company
2. have experience on working with actors in India
3. be involved with the operation in India.
The interviews were done with key informants, which are, in the case of this study, one per company. This approach was chosen, since our content of inquiry implicates, that no in-depth information can be expected from a quantitative survey (Kumar, et al., 1993). Informants tend to generalise patterns by summarising observed and expected behaviour (Seidler, 1974). Those key informants were chosen not to be representative of the members of the organisation in statistical terms, but because they are knowledgeable about the researched issues and willing to communicate to the researchers (Kumar, et al., 1993).

The companies, which are found fitting for this study, were contacted through either the company’s e-mail address or through contact forms available on the company website. When the companies did not respond within a reasonable timeframe, the authors contact them via phone call, to make sure the initial contact through electronic media worked and to ascertain the willingness to participate in the interview.

3.5 Cases

3.5.1 Abhati GmbH

Abhati Suisse is a company founded in Switzerland producing and selling hair-, body-, and skincare products. A significant part of the profit of the company goes to support local farms, woodland and educational programmes in India. The vision of the company is to improve the world one product at a time (Abhati Suisse, 2018), which they clearly do. Thanks to the collaboration with “www.educategirls.ngo”, Abhati made it possible for approximately 120’000 girls to acquire education.

3.5.2 Company A

Company A is a Swiss based Start-up with an Indian co-founder, focusing on web development for the health vertical. They launched multiple applications for the German speaking and the Indian market, accessible on many different devices, with certain specifications to the special needs of the companies in the different countries.

3.5.3 Alemnis SA

The company Alemnis provides leading-edge micro- and nanomechanical property measurement instruments to enable breakthrough academic research in material science in a wide variety of testing environments. Their nanoindentation products are produced through years of experience in the design of scientific instruments and piezoelectric transducers conducted together with EPFL (Swiss Federal Institute of Technology, Lausanne) and Empa (Swiss Federal Laboratories of Material Science and Technology, Thun).
3.5.4 Payrexx AG

Payrexx was the first provider to develop a cloud-based solution that offers online payments and so-called one-page shops without programming knowledge from a single source. With the innovative tools of Payrexx companies, institutions, private persons and public institutions can start immediately and accept credit card payments. The company simplifies selling through all online channels so that everyone can trade online, regardless of their knowledge and capital. This is achieved through the most advanced technologies and by combining current payment and e-commerce processes into simple and customer-oriented sales tools.

3.5.5 Dizmo AG

Dizmo is a company which make so-called interface of things. This means they programme disruptive, multi-purpose and OS agnostic visual workspaces for the internet of things. The term agnostic shows, that the program will work equally well on Windows, Linux, MacOS or Android platforms. The software can be controlled over touch-surfaces, gestures, voice activated devices, trackpads and old-fashioned mice. The building blocks of Dizmo are individual “Dizmos” which is a self-contained digital object. Those objects can be combined to create new functions like for example: when a thermometer Dizmo is combined with a smart lightbulb controller, it will change the colour of the lightbulb according to the current temperature.

The table below presents the five cases featured in this research, providing key information about the company and the interviewee:
Table 1 - Cases (own illustration)

<table>
<thead>
<tr>
<th>Items</th>
<th>Abhati GmbH</th>
<th>Company A</th>
<th>Alemnis SA</th>
<th>Payrexx AG</th>
<th>Dizmo AG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responders information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Anju Rupal</td>
<td>Person A (Name was changed)</td>
<td>Jean-Marc Breguet</td>
<td>Maxim Zimin</td>
<td>Martin Wirth</td>
</tr>
<tr>
<td>Position</td>
<td>CEO and Founder</td>
<td>CEO and Co-Founder</td>
<td>CEO</td>
<td>Business Development Manager</td>
<td>Business Requirements Analyst</td>
</tr>
<tr>
<td>Firms profile</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size (Nr. of employees)</td>
<td>12 (whereas 10 are volunteers)</td>
<td>7 in Switzerland and 7 in India</td>
<td>6-8</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Sector</td>
<td>Beauty products</td>
<td>Practice management system for smartphones</td>
<td>Design and Sales of Scientific instruments</td>
<td>Payment platform</td>
<td>Web based workspace</td>
</tr>
<tr>
<td>Tech level</td>
<td>Low-tech</td>
<td>High-tech</td>
<td>High-tech</td>
<td>High-tech</td>
<td>High-tech</td>
</tr>
<tr>
<td>International business activities</td>
<td>Export sales as percentage of total sales</td>
<td>60 per cent</td>
<td>25 per cent</td>
<td>90-95 per cent</td>
<td>40-50 per cent</td>
</tr>
<tr>
<td>Foreign markets</td>
<td>• USA</td>
<td>• Switzerland</td>
<td>• EU</td>
<td>• Worldwide</td>
<td>• Worldwide</td>
</tr>
<tr>
<td></td>
<td>• Australia</td>
<td>• Germany</td>
<td>• UK</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Switzerland</td>
<td>• Austria</td>
<td>• North</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• India</td>
<td>• America</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Japan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.6 Operationalisation

A deep understanding was gained of existing literature, concerning the topic they are researching, before developing an interview guide (Jacob & Furgerson, 2012). This step is necessary for the researcher to gain knowledge of what has already been researched, so a certain guidance for the questions, that need to be posed, can be gained. The questions contained in the interview guide must be designed in a way, so they can portray the real world in a manner, so a reference to the before mentioned theory can be made (Potter, 2013). In this study the semi-structured interview is applied, which means a lower degree of structure is used in the interview guide. This allows for the interviewer to use a broad range of the ideas, experiences and observations of those being interviewed (Alvesson, 2011). To design the interview guide, the concepts explored in this thesis are operationalised and mentioned in detail in the following table.

Table 2 - Operationalisation (own illustration)

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Interview questions</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background</td>
<td>1 – 5</td>
<td>These questions serve the purpose to get information about the company itself, its business in India and the interviewee providing the information during the interview.</td>
</tr>
<tr>
<td>Internationalisation</td>
<td>6 – 10</td>
<td>This part of the questionnaire aims to gather information about the internationalisation process of the company. Where it internationalised to, how and why.</td>
</tr>
<tr>
<td>Institutions</td>
<td>11 – 15</td>
<td>The third part concerns the institutions the company had to work with when internationalising to India, differentiating the Swiss and Indian institutions and providing Information about institutional problems and found solutions</td>
</tr>
<tr>
<td>Culture</td>
<td>16 – 21</td>
<td>The culture part of the questionnaire elaborates perceived cultural differences between the home and the host country. Furthermore, it gathers information about implemented cultural adaptations, problems due to culture and solution approaches to those problems.</td>
</tr>
<tr>
<td>Concluding questions</td>
<td>22 – 24</td>
<td>The final part gives the interviewee the possibility to provide further information, add advice for future entrepreneurs and voice any other kind of thoughts.</td>
</tr>
</tbody>
</table>
The semi-structured interviews were done through Skype, whereby two out of five have been done as a video call and three were simple Skype phone calls. The interviews were conducted between the 8th and the 17th of May, using an interview guide and recorded by the authors, to later transcribe them and to make sure to not miss out on any useful information when writing the empirical findings. The interview questions were stated open and due to the structure of the interview, follow up questions could be asked. The average duration of the interviews conducted was 40 minutes.

3.7 Data Analysis

For analysing qualitative data, there is no standardised method due to the diverse nature and the features of the data. Still, there are three main groups in which the gathered data can be grouped. Those are summarising of meanings, categorising of meanings and structuring of meanings using narratives (Saunders, et al., 2009). Summarising the data refers to shorten down long statements to a few words, through which the principal themes emerge from the interview. Categorising the data is done by deriving categories and afterwards attaching meaningful chunks of data to them. The structuring of data using narrative refers to fragmenting the qualitative data and presenting it as a story with a beginning, middle and end (ibid).

A further possibility to differentiate procedures of analysing qualitative data is either doing it deductive or inductive. An inductive way was chosen for this thesis, where no predetermined categories are used to categorise the data, but the categories emerge during the process of analysing (Saunders, et al., 2009).

In the empirical findings chapter, each company is presented separately, involving detailed case study write-ups for each company producing a standalone description (Eisenhardt, 1989). Like mentioned in Saunders, et al. (2009), the data was therefore summarised to show the reader a more compact and lucid picture of the gathered data.

The analysis started out with a case-by-case breakdown of the data, before starting a cross-case analysis (Carson, et al., 2001; Miles & Huberman, 1994). The reason behind this decision is that qualitative data analysis is especially well suited when trying to deepen the understanding of a topic and when trying to explain (Miles, et al., 2014). The aim is to categorise the qualitative data found through the interviews. The cross-case analysis strives to describe and present the characteristics of the findings which are similar from case to case. This does not only deepen the understanding of the data but also enhances the generalisability (Miles & Huberman, 1994). Therefore, different categories are assigned to specific units of raw data as mentioned by Saunders, et al. (2009)
3.8 Research Quality

3.8.1 Reliability

Following the recommendations of Yin (2003) and Saunders, et al. (2009) the quality of this research is ensured by including measures to guarantee the reliability and the validity of the thesis.

Reliability concerns the trustworthiness and the consistency of research findings. This basically means, that the findings should be similar if the same research is done at another time by other researchers (Kvale, 2007). The reliability of a research can be assessed by asking if the measures yield the same results on other occasions, if similar observations be reached by other observers and if there is transparency in how sense was made from the raw data (Easterby-Smith, et al., 2008).

To guarantee the reliability in a research, there are four major threats that need to be taken into consideration. Those are subject or participant error, subject or participant bias, observer error and observer bias (Robson, 2002). The first refers to that research can output different results in different scenarios. For example, if a research studies the degree of work enthusiasm of employees, the results may differ when the asking the employees on a Monday morning or Friday afternoon. Subject or participant bias is similar to the error and concerns if the questioned respond with what they think they should answer. The observer error is about the influence of how questions are asked. This problem can be contradicted by adding a high degree of structure to the interview schedule. Finally, the observer bias concerns the interpretation of the replies gathered (Saunders, et al., 2009).

To strengthen the reliability of this paper, the same questionnaires have been used to interview all the respondents during this study. This was done to gather consistent data throughout the collection process, to make the data comparable and measurable to each other.

3.8.2 Validity

Validity concerns whether the findings are really about what they appear to be about and if the relationship between two variables is a casual one (Saunders, et al., 2009). As mentioned by Kvale (2007), does validity in social sciences pertain to the issue whether a method investigates what it should investigate. Generally speaking, validity is about the truth, the correctness and the strength of a statement. Robson (2002) has also mentioned the threats to validity, which are the history, testing, instrumentation, mortality, maturation and ambiguity about casual direction.
The first refer to misleading outcomes due to events in the past, the second is about the precepted influence of the outcome of the study which may influence the results and the third copes with changed behaviour because of the testing. The mortality takes into consideration the out dropping of participants of the studies and maturation regards if other events may influence the result in any way. Finally, ambiguity about causal direction is an especially difficult issue. It is about the possible uncertainty if, like shown in a result, really one factor is due to another, or the other way around. An example for this problem is: do employees have a negative attitude due to a poor performance rating or the other way around (Saunders, et al., 2009).

To ensure the validity of this research, the gathered empirical data is given to the interviewees. This respondent validation enables the partners to revise wrongly interpreted data, so misconcepted data can be eliminated from this thesis. Furthermore, the validity of the data is increased through the process of triangulation. This is a way to increase the validity of inference of qualitative and quantitative data by combining varieties of investigators, methodologies and theories onto the same phenomena (Denzin, 1978). Therefore, both authors of this paper separately interpret the data and in case of any incongruities, the respondents are contacted again to clarify the situation.

### 3.8.3 Ethical considerations

Ethics influence the way the everyday life is lived. Not only society and economy are regulated by numerous written and unwritten laws and regulations, but especially the science becomes more and more complex (Eriksson & Kovalainen, 2016). Ethical issues bare a huge importance in conducting research and cannot be ignored. When doing research, the ethical guidelines, provided by the university attended should be consulted. Those may vary from university to university, but the following general guidelines are applied in most institutions (Murray & Beglar, 2009). Obtain permission to gain access to the participants, let them know that the participation is voluntary and that they may ask questions about the study. Furthermore, it is important to inform the participants about their role in the study, the confidentiality of all data must be protected, and the identities of the participants need to be divulged. Also, of high importance is, that physical or emotional distress, as a result of the study, is not allowed (Murray & Beglar, 2009). Ethical principles, like informed consent, avoidance of deception and Kant’s universal principle of respect, go all together into the research in a more general way (Eriksson & Kovalainen, 2016).
To conform to the ethical considerations, transparency was ensured by informing the companies and the respective interview partners about the study and the role they are playing within it. Through this, the participant’s voluntary consent to being involved was also given for this study. Furthermore, all interviewees were informed that they can ask any questions about the study. The possibility for anonymity, in the final thesis, was offered for both, interview partners and the companies. If anonymity was wished for, it is made sure that the collected data cannot be tracked back to the respective partner or company.
4 Empirical findings

In this chapter the empirical data that were collected during the interview for this study are presented. The chapter starts with an introduction of the companies and the respondents. Thereafter the respondents’ experiences of the cultural differences, the institutions and the internationalisation are mentioned. This chapter follows the conceptual framework to create a clear structure. The interviews were conducted between the 8th and 17th of May.

4.1 Abhati GmbH

The company Abhati GmbH is a limited liability company founded for a simple reason, to change the world. The venture develops and distributes a natural beauty product line, which is heavily inspired by Ayurveda and manufactured in Switzerland. They get the raw materials used for the production directly from farmers in India and the research and development, as well as the manufacturing process itself takes place in Switzerland. Great importance is attached to ensuring that the products are not only good for the people using them, but also for the environment. This means, every product sold by Abhati is biodegradable. The prices of the product are calculated that after covering the manufacturing costs, each sold product finances an Indian girl the school fee to ensure its education and make a change in the world. Another unusualness of the company is that it was founded by different experts of the beauty industry, for example an award-winning designer and a very well-known formulator noted for his perfume line, and all the work done by those specialists is completely pro bono.

The person conducting the interview with us was Anju Rupal, founder and CEO of Abhati GmbH. She is a very experienced entrepreneur, since this company is the third one she founded. She functions as conduit, speaking for the other team members. Her connection to the business in India is that she launched the foundation Weforest.org, which already planted over 17 million trees mainly in Africa, Indonesia, Brazil and India. This is how she got in contact with the tribal farmers which now supply the company with the raw materials needed for production of the products.

4.1.1 Internationalisation

Ms. Rupal stated: “The decision to internationalise into the Indian Market only came up because of my previous work for Weforest.org”. In her time working for the company in India she saw a lot of unused botanicas and that the local tribal farmers were lacking a source of income. Since Abhati is a social enterprise and has the vision to improve the world, they saw the chance to make a difference not only by sending Indian girls to school with the collected profits, but also by accessing their...
resources through those farmers and giving them the possibility to generate a steady income. The company mainly sells their product in Australia, USA and Switzerland and around 60 per cent of the revenue is generated through export. They are not selling their products to India, but only buying their raw material from this area. Ms. Rupal described the internationalisation process as a series of trial and error. She stated: “Being an entrepreneur, especially when doing business abroad, is a huge journey and many mistakes are always made”. She explained, that the beauty industry particularly has a lot of legislations attached to it, when doing business in this sector. Right now, the company deals itself with all the paperwork, mainly through a befriended lawyer, but is thinking about outsourcing the administrative work, regarding the shipping and further administrative tasks, to another company.

4.1.2 Institutions

Regarding the institutions, the beforementioned lawyer, who is also not charging any costs for doing his work, dealt with all the ongoing institutional affairs. Ms. Rupal stated: “Since I already started two different companies before Abhati, I learned that it is better do hire a freelancer, than trying to deal with the whole workload by myself”. She explained, as mentioned before, that many different legislations are attached to doing business with beauty products. In Switzerland alone, there needs to be gathered a certificate, but when trying to sell the product abroad, a global certification needs to be obtained, so the product can make it through customs. In general, there is a lot to manage, regarding the institutional difficulties of the beauty industry. Another highly critical factor, regarding the institutional point of view, is that the company is sending money to the NGOs abroad. This generates another huge workload to make sure everything is legally sound. Ms. Rupal said, that she did not encounter any problems regarding the formal institutions, neither in India, nor in Switzerland and she accredited this success solely to the lawyer, who is an expert on his field. She recommends any future entrepreneur, who is willing to undertake the endeavour to internationalise with a product or service, to surround him-/herself with specialists.

4.1.3 Culture

The Indian culture is changing a lot, according to Ms. Rupal, which is mainly because of Indians traveling a lot. “They are hungry to learn, travel and see different places”. She feels like there is a rift happening within the culture, due to the collision of the western and the eastern world. She feels, that the biggest cultural differences are due to the difference in population, when comparing India to Switzerland. Because of the dense populace in India, the people are very open and family oriented, whilst Swiss always seem to be set in their parameters. An experience Ms. Rupal personally made when working particularly with IT-employees, is that they really try to save their face. This is expressed by the fact that, even though there is a problem and they do their best to solve it, they will hesitate to admit that they
actually encountered a difficulty. On the plus side, the Indians are, due to their own
language, very diligent when using English, which facilitates doing business in the
Indian market. Another encounter with the Indian workforce Ms. Rupal had, was that
it was hard for her as a female entrepreneur, to gain the respect and trust needed to
build a successful business relationship. That was because the farming industry in
India, and business in general, is very male driven. Even though, it was a very
unusual situation for Ms. Rupal to work with, she managed to overcome this problem
by overdelivering and showing her business partners, that she could keep up. In this
way she managed to earn the respect from the male counterparts. As major cultural
issue was stated, that time perceptions work quite differently in India. Ms. Rupal
mentioned: “Doing business in India always takes longer than in Switzerland”. It was
important to make sure the Indian business partners understood that the pace in
Switzerland was faster and that the company heavily relied on the punctuality for
Abhati’s development and planning. She stated: “getting guarantees, for dealing with
these issues, was very important”. In general, Ms. Rupal recommends to future
entrepreneurs not to believe everything they hear or see when doing business in
India. There are people trying to make quick money and they do not hesitate to
benefit off naive entrepreneurs. Furthermore, she endorses to put key metrics in place
to make sure of recognising a bad partnership early enough. “It is also important to
have someone in the team to help you, who is able to navigate and understand the
Indian space”. The last tip Ms. Rupal gave for future entrepreneurs is that when
money is put on an Indian bank account, it is very difficult to get the money back
out.

4.2 Company A

This company chose the stay anonymous for our case study, the name was changed
to Company A. They are a limited liability swiss Start-up located in Zurich,
Switzerland. The core business is the development of practice management system
for doctors, therapists and dentists. It facilitates the management of patient data and
administration. They have a direct subsidiary located in Mumbai, India, where one of
the co-founders is located. There they are responsible for the development, testing,
sales of the product and for customer support. With the current development of the
software, Company A has started working with partners in Ukraine, besides the
subsidiary in India.

The interviewee also chose to stay anonymous for or case study, so the name was
changed to Person A. He is the founder and CEO of Company A. Besides his main
activities as CEO, he is also responsible for product definition and design. He was
directly involved in the internationalisation process to India and went there several
times participating in workshops and socialising with doctors. The co-founder of the
company is in India, so there is still a direct exchange between them. Currently they
are in a new development process, and Person A is working again directly with the
people located in India.
4.2.1 Internationalisation

First Person A visited a camp organised by Swissnex India, where he met different investors, partners and stakeholders and thereafter he was able to interview doctors. After gathering all the information, he analysed the market and developed the product for India. When Person A then decided to internationalise, he stated: “I wanted to work together with a partner that already knew and was familiar with the foreign market”. Luckily, he knew his partner already and therefore decided to internationalise to India. He stated: “The network of my co-founder helped a lot in the whole process, since he knew the right people and had the knowledge of the Indian market, that is very different to the swiss market”. He named differences in regulations, entry strategy or negotiations for which the local knowhow was very important. According to Person A the internationalisation process and the development of the product, until it came out on the market, took approximately one year.

Person A’s recommendation for an internationalisation to India is to always work together with a partner. “It is very difficult for a Swiss entrepreneur to breakthrough in India”. There are organisations in Switzerland that establish connections between the entrepreneur and people in India, to build up relationships.

4.2.2 Institutions

To establish a subsidiary in India, the type of company had to be limited liability and at least one per cent of the company had to belong to someone Indian. For that reason, 99 per cent of the company belongs to the mother company in Switzerland and the other percent to the Indian co-founder. The foundation of the subsidiary was easy, but thereafter the problems started. To maintain the company, a sales team and marketing was needed and therefore also money. Since Company A is still a start-up, they cannot make a huge transaction but have to send instalments. According to Person A this is very problematic because of the fear of money laundering. A huge amount of paperwork had to be worked through and they have not yet been able to solve this problem. He mentioned it as the main reason why the company has not yet been able to perform as well in India, as he had expected. They tried to solve this issue with the partner on-site. Person A stated: “After a while I gave total control for solving the problem over to my Indian partner, because the affair was getting too complex for me”. This problem has now gone on for more than a year.

Further Person A stated that the law in India is changing constantly. Just recently a new VAT-law was implemented to standardise the different VAT-rates in the country. It helps that every region has now standardised VAT-rates, but there is always expenses that come with changes. Another example given by the interviewee was almost two years ago, when the government decided to banish the 500 and 1’000
rupee bills. The reason was to prevent money laundering, what is a good cause, but it paralysed the whole country and effected their business activities.

Since the interviewee stated that Indian institutions are very bureaucratic and to solve problems takes long time, the processes are also very obscure. “Laws seem to be changing all the time. Very often our consultant comes into the office and says that a law has been changed and that new documents have to be filled in”. Even working together with local consultants does not help, he never knows what could change. There were several institutions involved in the internationalisation process, such as the migration office, the fiscal authorities and when it come to the issue of transferring money other institutions are responsible.

In this specific case the company also had to deal with Swiss institutions. The co-founder did not have a working permit for Switzerland, since he was Indian. At first, he travelled to Switzerland as a tourist but that became too costly and tedious, since a visa had to be obtained for every single trip. So, when they decided to employ the co-founder, for him to obtain a working permit, they had to go through the process required to employ a non-EU member. In Switzerland this means that the vacancy had to be announced in the domestic labour market, then, when no one suitable was found, the vacancy must be addressed to the EU labour market. Only if no one was found through these channels, someone from outside of the EU could be employed. This is a long and costly process, that took them quite some time.

4.2.3 Culture

The differences between Switzerland and India in thinking and socialising are very significant, which leads to difficulties in communication and misunderstandings. “The simplest things Indian people may understand in a different way than us Western European”. Person A also noticed differences in culture with his co-founder. For him both are equal in the company, since they are the founders of the company, and decisions are made together. The fact that Person A is 10 years older than his co-founder, will not allow the co-founder to address certain topics out of respect for him. That then leads to some misunderstanding between the two. “Hierarchy is very important for Indian people and there are many things which need to be considered for a successful partnership”. Negotiations are not directly done with the decision maker but with someone subordinate, to get to know each other better. Here Person A stated that he is very happy to have an Indian co-founder that can help him with this issue. Other than that, Indian people are very creative and always try to find a solution for problems. Many cultural differences also have to do with the religion, if there is a wedding or a funeral, they will not come to work for two weeks and do not communicate what is going on. The reliability is different than in Switzerland, so he had to learn how to deal with that issue. There are also differences in the idea of the development of the company. Other criteria, such as the family background or where
they are from, will be decisive to employ someone, even though the cast system is not being applied anymore.

The main difference between the two cultures, according to Person A, is that Swiss people act and work very rational, structured and organised, they like to plan things. The Indian people on the other hand act very intuitively, situation oriented, they plan much less and just following the flow of life. That unstructured way of living is the result of having a different time perception than Swiss people. They do not meet deadlines and come late to meetings, but Person A says that might also be a result of the size of the country. “With long distances and the transportation situation it cannot be expected that they always arrive on time”. The Indians are used to the situation and do not make the effort of being punctual.

Some adaptations had to be made to the product when launching it in India. The original idea was that the doctors using the software would register via email, but they discovered that by far not everyone had an email address. For that reason, they had to come up with a different login system. And after booking an online appointment the doctor still wants to send out a confirmation to the patient. That means that the patient can only be sure that the appointment will take place when the doctor sends out the confirmation, whereas in Switzerland the patient can be sure of the appointment when booking it online. Further adaptations had to be made in the employment process. Working conditions are different to Switzerland, where everything is much more formal and tasks are clearly defined.

The sum of all these cultural differences and cultural adaptations delayed the internationalisation process. “Trying to prevent these problems can only be done by analysing and glancing at competitors how they solved the problems”. The problem with analysing is that only a small sample is gathered of this very big market and it may not apply for everyone. Company A had to solve many problems as they came up and were not able to prevent them all. Here Person A made again a connection the lack of transparency and the complexity of the society.

4.3 Alemnis SA

The company Alemnis came into existence as Mr. Breguet, at times working at EPFL, and another person, working at EMPA in Thun, decided to join their forces. Mr. Breguet was working on micro-robotics, whilst the other person was active in material sciences. Together, they wanted to develop instruments working in scanning electron microscopes. The impact, the newly arose partnership had on the science community was good and therefore the company was founded. The company nowadays offers state-of-the-art nanoindentation technology for academia and industry, which can be fitted to various kinds of microscopes. The products Alemnis is selling, almost exclusively is sold to research centres. Alemnis is active in a niche market and a special difficulty, when working with the kind of customers like
research facilities is, that they must go through public tender. Those facts are the reason, the whole business process is taking longer, compared to more mainstream businesses.

The interview partner from Alemnis is the CEO and co-founder Jean-Marc Breguet. He holds a PhD in Micro-engineering and has more than 15 years of professional experience in academia as lecturer and senior researcher at EPFL and 20 years of experience in the industry itself. Since Alemnis is a quite small company, Mr. Breguet, as the CEO has a variety of different roles within the company. The main tasks being the business development and the customer contact. As the company head, he is also in charge for the partnerships in India and was actively involved in all the internationalisation processes.

4.3.1 Internationalisation

The company Alemnis is selling its product all around the world. Europe is one of their key markets, especially UK, France and Germany. Next to Europe, the company is also active in Northern America and in Asian countries such as China, Japan and India. Most of the sales are generated abroad, since 90-95 per cent of the company’s revenue is generated abroad. The Swiss market is also supplied but it is in comparison to the other markets quite marginal. Alemnis designs, assembles, tests and calibrates the product in Switzerland. “Most of the delicate components are manufactured in Switzerland, however some components are imported from countries like Germany and USA”, says Mr. Breguet. The decision to internationalise into the Indian market was according to him a rather opportunistic decision, due to the huge market size and the fact that the network of Indian co-workers could be used. The process of internationalisation took place through the before mentioned network to Indian universities and companies. Mr. Breguet stated: “It is quite hard, especially for a company as small as Alemnis, to place foot in the Indian market without having any connections”. The process was very time-intensive and a special emphasise was put on staying in contact with the potential partners and customers. He also mentioned that making a deal in India can take up to four years of negotiations.

4.3.2 Institutions

Mr. Breguet stated: “None of the institutional problems, we faced were due to the Indian market. The same problems appeared when internationalising into the US market too”. The biggest problem for Alemnis was the gathering of information to conform to the formal institutions. Even the simplest questions, duty for a certain service or how to do the admin documentation, were hard to get answered, since there was no reliable source to get the information needed. So, at first Mr. Breguet addressed the Swiss institutions to help with the issues, but he would not get a straight answer. Even for very short questions the company only got documents sent,
which were about two hundred pages long. Since Alemnis is quite small, and lacks the expertise to deal with the institutional concerns, the documents they received were too complicated for them to understand. “To overcome this problem as an entrepreneur, the best way is to get in contact with similar companies which have already dealt with the same situations”, says Mr. Breguet. Another resource of information the company found was Google, as simple as it sounds. It is recommended to just google for the answers and sometimes, this search engine helps more than all the two hundred-page papers.

4.3.3 Culture

The Indian culture is very rich and very diverse according to Mr. Breguet. It is less a single culture in the country and more a Mosaic of many slightly different ones. What can be said in general is that the networks are key for the Indians. Also, the family plays a huge role, not only in everyday life, but also in doing business. As mentioned before it takes quite a long time to achieve something business related in India, but having a network of your own, which helps you entering the network of potential partners in the target markets, helps a lot in terms of trust building. Regarding the building of trust, having a good reputation is very important. The Swiss label, meaning that a company was founded in Switzerland, already is quite a good starting point. Nevertheless, it’s recommended to build a brand in India. The best way to do so is having already worked with other Indian companies and having referenced international and Indian customers. Important as well is going to conferences and making publications also helps building your brand in the country. Mr. Breguet describes: “The Indians are very smart and hard workers and very reliable in terms of what they will deliver”. A downside however is the fact that the punctuality lacks quite a lot when doing business in India. He felt like the Indian workers did not have the same time perception as the workers in Switzerland. “What seems to be a difference, compared to the US American market for example, is that the Indians do not brag about accomplishments or the work they have done. They seem to be quite shy and say yes to everything”, says Mr. Breguet. With all the yes-saying, one must be very careful when working with Indian partners. They tend to never say no and suddenly they get to a point, where they simply cannot handle the entire workload anymore. When starting to do business in India, one tends to become overoptimistic, since the partners tend to say “yes” to everything, which should be avoided. Mr. Breguet also mentioned: “It is very important to know how to address issues with the Indian Partners. It is not as difficult as working with Japanese, but nevertheless, attention should be paid”. He also stated, that hierarchy is a huge topic, not only in Indian business, but also in the institutional channels. It helps a lot if requests or questions can be stated directly to a higher business level. Mr. Breguet experiences show that the entrepreneur will not get a straight answer, and trying to understand the Indian institutions channels does not make a lot of sense, but the bureaucracy will be done significantly faster that way. The general tips, Mr. Breguet would give to future entrepreneurs are, to always cross check the projects placed in
India to make sure everything works as planned, calculate more time for doing business or projects in India, work with the network provided by the Indians and try to generate a strong brand, so the partners will build trust in your company.

4.4 Payrexx AG

The Swiss Start-up Payrexx is a limited liability company with their headquarter in Thun, Switzerland. The company developed a payment platform that combines the E-commerce and E-payment process. The software was developed in Switzerland, but certain tasks were outsourced to India. The interplay between e-commerce and e-payment does not function that well, and therefore Payrexx came up with a solution. Shopping and payment can be done in only one step, instead of having an account for the shopping webpage and another for the payment process. Payrexx is a worldwide solution and is already operating across several countries in Europe, North and South America and Asia. Currently the are generating 40-50 per cent of their revenue abroad and expect to increase it every year. Their main market has been central Europe, with Switzerland, Germany and Austria, but they want to expand even more in Europe and around the world.

The person the interview was done with is Maxim Zimin, the Business Develop Manager of Payrexx. His main field of activity are international sales and distribution, he is responsible to acquire new customers and build up new partnerships all around the world. These new partnerships help to build up the reputation of the company and give it more publicity. Given his position in the company, Mr Zimin was highly involved in the internationalisation process to India and he was responsible for the partner in India, that would take over some tasks in the product development. He certainly found the right partner, since Payrexx has expanded their relationship and they now support them also with the development of sales and distribution strategies for the Indian Market.

4.4.1 Internationalisation

Mr. Zimin stated: “The decision to internationalise to India were a matter of both, networking and customer demand”. The CEO of Payrexx has already worked together with their current partner in India, but at the same time, that partner sent a request to Payrexx that he wanted to work together with them and bring their product to India. For that reason, the company did not have to invest any funds in searching for a partner in the Indian Market. Since they did not have enough capacity to manage all the tasks in the development of the software, some were outsourced to India. According to Mr. Zimin: “It also was a strategic decision because we realised that our main competitors started to invest in expanding to the Indian Market”. So, they decided to launch the payment system with the help of their partner. Mr. Zimin said: “It is essential to have a good and reliable partner, that helps you in the Indian business environment”. There are many different software developers in India and
many of them are quite bad at their job, so it is essential to invest time in finding the right partner. Once you found the right one, it is important to build a relationship. That can be quite time consuming, but it is worth it.

### 4.4.2 Institutions

Mr. Zimin said: “As a software company we did not have to do any adaptions or take any institutions into account, since we are not responsible for the payment process in India”. Their partner in India met all institutional requirements and took care of all institutional issues. There were no problems with any swiss institutions in the whole internationalisation process and also no regulations when they sold their program to India. Their partner was very reliable throughout the whole process.

### 4.4.3 Culture

Mr. Zimin describes his experiences with the Indian culture as very time consuming. He had the impression that the Indian people did not pay attention to what he said. “The feeling overcame me that they did not understand what I meant when explaining something”. This is not a problem that only he came across, his colleagues had the same impression. He had to explain several things more than once and very detailed. Explaining everything step by step was always required. “The amount of words one has to use and the effort that has to be put into explaining something is much higher”. They did not make any good experience when they let Indians solve problems themselves. He also came across with the phenomenon of face saving. They would say yes to everything and that they can do it all, but in fact they did not have the skills or resources needed.

The main differences between the Swiss and the Indian culture is, according to Mr. Zimin, “Swiss people are more serious and direct in the communication and also more transparent and clearer in the actions”. He felt like in India was always something getting hidden away, something in the background that they do not want you to know. The example was given that the partners claimed to be nearly finished with a project, but in truth they were still a year away from finalising it. This sums up, that they do not meet deadlines. Through these communication problems there was a delay in the process, but it was not to critical. There was a delay of approximately a month and a half.

When dealing with these communication problems Mr. Zimin realised that the English spoken in India is different to the UK English he learned. So, he tried to adapt to the way they speak and the words they used. He did this by analysing emails and paying attention in conversations. Furthermore, he realised that it is accepted to act more aggressive and pressurise them. That is rather unusual for us European, but it seems to work in India.
4.5 Dizmo AG

Dizmo AG is a Swiss limited liability start-up located in Zurich, Switzerland. There are 15 employees working for the company, whereat six of them are students working part-time. They developed a disruptive digital workspace with touch function. The company has clients in Europe and America, from both the west and the east coast. In Asia they are currently building up relationships and want to expand thereafter. Currently 50 per cent of the revenue is being generated abroad. In Switzerland, they work with companies like IBM or Alpiq. Further they also have a business relationship with India, a partner that is responsible for the programming and testing of the system. The main reason why Dizmo decided to outsource the department were the low costs.

The interview was conducted with Martin Wirth. He is a pre-sales engineer and is responsible for the development and testing of the product. He explained the program like a browser that displays digital objects for presentations but also to control devices like the light or heating. Since the development and testing takes place in India, he is responsible to give direct orders and makes sure that the whole process flows smoothly. This is the reason why he is in constant exchange with the people working in India.

4.5.1 Internationalisation

Mr. Wirth stated: “We have a partner in India and that partnership was concluded about three years ago”. They have a clear policy for working together with partners. As already mentioned the decision to internationalise to India was the cost aspect and what certainly also was a big plus for that location was that they speak English very well, what makes communication much easier, since the spoken language in the company is also English. Besides the partnership with India, they have an agent in Barcelona, that is responsible for building up relationships around Europe and the rest of the world.

4.5.2 Institutions

Dizmo wanted to protect the knowledge about the software developed and therefor a nondisclosure contract had to be signed by all the parties involved. But other than that, they did not come in contact with either Indian or Swiss institutions when internationalising to India. Also in this case, the partner took care of all institutional issues. Since Mr. Wirth was not yet working for the company when they internationalised to India, he does not know if there were any delays in the process due to institutions.
4.5.3 Culture

Mr. Wirth’s experience with the Indian culture have all been positive. He stated: “They stick to contracts very well and if there is any deviation you have to renegotiate those points”. They are hardworking and sometimes too detail oriented, but they always do what is expected from them. In the interview Mr. Wirth also stated: “They are very easy to contact in order to exchange information. Over all, it is very enjoyable to work together with them. It is nice to experience their working atmosphere”. Since Mr. Wirth has to plan on a short-term, from time to time, he has not occurred any problems. Sometimes there are some delays due to problems, but that has not been too severe. He stated that the biggest cultural differences between the Swiss and Indian culture for him were the bank holidays. He sometimes gets informed about absences of people on a short term, but that is tolerated by the company.

The development of the software takes place in India and there is no deadline for those projects. Also, projects that the partners do not have the necessary tools for will stay in Switzerland, so only doable projects will be developed in India. Due to this fact, Mr. Wirth has not experienced that Indians do not meet the deadlines, since the time plan will be adapted continuously to the progress made.

But he also states: “The whole process has to be reviewed all the time. Sometimes they try to solve problems and take actions that are not agreed on in the contract”. Therefore, a good documentation is very important.
5 Analysis
The following chapter presents our analysis of the empirical data gathered. This will be done by connecting the data to the theoretical framework. Similarities and differences between the theoretical framework and the empirical data will be discussed. This chapter will be structured the same as presented in the previous chapter.

5.1 Internationalisation

The Uppsala model by Johanson and Vahlne (1977) is one of the most relevant internationalisation approaches and states, that companies successively increase their commitment to foreign markets and therefore practice a stepwise internationalisation. None of the cases considered in this study followed the pattern of the Uppsala model even in the slightest. This finding is not surprising, as the model of Johanson and Vahlne (1977) is by now quite olden and many new internationalisation strategies have been developed over time, which are more fitting for companies in the present day.

One of these newer models is the Born Global theory that states according to Knight and Cavusgil (1996) that kind of businesses look for better international business performance by gathering resources and selling their product in multiple countries within the first three years from the founding of the company. This applies to all investigated companies, even though there are differences in the point when the companies actually started internationalising. Abhati for example, worked together with Indian farmers right from the founding time of the company. The other four companies on the other hand first started out in Switzerland alone and then internationalised to different countries within the first three years from founding. Company A started internationalising to India within three years of the firm’s founding and before that the company had already internationalised to Germany, Austria and Liechtenstein. Alemnis also internationalised within the first years of activity to many different markets and the same goes for the companies Payrexx and Dizmo. The time at which the company internationalises within the first three years of the founding does not influence the process in a noticeable manner. The criteria for Born Global companies set by Knight and Cavusgil (1996), being that the companies generate at least 25% of the revenues from foreign markets within three years of inception, are all fit by the cases looked at in this study. However, this was clear from the outset, as the companies were selected according to the criterion of being Born Global. Anyhow, the cases differ also in the type of internationalisation undertaken into India. Whilst the companies Abhati and Dizmo only internationalised upstream activities, Company A, Alemnis and Payrexx also exported their product to the Indian market.
A clear pattern that has emerged in all cases is the cooperation with partners in the Indian market. Every single company worked together with Indian partners to carry out the internationalisation, to take over possible organisational activities and to check the work processes in the market. However, the companies differ in the matter with whom they cooperated to ensure a smooth internationalisation process. Company A for example founded a subsidiary in India and worked together with an Indian cofounder, whereas Alemnis collaborated with different sales representatives within the market. Abhati was helped through a lawyer, who is a specialist regarding internationalisation into India and Dizmo and Payrexx maintained a close cooperation with the companies to which they outsourced different business activities. One point on which all entrepreneurs agree is that the internationalisation would not have gone so smoothly without their partners and they would also recommend cooperation with Indian partners to all future entrepreneurs trying to internationalise into the Indian market. The type of partner chosen to coordinate with during the internationalisation process does not make a difference, if they are able to navigate the Indian space to support the endeavour of the company.

Regarding the internationalisation, the findings can be concluded to that the time at which the company internationalises within the first three years does not make any difference and that it is of major importance to work together with a reliable and competent partner.

5.2 Institutions

According to Hallur and Sane (2018), the Indian government is very bureaucratic it is very difficult to do anything in connection with institutions. One reason for this situation, is that for a company to do one thing, multiple bodies of the regulatory system are involved. The five companies had mixed experiences regarding this topic. Whilst Abhati and Company A clearly confirm the aforementioned theory, the companies Alemnis and Dizmo stated that the process was no different from their internationalisation into other countries and not especially bureaucratic and complex. Payrexx on the other hand was not confronted with any Indian institutions and therefore could not give any insight into this subject. The complexity of the Indian institutions emerged to Ms. Rupal and Person A when they tried to transfer money to India, be it NGOs or the own subsidiary. Regarding the Swiss institutions, the companies had similar experiences like abroad. Ms. Rupal and Person A had difficulties, Mr. Breguet had the same problem dealing with the lack of information like in India and Mr. Zimin did not get in contact with any formal institution. The only interview partner who mentioned a difference was Mr. Wirth who stated, that unlike in India, there were no special Swiss institutions involved. The difference in perception can be explained by the fact that the companies are active in different industries. This interpretation is also confirmed by Ms. Rupal, who explictly stated that the beauty industry suffers from a lot of bureaucracy. It is always advisable to
find out about possible institutions involved before embarking on the internationalisation process.

When looking at the institutional distance, the arrangements can be considered either weak or strong, which refers to the effectiveness of market mechanisms (Meyer, et al., 2008). Looking at the strength of the Indian institutions, the only two companies who made statements were again Abhati and Company A, whilst the other three could not comment on the situation in the country. Both companies faced similar problems, regarding their financial transactions to India and Company A had to additionally give the Indian co-founder a participation on the subsidiary to simplify bureaucracy. This indicates that the formal institutions in the country still are weak but the fact that the majority of the surveyed companies did not encounter any sign of market unfriendliness against the foreign companies shows some disparities. The situation is similar to the perceived bureaucracy and therefore can again be attributed to the industry, whose institutions have not yet been sufficiently well developed.

The newly gained knowledge regarding institutions can be concluded to the dependency of the industry a company is working in. Depending on the sector in which a company operates, there are higher bureaucratic hurdles.

5.3 Culture

According to Hofstede Insights (2018) one of the major differences between the Indian and the Swiss culture lies in the Power Distance Index. The large degree of Power Distance in the Indian culture indicates that a hierarchical order, in which everybody is placed, is accepted without further justification. In a similar vein, Cavusgil, et al. (2013) found that Indians have, due to the autocratic nature of the Indian institutions, a very hierarchic way of doing business and that decisions are made in the top levels of the company. This theory was supported by Mr. Breguet, Person A and Mr. Zimin, whilst the other two interview partners did not encounter an especially high affinity for hierarchy. All three interviewees who witnessed the hierarchical structure in the companies all stated, that decisions are not made by the negotiation partner, but by the boss, whom was never met. Even though not every interview partner mentioned the hierarchy, it is of great importance to be aware of the way the systems work in India and to consider, that the decisions are made by the upper levels of business. The decision-making on a higher level also means that if the negotiating partner thinks an idea is good, does not mean that it will be implemented in the end. The high-power distance index furthermore indicates, that Indian employees expect to be directed clearly, that control is familiar and even desired and that a top down communication is the standard in the country (Hofstede Insights, 2018). The need for control was confirmed by all the companies. Every single interviewee mentioned that they implemented key metrics to check the progress and the work done by their Indian business partners. The reason the interview partners applied all the controls, was not because they knew the Indians are used to it, but because over the course of the working relationship they naturally felt that the
surveillance was needed. For them, monitoring the work of Indian partners is not a sign of mistrust, which is why cross-checks of the projects should be made to ensure its progress. The top down communication was only mentioned by Mr. Zimin, whereas the other interviewees did not deem it necessary. Person A stated the complete opposite by saying that he always treated this business partner equal. These conflicting statements indicate that this type of communication, at least in international cooperation, does not apply and is therefore not necessary. Mr. Zimin’s behaviour, which would support the theory, did not result from distinct knowledge, but from a personal feeling that it was needed, which have been prejudiced.

The low score on individualism that India reaches indicates a tightly-knit framework in the society and the expectation that relatives or other group members look after them because of the high loyalty to particular groups in the country (Hofstede Insights, 2018). This collectivistic mindset is also displayed through the tight networks which, without nothing can be done. The importance of networks was confirmed by all five companies and strongly emphasised, and three companies also expressed the connections from business to the family. All companies agree that a good network in India is indispensable. It is important to possess a network on your own and to have the opportunity to be integrated into the one of the Indian partners. An interviewee who especially forced the importance of networks was Mr. Breguet from the company Alemnis. He stated the strong ties in the Indian networks, which were also connected to the families and private life. Further he emphasised the importance of the connections one of his employees had to India, which highly facilitated the internationalisation process of the company. Entrepreneurs internationalising to India therefore are required to build their own network before entering the market. This will help finding suitable business partners, solving problems and open doors to even more opportunities.

The beforementioned theory from Hofstede Insights (2018) also plays into the aspect mentioned by Cavusgil, et al. (2013), that building trust and respect is very important when negotiating in India. This is another fact that all the companies agreed upon, which supports the theory. All interview partners stated, that the initial trust building was essential for doing business in India and that gaining the respect needed, took a long time. It is especially illustrated by the situation in which Ms. Rupal found herself when first working together with the farmers in India. She had to work hard and overdeliver to even gain the trust and respect from this business partners in the first place. The collective agreement on this topic points out the importance of trust building and that future entrepreneurs must take this aspect of the Indian culture into consideration. It will take a long time to build a relationship strong enough for the Indian partners to start doing business with a Swiss company but once this hurdle has been overcome, the Indians are enormously loyal to their partners.

This individualism dimension also considers the amount of emphasise that is laid on putting harmony of the group above the individuals and the sense of shame for losing face (Hofstede Insights, 2018). The aspect of face saving was again confirmed by all
five interviewees. Four of them, namely Abhati, Alemnis, Payrexx and Dizmo, encountered this cultural phenomenon in the same way. Their Indian partners would not inform them about difficulties they were facing but instead tried to hide the problems away and solve it by themselves. Only the Company A encountered it through the co-founder, who would not address having a different opinion directly to Person A. He did not try to save his own face, but the one of the founder of the company. Knowing about this aspect of the Indian culture is essential when doing business in the country. Entrepreneurs need to be aware that they might not be informed about certain difficulties which might delay the working process. Furthermore, they also need to know how to address issues towards their partners to not put them out in the open, since this can damage the trust between the parties.

Mr. Breguet mentioned a certain cultural trait he recognised, namely, that the Indians do not tend to brag with their work done or with their accomplishments in the past. This statement is not consistent with the theory of Hofstede Insights (2018) that the Indian culture is very masculine in terms of visual display of success and power. However, on the other hand India is a very spiritual country, with ample lessons in the value of humility and abstinence, which explains the experience of Mr. Breguet. None of the other Interviewees have mentioned any kind of display of success or power, which clearly contradicts the theory. That no interview partner detected any sign of exhibition, does not mean that it does not exist, but it indicates that it is of no importance when doing business with India. According to Hofstede (2001) this dimension also describes the assertiveness of the people. The lower value, compared to Switzerland, therefore indicates, that the Indian culture is more consensus-oriented. The latter of those three trates is coherent with the theory of Katz (2006), stating that Indians do not appreciate disagreement. Both theories are confirmed by all of the companies, sine the dislike of disagreement is connected to the aforementioned aspect of face saving, which all the interviewees experienced.

Looking at the rather low score of the Indian culture in the uncertainty avoidance index (Hofstede Insights, 2018), it indicates that Indians do not feel uncomfortable when confronted with uncertainty and ambiguity (Hofstede, 2001). This emphasises, that in the Indian culture rules are often only in place to be skirt around and one relies on methods to bypass the system (Hofstede Insights, 2018). This statement was only confirmed by one of the interviewees. Mr Wirth expressed that his partners tried to do work, that was not agreed upon in the contract, and charge the company Dizmo for it. But since none of the other companies encountered this behaviour during their collaboration with India, this cultural trait does not apply to business relations with international partners. Nevertheless, should entrepreneurs, looking to do business in India, make sure that their contracts cover all aspects of the working relationship.

A factor most of the interview partner mentioned was the difference in time perception Indians and Swiss seem to have. This plays into the dimension of long term orientation versus short term orientation defined by Hofstede (2001). This index indicates whether a culture prefers maintaining a more time-honoured tradition or if
they try to prepare more for the future (Hofstede Insights, 2018). According to Hofstede Insights (2018), to the Indian culture, time is not linear, and thus not as important as western societies might perceive it. This is also influenced by the philosophy of Hinduism, which leads to the fact that punctuality is less important and changes in plans are normal due to discovering the fated path as one goes along. Swiss workers, which work more towards an exact plan, therefore might find themselves struggling when working with people living by this philosophy. The only interviewee who did not experience any difficulties regarding the punctuality of his Indian partners was Mr Wirth. This was due to the fact, that the company Dizmo did not give any time sensitive tasks to their business associates and that jobs are given to the Indian company in a short-terms notice. Even though one company did not encounter any problems regarding deadlines with their partners, there is a high probability of delays in the cooperation. For this reason, sufficient time should always be factored and the status of the project should constantly be checked.

Psychic distance is defined as factors preventing the flow of information between the company and the market, as mentioned by Johanson and Wiedershem-Paul (1995). The factors relevant for the cultural part of the internationalisation are values, language and religion. Regarding the language, all but one interview partner stated, that the spoken and written English of their partners in India was very good. The only company that face problems regarding the communication was Payrexx. Mr. Zimin stated, that the English used by his partners was different from English he learned, which caused major problem when elaborating tasks. Ms. Rupal and Mr Wirth on the other hand both vaunted the use of the language of their partners. Those findings show that in general, no difficulties should occur when communicating with the respective business partners. Nevertheless, it is suggested to make sure that both parties properly understood each other, since communication errors might cause delays in the working progress. The only interview partner who mentioned that he had noticed something in relation to religion was Person A. However, he only noticed the differences in the absence of the employees in case of a wedding or funeral. All the other interviewees did not mention any incidents which shows, that the religion does not affect the everyday business. Nevertheless, should be taken into consideration, that key employees of the Indian partner company might be absent for a longer period of time, and that this absence can be communicated at a very short notice.

When looking at the cultural difficulties, one should be aware of the hierarchic structure, the need for networks and building trust, the fact of face saving, longer absences and possible delays in the working process. It is first and foremost important to know about those factors and calculate sufficient time whilst planning. Furthermore, should key metrics be put into place, contracts should be well worked out and entrepreneurs must inform themselves about how to cope with the face saving phenomena and how to address issues in such an environment.
6 Conclusion

In this chapter we answer your research question from chapter 1 and draw a conclusion. Further we show the limitations of this thesis and give suggestions for future research.

6.1 Answers and conclusions

Today’s world is highly global, meaning that countries are connected with each other all around the globe. Due to globalisation, nations not belonging to the western world, have been to catch up and increase the welfare of their population. Countries with especially good performance have been named emerging markets and do not make the appearance of slowing down. The four markets with the most potential are called the BRIC countries, including Brazil, Russia, India and China. Specially India is to be said one of the strongest economies by 2050. Therefor it is not surprising that companies have detected an opportunity with the countries being on a rise. Internationalisation has been motivation for companies for a while now. This is shown with the all the literature and research conducted. When internationalising cultural differences always appear. This may present a problem to be dealt with. Closely related and as well capable of presenting further problems, are formal institutions that have to be respected in the country concerned. Indicating the importance of these two aspects in the internationalisation process, we decided to research a certain group of swiss companies, internationalising specially to India. This lead to the formulation of the research question for this thesis: How do Swiss Start-Ups overcome the cultural and institutional problems they face when internationalising into India?

The cultural and institutional problems listed base on the experienced values of our interview partners and the solutions presented too. The first part of our research question concerns cultural problems that appeared and how they were solved. The literature review shows cultural differences and points out that these differences can lead to a rugged business relationship. In the empirical finding we found out that hierarchy is an important factor in India and must be respected during negotiations. Usually business is not done directly with decision makers but with their subordinates. This leads to tough and long negotiations, since everything will go backwards and forwards. Due to the hierarchic construct of the society, age is also highly respected. When two equal business partners work together, the older will have more power making decisions. This may lead to discrepancy, since in Switzerland equal partner means that both have equally much to say. Since Indian people do not like to assume responsibility, constant control and clear as strict instructions must be given. Whereat it is important to pay attention to the language. Some interviewees noticed that the English spoken is different to learned English and adapted the style. Direct communication is not a strength of Indian people. This is also due to the phenomena of face saving. An Indian person will not admit mistakes
just to not embarrass themselves and therefor lose their face. It is of advantage
keeping this in mind. This all can lead to misunderstandings and may cost time and
money. Differences in time perception were noticed. As for Switzerland is been
known for punctuality the clock certainly ticks different in India. A flexible
timelining is required. Due to the traffic situation and the lacking infrastructure, it is
just normal to run late. This can be observed in the behaviour of the people, where
meetings never start at the time set and meeting deadlines is also an issue. Building
up trust is one of the most important things in India. No one does business before
establishing a certain relationship. This was confirmed by all the interview partners.
Building up trust does not take as long as in other Asian countries but is still a
standard procedure. Talking about personal background and family is well
appreciated.

The second part of the research questions concerns the formal institutions in India
and that this may be a source of problems. The main institutional difficulties our
interview partners faced were the high bureaucracy and lack of transparency.
Addressing issues to high ranked officials will help speed up the process, but will not
bring any light to how the process is dealt with. Since the Indian Government wants
to fight hard against black money and is therefore very strict whit money coming
from abroad. This put one of the interview partners in great difficulties to settle down
and expand in India. A huge amount of paperwork must be done. Despite the
mentioned reasons, most of the interviewed people stated that they did not face any
institutional problems, because their partner took care of the issues. They did feel a
delay in the process but was not further problematic for the outcome of the process.

The most valuable advice given by all the interview partners, is when
internationalising to India to always work together with a partner. This will facilitate
the internationalisation process, since a local has the knowledge of conducting
business. Being aware of the cultural differences and knowing what to expect is very
helpful in the planning. A lot of patience is needed when dealing with institutions.
But nevertheless, the culture has to be respected to be successful in India.

6.2 Theoretical implications

This far, academic research regarding the cultural and institutional implications on
the internationalisation process of Start-ups to emerging markets has almost not
been researched. This is confirmed by the found research gap, mentioned by Knight
(2015), where he suggests conducting further research. This paper contributes to
filling parts of this gap, by investigating the cultural and institutional problems Swiss
Start-ups faced when internationalising to India. The findings of this research
indicate, that cultural differences, as well as institutional formalities, do have a major
influence on the internationalisation process of Swiss Born Global Start-ups. The
results also show that by being aware of certain cultural traits and understanding the
complexity of the institutional systems in India, adaptions can be made, and
problems can be minimised. The main challenges, which were encountered by all or most of the interview partners, regarding the cultural differences were the aspect of trust building, the high importance of networks, the importance to safe face and the difference in time perception. Further difficulties were also identified, but those were only perceived as such by individual respondents and are therefore not general problems. When looking at the institutional problems, the only difficulties that can be generalised are the complexity and the obscurity of the Indian institutions. The results agree to a large extent with the theory examined and only individual theories were not confirmed by the empirical findings. However, this research contributes an understanding of difficulties especially Swiss Start-ups face when internationalising to India.

6.3 Practical implications

Start-ups internationalising to emerging markets generally lack the knowledge about the foreign culture and institutions, as well as the financial resources to delegate the tasks to a specialist, due to their small size. However, the empirical findings show, that through simply being aware of certain circumstances and the corresponding adjustments in behaviour and planning, a lot of complications can be prevented. Accordingly, future entrepreneurs do well to inform themselves about the cultural peculiarities of a country they want to internationalise to and to seek appropriate advice on how to deal with the certain behaviours. The results further provide concrete tips on how to avoid unwanted complications. First and foremost, enough time must be calculated, regardless of what is planned to be done in India. Furthermore, the importance of having and getting into a network is indispensable and it is also recommended to always work together with an Indian partner who can support the company in the internationalisation process.

6.4 Limitations

In the process of writing this thesis we found some limitations that, in our opinion, had some influence in the quality of our findings, but also in answering the research question. One limitation that was identified after the first few interview, is that the entrepreneurs delegated the intuitional problems to their partners in India. Several questions were prepared about the Indian institutions, but if the interviewee had very little to do with those problems it was difficult gathering information about it. A second limitation is that companies from different industries were interviewed. Since every industry has their own regulations, some companies may have less institutional problems than other ones. By interviewing companies from the same industry would generate the possibility to compare the institutional problems and how they were solved.
6.5 Future research

Research regarding the internationalisation of Swiss Start-ups has barely been conducted. Especially what cultural and institutional problem can occur when Swiss Start-ups internationalise to India, has not been researched yet. Therefore, during our research, we have distinguished different topics that could contribute to the identified research gap:

- To conduct a quantitative study with a bigger sample, verify or reject the findings of this research paper.
- To investigate what institutional (formal and informal) problem can occur when internationalising to India. Since in our research paper only the formal institutions were analysed and the companies interviewed hardly could name institutional problem, a deeper research in this field would help future entrepreneurs with the internationalisation to India.
- To investigate the cultural problems Indians face when Swiss Start-ups internationalise to India. By having a perspective of Indian people when working together with Swiss Start-ups that have internationalised to India, would help to better understand the cultural differences between the two countries and contribute to a better collaboration.
- To investigate the internationalisation process of Swiss MNE’s and the cultural and institutional problems they faced when internationalising to India. Since our study only consisted of Born Global companies, this would give an overview for all Swiss companies.
- To investigate the internationalisation process of Swiss Start-ups to other emerging markets, besides India, and what cultural and institutional problems have occurred.
Interview partners

1. Abhati GmbH, CEO and founder, Skype interview [conducted 7 May 2018]
2. Company A, CEO and co-founder, Skype interview [conducted 17 May 2018]
3. Alemnis SA, CEO and, Skype interview [conducted 8 May 2018]
4. Payrexx AG, Business Development Manager, Skype interview [conducted 9 May 2018]
5. Dizmo AG, Business Requirements Analyst, Skype interview [conducted 8 May 2018]

References

Anon., n.d.


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Appendices

Interview questionnaire

Interview Questions: How did Swiss Start-Ups overcome the cultural and institutional problems they faced when internationalising into India?

We are David Soares and Maurice Marti, Bachelor Students from the Linnaeus University in Kalmar, and we are currently working on our thesis about Swiss start-ups internationalising to India. This interview is conducted to gather information about the experiences companies and the respective entrepreneurs faced as they embarked this venture. The information gathered during this interview will only be used for academic purposes.

Background

- What is your position in the company? What are your main tasks?
- What is your role in your company’s business in India?
- Were you involved in the internationalisation process of the company?
- What is the main activity of the company?
- What is the size of the company? (Number of employees)

Internationalisation

- What percentage of your revenue is generated through export?
- In which international markets is the company operating in?
- Is only production in India or are you also selling your product on the Indian market?
- Why did you choose to internationalise to India?
- Explain the internationalisation process to India? (Internationalisation process / entry mode)

Institutions

- What kind of Indian institutions were involved during the internationalisation process of the company? (Definition of institutions according to your text is given)
- What kind of Swiss institutions were involved during the internationalisation process of the company?
- What were the major institutional problems the company faced during the internationalisation process?
- Did those problems delay the internationalisation process?
- How did the company cope with those institutional problems?

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1 This questionnaire only concerns “formal institutions” which are created, communicated and enforced through channels of generally accepted official organisations (courts, legislatures, bureaucracies) and state-enforced rules (constitutions, laws, regulations).
Culture

- How would you describe the Indian culture?
- What do you think are the major cultural differences between Switzerland and India?
- Have you implemented any cultural adaptations to the Indian market?
- What were the major cultural problems the company faced during the internationalisation process?
- Did those problems delay the internationalisation process?
- How did the company cope with those cultural problems?

Concluding questions

- Is there anything in general you would like to add to this interview, that has not yet been talked about in this interview?
- Are there any tips you would like to give future entrepreneurs when they are first entering the Indian market?
- Would you like to be informed about the findings of our study?

Thank you for our time and your willingness to share your information with us.