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When seeking to internationalize in **developing countries** having social ties will help you overcome the poor rules and regulations established as well as informal constraints. It will provide easier access to information regarding the local market and give entrepreneurs a competitive advantage over newcomers. These **social ties** will only help you achieve **success over time** if they are **well-managed**.

## INTERNATIONALIZATION PROCESS

### EARLY STAGES

From pre-internationalization until they are still getting established in the local market. No profit generation yet. Did not establish a reputation yet.

### LATE STAGES

Became familiar with the local market. Profit generation has begun. Acquired enough information about their industry. Developed internal channels and obtained resources. Established a clientele and secured suppliers.

### Strong & Dense Network

- Trust
- Confidence
- Easy coordination
- Willingness to help
- Effective knowledge exchange
- Free and frequent flow of information

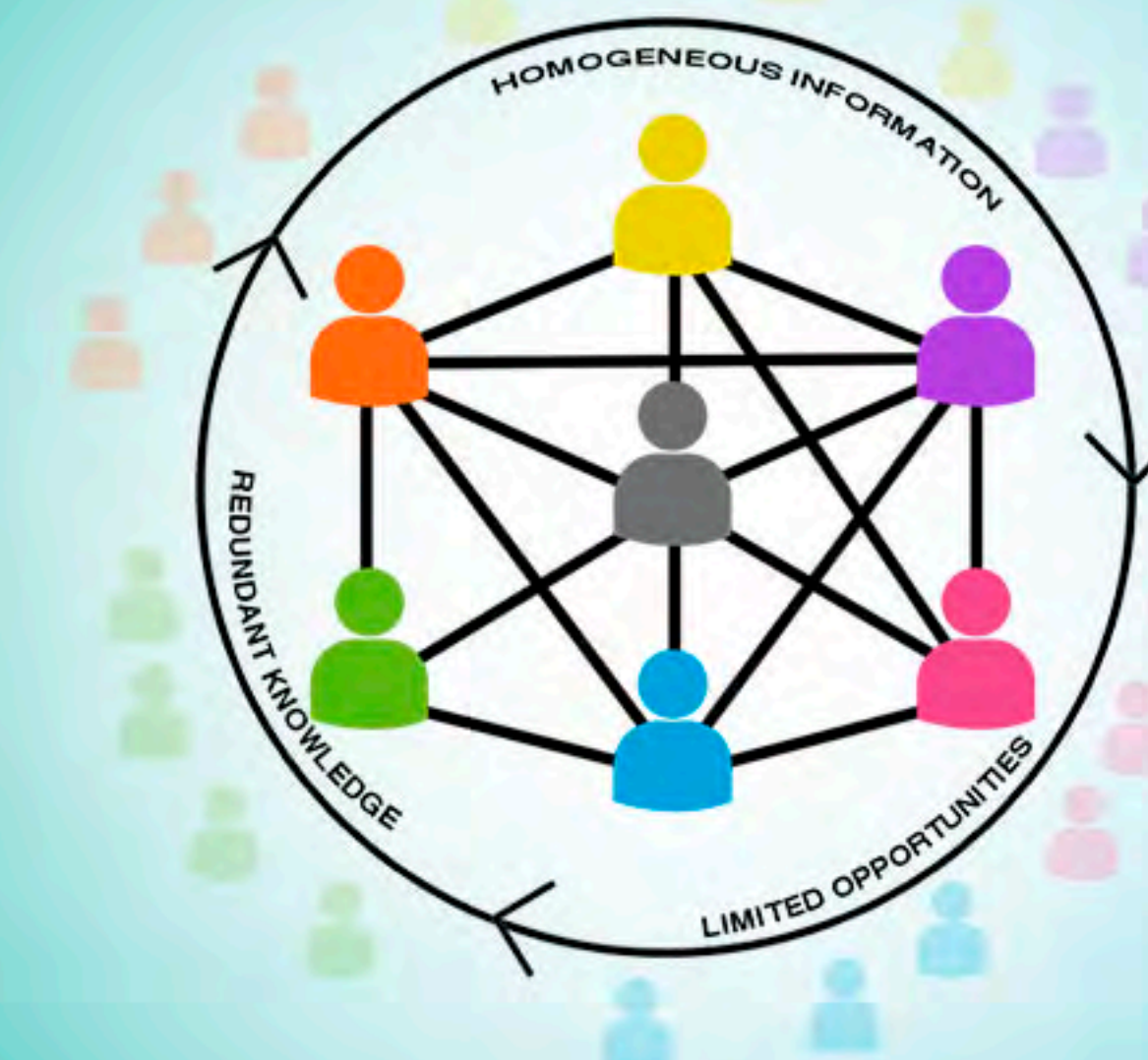


If kept the same



If well-managed

### Strong & Dense Social Ties



- Similar circles
- Overlap of information
- Minimized opportunities
- Limited contacts and network size
- Homogeneous and redundant knowledge

### Weak & Sparse Social Ties



- New opportunities created
- Higher knowledge acquisition
- Higher insights on local market
- Shared information and knowledge
- New ideas and learning experiences
- Heterogeneous and diverse information
- Wider network with more distant relationships
- More complete image of competitors and costumers