

THE SPECIFICS OF THE INTERNATIONALIZATION PROCESS OF CZECH SMES IN THE FOOD INDUSTRY

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Abstract

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The aim of this paper is to define the specifics of the internationalization process of Czech small and medium-sized enterprises (SMEs) in the food industry. The food industry is the largest manufacturing sector in the EU which consists mainly of SMEs. However, in the Czech Republic it has to face increasing imports of foreign food products because of growing globalization, while exports lag behind. Thus, enterprises should be encouraged to internationalize in a greater extent to maintain their competitiveness. The paper explores the main motives, barriers and risks involved in internationalization as perceived by these enterprises. The results are based on primary data obtained by questionnaire surveys performed among Czech food industry SMEs, thus it is based on data about SME's real experiences and perception of internationalization process. According to our results, Czech SMEs from food industry are driven to internationalize mainly by their efforts to grow or by unsolicited foreign demand for their product. However, as the biggest barriers are perceived those connected with the lack of knowledge about foreign market and administrative requirements. The identified motives and barriers are compared with results of similar researches from Slovakia and Poland. Moreover, the results of Czech SMEs risk perception in internationalization are depicted in risk matrix which assess not only the effect of risk but also the possibility of its occurrence.

Keywords: SMEs, internationalization, food industry, motives, barriers, risks

INTRODUCTION

The food industry is a key sector of the processing industry in the Czech Republic as well as in the EU. The main role of the food sector, namely to provide nutrition for the population, is vital, making this sector irreplaceable. In the Czech Republic, food production has a long tradition. However, in recent years its development has not been favourable. Food producers have to face many problems such as increasing international competition, pressure from retail chains on price reductions, increasing imports of food products etc. Thus, food enterprises have to search for new ways to sell their products and maintain competitiveness. According to some authors (such as Svetličič *et al.*, 2007; Stanculescu *et al.*, 2010; Kaffash *et al.*, 2012; Sekliuckiene and Maciulskaitė, 2013) enterprises can achieve

growth or maintain their competitiveness through the involvement in the internationalization process.

Therefore, this paper deals with the internationalization process in Czech small and medium-sized enterprises (abbreviated as SMEs) operating in the food industry. The paper focuses on SMEs since they represent roughly 99.1 % of all food industry enterprises in the Czech Republic. The aim of this paper is to define the specifics of the internationalization process for these enterprises, especially by exploring the main motives, barriers and risks connected to this process.

Literature review

Authors often discuss various theories of internationalization based on the ability to explain the behaviour of SMEs. According to Onkelinx

and Sleuwaegen (2008), stage theories, the concept of Born global enterprises (abbreviated to BGs) and the network approach can be regarded as appropriate approaches to internationalization. This paper defines internationalization in terms of stage theory as the expansion of an enterprise to foreign markets.

Many researchers from all over the world have been studying the motives for internationalization for at least the last 40 years. According to Frynas and Mellahi (2011, p 150) internationalization motives can be defined as *'those internal and external factors that influence a firm's decision to initiate, develop, and sustain international business activities.'* Beleska-Spasova and Glaister (2011) summarize that the literature on motives for internationalization deals mainly with three main perspectives, namely internal and external motives (1), proactive and reactive motives (2) and initial or long-term motives (3). Moreover, to provide an integral and comprehensive base for the explanation of external and internal export stimuli, they utilize the firm-specific advantages and country-specific advantages framework used by Rugman (1981). In this context, internal motives are driven by the firm-specific advantages which draw on the firm's capabilities and resources. On the other hand, external motives are connected to the environment in which the firm operates (home country) or wants to operate (host country). Concerning the second perspective (proactive and reactive motives), proactive motives are defined as those stemming from internal decisions of the enterprise, e.g. they allude to the enterprise's ability to recognize market opportunities or its own unique competences and the ability to proactively take advantage of these prospects. Reactive motives then represent the firm's response to changes and pressures on domestic or foreign markets (Leonidou, 2011; Beleska-Spasova and Glaister, 2011; Czinkota and Ronkainen, 2012; Hollensen, 2008). According to Beleska-Spasova and Glaister (2011), whether an enterprise is more proactive or reactive depends on the strength of the firm-specific advantages or country-specific advantages; firms with strong firm-specific advantages would be proactive rather than reactive, and vice versa. The time perspective of internationalization motives (the third above mentioned perspective) is also highlighted for example by Onkelinx and Sleuwaegen (2008). In this context Beleska-Spasova and Glaister (2011) explain that reactive and external motives have a bigger influence on the initial decision to internationalize, while proactive and internal motives initiate the engagement in internationalization in the later stages of this process.

Regardless of motivations, SMEs may encounter many barriers when entering foreign markets. According to Leonidou (1995, p 31), barriers to internationalization can be defined as those *'attitudinal, structural, operative or other constraints that hinder or inhibit companies from taking the decision to start, develop or maintain international activity'*. Světlíček

et al. (2007) mentioned that important barriers in extending an SME's operations abroad are the lack of knowledge of foreign markets or the lack of experience. Arteaga-Ortiz and Fernández-Ortiz (2010) or Zou and Stand (1998) added that the perception of barriers by management as well as the management's attitudes play a significant role, since they influence the decision to initiate, develop or maintain international activities. Arteaga-Ortiz and Fernández-Ortiz (2010) tried to provide a comprehensive view of barriers to internationalization; based on their study of literature and empirical investigations, they created a framework for further study of barriers. They divided internationalization barriers into four categories: barriers related to knowledge, resources and management procedures, and exogenous barriers. Further classification of barriers is presented by Leonidou (2004) and Kahiya (2013) who divided barriers into two groups, namely internal and external barriers. According to them, external barriers are those arising from domestic or foreign markets in which the enterprise operates and encompass especially the procedural, governmental and environmental obstacles, as well as obstacles associated with foreign customers or competitors, and barriers connected with the particular industry in which the enterprise operates. Internal barriers are those related to corporate resources and capabilities and the enterprise's approach to exporting. They thus include marketing, operational, informational and knowledge barriers.

To make a comprehensive view on the internationalization process of SMEs operating in food industry also the risk were addressed. All business activities are accompanied by risks and they influence enterprises even more intensively when they operate abroad (Cavusgil *et al.*, 2008; Fudaliński, 2015; Dai *et al.*, 2014). Baršauskas (2002) or Fudaliński (2015) state, that internationalization brings many risk and therefore it is important to employ risk monitoring and evaluation on corporate level for the purpose of minimizing its impact. Verbano and Venturini (2013) pointed out, that applying risk management is particularly important in case of SMEs because they are more vulnerable due to the limited resources and their specific features (see also Yurievna, 2013). The definition of risk was brought by Knight in 1921 who distinguished between risk and uncertainty. According to his definition is uncertainty connected with the decision situations in which the future is unknowable or knowable but not calculable. Risk is in the other hand associated with situation in which the consequences of actions are knowable in case of their probability distributions (Liesch *et al.*, 2011). However, since the very early risk definition there is still no generally accepted definition of risk as many authors pointed out (e.g. Aven, 2012; Hagigi and Sivakumar, 2009; Smejkal and Rais, 2013; Miller, 1992). Moreover, there can be distinguished two sides of risks, e.g. the downside and upside

perspective on risk (Hagigi and Sivakumar, 2009). Some authors stressed its downside perspective which is related with its negative consequences (see for example Miller, 1992). The perspective of upside risk is linked with the opportunity of higher profit or growth than was expected (Hagigi and Sivakumar, 2009). This paper takes into account risks with their negative consequences, e.g. the downside perspective. Besides, Hillson and Hulett (2004) and Smejkal and Rais (2013) pointed out that when assessing the significance of risk the twodimensional perspective of the risk have to be taken into consideration. These dimensions encompass the probability of risk occurrence and the impact it may have. Considering the risk investigation, also various classification of risks appeared. According to Cavusgil and coworkers (2008) can be distinguished four basic groups of risk, such as the cross-cultural risk, country risk (also called as political risk), currency risk (referred to as financial risk) and commercial risk. Fudaliński (2015) divided risk in three main groups, namely the individual risk (this group comprises risks resulting from the business relationships with foreign partners and includes the business partners' risk, credit risk and contract risk), market risk which is connected with development of social, technical or economic conditions in countries (this group includes general risk, business risk and changes in market prices) and country risk including economic risk, political risk and cultural risk. Another risks taxonomy is presented by Hagigi and Sivakumar (2009) or Fudaliński (2015) who distinguish endogenous and exogenous risk while exogenous risk are connected with external environment (e.g. the industry-related uncertainties, firm-related uncertainties, technological progress etc.) and which are independent on firm's market operations. The endogenous risks arise from internal environment of firms, such as managerial perceptions, attitudes, changes in firm's structure or organizational practices.

MATERIALS AND METHODS

The paper is based on primary data obtained by two questionnaire surveys performed among Czech SMEs in the food industry between 2013 and 2014. Conclusions are therefore drawn from the SMEs' real experience with or perceptions of internationalization. The respondents were

predominantly the managers of the enterprises, with a total of 57 SMEs in the Czech food taking part in the surveys. The characteristics of the SMEs involved in both surveys are shown in Tab. I. The questionnaires were prepared in electronic form and the e-mail addresses of the SMEs were found in the Amadeus database.

Regarding the definition of SMEs, the Commission Recommendation 2003/361/EC was used (EC, 2003) which defines a micro enterprise (in terms of employment) as one with less than 10 employees, a small enterprise as one with less than 50 employees and a medium-sized enterprise as one with less than 250 employees.

Data processing was performed using mainly descriptive statistics. To fulfil the aim of the paper, i.e. define the specifics of internationalization of Czech food industry SMEs, two aspects were evaluated, namely the motives for and the barriers to internationalization.

The assessment of the internationalization motives was based on relative frequency. First, respondents were asked to choose from a list of particular internationalization motives those which were important to their decision to enter foreign markets. Then, a scale of importance was established on the basis of how many respondents chose a particular motivation. The important barriers were determined subsequently. The assessment was different in comparison to motives, since the respondents were tasked with the assessment of each barrier from the list on a scale. The scale expressed how much the particular barrier hindered or impeded the enterprise's foreign market entry or its activities in foreign markets. The barriers were then divided into three groups according to this assessment: the most important barriers, important barriers and the least important barriers. Finally, the risks connected with internationalization process were assessed. However, the risks have to be described in terms of two perspectives, the probability of their occurrence and secondly their intensity (the negative impact). Regarding the intensity of each risk, the respondents were again requested to state on a scale how strong negative effect would the risk have on their foreign activities in terms of loss. Then the average intensity for each risk was calculated. The probability of occurrence was set on the basis of relative frequency, thus how many respondents chose some other possibility than 'none effect' in case of particular risk from the list.

I: Characteristics of the group of respondents

Firm size according to number of employees	Number of enterprises	Relative frequency
Micro (<10 empl.)	10	18 %
Small (<50 empl.)	28	49 %
Medium (<250 empl.)	19	33 %
Total	57 SMEs	100 %

Source: author's results

For final evaluation of risks in internationalization the adjusted risk matrix was applied with vertical line representing the probability of risk occurrence and the horizontal line expressing the risk intensity. The most important risks were defined as those which are very probable and have a strong intensity as well.

RESULTS

The food industry falls within two main categories in NACE Rev. 2 classification, namely C10 (manufacture of food products) and C11 (manufacture of beverages). Food industry is the largest sector of manufacturing in the European Union in terms of turnover, value added, as well as employment. Its share in manufacturing industry turnover totals 15 %. Moreover, it is the only manufacturing sector in the EU whose production did not decrease dramatically during the 2008 crisis. However, the productivity of the food industry in comparison with other sectors of manufacturing is lower. Gross value added created in the food industry accounts for 1.8 % of gross value added created by the whole of EU industry. The average number of employees per company in the EU food industry is 16 and the share of SMEs in the EU food industry amounts to 99.1 % (FoodDrinkEurope, 2014). The three main export trading partners of EU food industry are the USA, Russia and Switzerland, while the three main import partners of the EU are Brazil, Argentina and the USA. In case of the Czech Republic, the three main export partners include the neighbouring countries such as Slovakia, Germany and Poland, with the main import partners being Germany, Poland and Italy (MZ, 2014; FoodDrinkEurope, 2014). Tab. II shows the comparison of the main indicators within the food industry in the EU and the Czech Republic. It should be noted that while exports (86.2 billion EUR) exceed imports (63.2 billion EUR) in the EU food industry, in the Czech Republic import (5.1 billion EUR) is higher than export (4.0 billion EUR) according to data from FoodDrinkEurope (2014) and MZ (2014)¹. Thus, Czech food industry

enterprises should be encouraged to take part in internationalization in order to enhance their competitiveness within the EU.

In order to define the current specifics of the internationalization process in Czech food industry SMEs, different aspects are discussed in this paper. First of all the motives for taking part in internationalization are scrutinized. Despite being motivated to enter foreign markets SMEs often encounter or perceive certain barriers that either hinder their foreign market entry or even discourage them from this action. Therefore the overview of important barriers as perceived and experienced by SMEs from food industry is then portrayed. Also the important risks connected with operating in foreign markets are examined from the perspective of the probability of their occurrence as well as the intensity of their negative impact on enterprise's activity in foreign markets.

Motives for internationalization

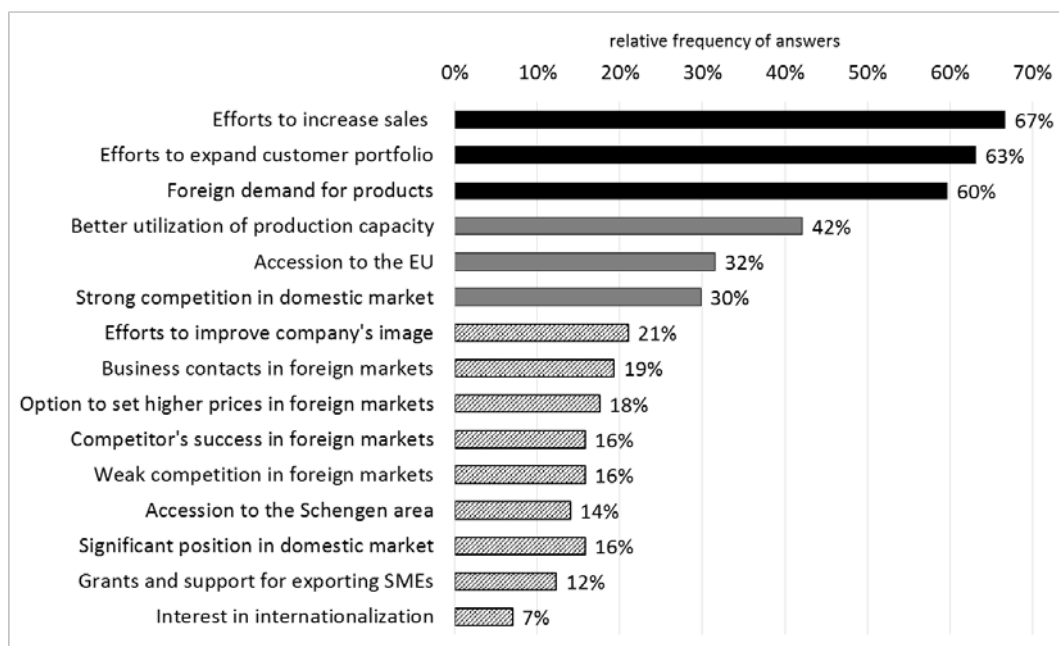
The relative frequencies revealed that the top motives for entering foreign markets for SMEs in the food industry (see Fig. 1) are similar to those of SMEs in other industries such as wood processing, agriculture or engineering (see Kubičková *et al.*, 2014). Specifically, the most important motives are **the effort to increase the sales** as two thirds of respondents stated it as a motive for their internationalization and **the effort to expand customer portfolio** mentioned by almost two thirds of respondents as well. Among the most important motives can also be included **the foreign demand for their products** mentioned by 60 % of the respondents. Interestingly, apart from some other industries (such as the wood processing industry) where the lack of demand on the domestic market also plays a vital role, SMEs in the food industry do not perceive this motive at all and are not so affected by the saturation of the domestic market. In conclusion, proactive motives for internationalization (increase in sales, expansion of customer portfolio) still prevail over the reactive motives (foreign demand for products) in the food industry.

II: *Selected indicators for food industry in the EU and the Czech Republic (2012)*

	EU Food industry (absolute values)	EU Food industry (shares on EU Manufacturing)	CR Food industry (shares on EU food industry)
Turnover	1,062.0 billion EUR	15.0 %	1.35 %
Number of enterprises	288 655	13.7 %	2.95 %
Number of SMEs	288 610	13.9 %	2.93 %
Added value	206.7 billion EUR	12.8 %	1.32 %
Number of employees	4 240 000 ¹	15.5 %	2.44 %

Source: Eurostat (2015), MZ (2014), FoodDrinkEurope (2014)
Estimated number according to FoodDrinkEurope (2014)

¹ Data from MZ (2014) were calculated with exchange rate 25.14 CZK/EUR (valid for 31.12.2012 according to ČNB)



1: Motives for internationalization of Czech SMEs from food industry (Source: author's results)

Nevertheless, aside from these three important motives, some other factors also significantly influence the decision of food industry SMEs to enter foreign markets. Data shows that despite being perceived as important by a lower percentage of respondents, **better utilization of production capacity** (42 %), **accession of the Czech Republic to the EU** (32 %) and **strong competition on the domestic market** (30 %) are an important driver in food industry SMEs' internationalization. Interestingly, accession to the EU was an important driving force for food industry SMEs whereas for SMEs from other industries (such as agriculture, wood processing and engineering) it was a rather minor motive. On the other hand, the possibility to set higher prices for the products on foreign markets was an important motive for only 17 % of the respondents (SMEs in the food industry) whereas for SMEs in agriculture, this represented the main motive to enter foreign markets (mentioned by half of the respondents) (see Kubíčková *et al.*, 2014).

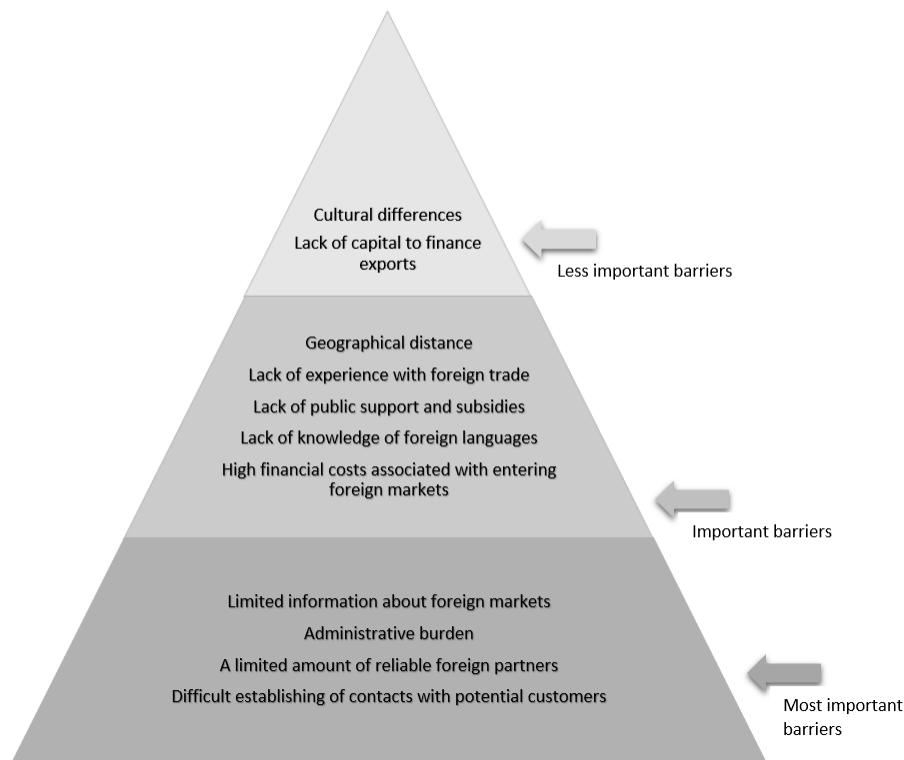
Barriers to internationalization

The respondents were asked to evaluate the individual barriers to their foreign market entry that they encountered or perceived on the scale from 0 to 5 in the first survey and from 0 to 3 in the second survey, where 0 meant that the particular barrier did not influence their foreign market entry at all and the higher the number the more hindering the barrier was. The different scales applied meant that the evaluation of barriers cannot be quantified and expressed in a graph with exact numbers on the scale of importance. However, after comparing the results of both surveys, a general hierarchic pyramid of barriers could be established which is shown in Fig. 2; here, the bottom field represents

the most important barriers, which were in both surveys evaluated in the first third of the results, the middle field contains the barriers with a rather smaller but still important impact and the top field represents barriers whose importance is of a lower importance. The most important barriers to internationalization include **limited information about foreign markets**, **limited amount of reliable foreign partners**, **difficulties with establishing contact with potential customers** and **administrative burden**. Other important barriers which are perceived by Czech SMEs in the food industry are shown in Fig. 2.

Risks in internationalization

The internationalization process of enterprises is widely influenced by the risks stemming from entering foreign markets. Therefore the respondents were also asked about their perception regarding particular risks they may encounter when operating in foreign markets. Because each risk has to be evaluated from two perspectives, firstly the probability of its occurrence and secondly its intensity (the negative impact), the four field risk matrix was applied to depict the importance of particular internationalization risks perceived by Czech SMEs from food industry. Respondents were asked only on the size of negative impact each risk (shown in Fig. 3) could have on their foreign business operations. As in each survey respondents expressed the intensity of risks by a different scale, the axis in the matrix could not be expressed mathematically. The probability of each risk occurrence was calculated on the basis of relative frequency, i.e. how many respondents proportionally stated that the particular risk can be encountered in foreign markets. High probability



2: Barriers to internationalization of Czech SMEs from food industry (Source: author's results)

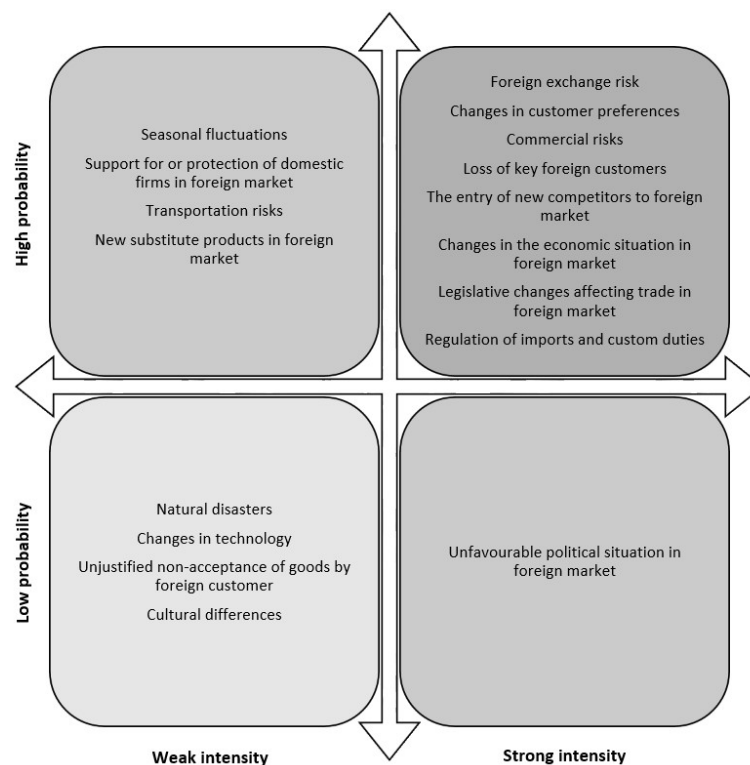
means that more than 75 % of respondents expect the occurrence of the risk in their foreign activities. Contrary, the risks with weak probability are those that are expected by less than 75 % of respondents. As Fig. 3 shows there are four fields in the matrix. As the key risks can be considered those with strong intensity and high probability contained in top right field. Those risks should SMEs pay special attention and use a proper risk management methodology. On the other hand, the risks contained in bottom left field are of weak intensity and low probability, therefore may be managed rather intuitively. The enterprises should also to some extent count with risks contained in other two fields because either they can have a strong negative effect or it is very probable that they will occur.

The matrix revealed some interesting findings. First of all, it can be pointed that the field with key risks contains the majority of internationalization risks. It indicates that SMEs from food industry often encounter risks in foreign markets and are aware of their possible negative impact. Secondly, the fact that SMEs from food industry in general do not perceive as important risk the unjustified non-acceptance of goods by foreign customers is slightly surprising. It may be caused by long-term business contacts with foreign customers or by conclusion of legally effective contracts. Thirdly, among key risks (apart from exchange rate risk, some market and commercial risks) also the risk of legislative changes negatively affecting the business is of a great importance. Moreover,

the regulation of imports and custom duties falls among key risks from the point of view of food industry SMEs. It indicates that for food industry are an important foreign territories also the ones behind the European Union borders. To conclude, although it is not surprising that the occurrence of transportation risks and seasonal fluctuations is quite probable (it arises from the characteristic of a product this industry produces), surprising is the fact that they are of a weak intensity. It suggests that food industry SMEs are apparently experienced in this respect and conclude effective contracts with their foreign customers and that they are able to treat effectively the seasonal changes in demand for their products.

DISCUSSION

The results regarding internationalization motives and barriers of Czech food industry enterprises can be compared with findings of similar researches done in Poland and Slovak Republic. A comparison was based on three academic papers which dealt with the internationalization of the food industry in these countries. The paper on Polish enterprises (Gajowiak, 2014) is based on a survey among 29 enterprises. The two papers on Slovak enterprises include a paper published in 2014 by Mura and Buleca, based on a survey among 200 enterprises, and a paper published in 2010 by Mura and Gašparíková, based on a survey among 46 enterprises.



3: Risk in internationalization as perceived by Czech SMEs from food industry (Source: author's results)

The reasons for choosing Polish enterprises for comparison was mainly the fact that the food industry in Poland is one of the most important sectors of the national economy (PIFIA, 2011) and, in addition, is very export oriented; Poland was the eighth highest exporter (in terms of export value) of food products in the European Union in 2012 (PIFIA, 2013). Slovak enterprises were chosen for comparison primarily because of the psychological proximity of Slovakia to the Czech Republic, the similarities in the historical background and the fact that Slovak food industry differs significantly from the Polish food industry in terms of export performance: Slovak imports of food products still exceed their exports (MPRV, 2014).

When comparing the top motives for the internationalization of Czech food industry enterprises with the top motives of food industry enterprises from other countries, some interesting findings emerge. Regarding the internationalization of Polish food industry SMEs, the major difference is that, unlike Czech SMEs, they did not mention as an important motive the foreign demand for their products. Polish SMEs rather pointed to the competitive pressure on the home market or the efforts to expand the market (Gajowiak, 2014). However, some other motives play a main role in the internationalization decisions of Polish SMEs which Czech SMEs do not find influential, namely the proximity to foreign customers, the saturation of the home market, the management's attitude

towards expansion, or the economies of scale (Gajowiak, 2014).

With respect to Slovak SMEs in the food industry, their top motives for internationalization include regular orders from abroad (thus, the foreign demand for products) and the efforts to increase their competitiveness (Mura and Buleca, 2014; Mura and Gašparíková, 2010). Also, strong competition on the home market plays an important role in their internationalization decisions (Mura and Gašparíková, 2010).

To sum up, the internationalization motives of the Czech food industry SMEs are comparable to those of the Slovak enterprises. Although the Polish food industry SMEs are driven to internationalization by some similar motives, they also stated as top motives some which are rather unusual for Czech SMEs.

The barriers hindering the internationalization of Czech SMEs in the food industry could again be compared to those that Polish and Slovak SMEs in the same sector perceive. The most important barriers as stated by Polish enterprises include the administrative burden (either on home or foreign markets), the lack of public support (either from home or foreign institutions), the complexity of legal regulations related to export, the lack of experience with foreign trade operations and the lack of production capacity (Gajowiak, 2014). The interesting point in this comparison is on one hand the fact that while the lack of public support as well as the lack of experience with foreign trade operations are still important, they are not

the top barriers for Czech SMEs. Moreover, Czech SMEs did not mention the lack of production capacity at all, contrasting with Polish SMEs. On the other hand, Polish enterprises do not perceive as problematic the act of establishing contacts with foreign customers and finding reliable foreign partners abroad, or limited information about foreign markets; Czech enterprises, on the other hand, do. Nevertheless, the administrative burden connected with internationalization is perceived as the top barrier by enterprises from both countries.

Regarding the most important barriers to internationalization for the Slovak food industry SMEs, Mura and Gašparíková (2010) found that these include high exposure of business to risks in foreign markets, lack of information about foreign markets and lack of business contacts abroad. Interestingly, the administrative burden does not play a role for Slovak SMEs, which is not the case for Czech SMEs. However, Czech SMEs must be either more risk tolerant or more prepared for foreign expansion as they, in contrast to Slovak SMEs, did not mention the high exposure to risk during

internationalization as the top barrier to their expansion.

It can be concluded that although food industry SMEs from both countries (Slovakia and Poland) perceive barriers to internationalization similar to those that Czech enterprises experience, there are some differences. Polish enterprises in general do not have such problems with finding business partners or customer abroad as Czech enterprises do, but they lack the public support, experience and production capacity. With regard to Slovak enterprises, the top barriers are similar to those listed by the Czech enterprises.

Further research should focus on the risks experienced by enterprises in internationalization because only few scientific papers regarding risks have been written so far. Moreover, these papers examined mainly the credit risk and the tools for hedging against it. But the internationalization literature lacks papers dealing with complex view on risks in general (such as market, commercial, transport, foreign exchange risks etc.).

CONCLUSION

The aim of this paper was to define the specifics of the internationalization process of Czech SMEs in the food industry. Therefore, we identified the key motives which drive these enterprises to foreign expansion and, contrarily, the key barriers which impede their foreign expansion. We also identified the key risks that threaten the success of enterprise in internationalization. To summarize the main findings, on one hand Czech SMEs from food industry are motivated to enter foreign markets predominantly by the efforts to increase their sales, expand customer portfolio or by foreign demand for their products. On the other hand, what hinder their involvement in internationalization activities most is mainly the lack of information about foreign markets, lack of reliable foreign partners, the difficulties with establishing contacts with foreign customers and also the excessive administrative burden connected with foreign expansion. Apart from barriers hindering the foreign activities, enterprises encounter many risks when operating in foreign markets which they have to deal with. Regarding the results, among the key risks in internationalization can be included exchange rate risk, market risks connected with changes in economic situation or customer preferences in foreign markets, commercial risks, risk of entry of new competitors, risk of loss of key foreign customer and risk of legislative changes negatively affecting doing business in foreign markets.

The comparison of the internationalization specifics in Czech, Polish and Slovak SMEs showed that although Czech SMEs perceive some of the same motives and barriers as Polish or Slovak SMEs, there are differences in the order of their importance; moreover, SMEs in each country perceive some specific motives or barriers that are not typical for SMEs in other countries. The results thus suggest that even SMEs from the same industry but different country have quite different problems and needs; therefore, a one-size-fits-all policy is not feasible within the entirety of the EU when trying to support the internationalization of enterprises. Support programmes or policies should rather be specifically tailored in order to meet the specific needs of each country or industry. For Czech SMEs mainly the informative support for starting and doing business abroad could be helpful with regard to the most often mentioned barriers. Although some informative services about foreign business environment already do exist in the Czech Republic (such as CzechTrade), Czech enterprises consider them in common as expensive. Moreover, their services do not fit the specific needs of different enterprises but are rather of a general nature and thus are more suitable for bigger enterprises.

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