MASTER
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How is the Internationalisation Process Influenced by the Strategy Tripod Framework? The Case of an Internationalisation Consultancy

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HOW IS THE INTERNATIONALISATION PROCESS INFLUENCED BY THE STRATEGY TRIPOD FRAMEWORK? THE CASE OF AN INTERNATIONALISATION CONSULTANCY

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Abstract

Purpose: This work aims to add knowledge to the existing literature, regarding how the three perspectives of the strategy tripod framework, industry-, resource-, and institution-based views, influence the internationalisation process of a particular international business consultancy, Market Access.

Design/Methodology: For that purpose, from several factors that influence internationalisation from each of the three perspectives, a selection was made. The result was a framework relevant enough to use in this specific case, and that included 11 factors. A qualitative methodology was used, through a case study approach where semi-structured interviews with four Market Access's consultants were performed and analysed.

Findings: The data analysis showed that the internationalisation of the case firm is influenced by product tangibility, firm size, management skills, human resources quality, networks, domestic regulatory policies, export bureaucracy, and society's favourability towards entrepreneurship and innovation. Inversely, competitive pressures, corruption and the society's risk-taking aversion degree could not be confirmed to influence the firm's internationalisation.

Originality/Value: This study can be considered relevant since it contributes to the body of knowledge concerning international business consultancies' internationalisation, which is scarce, in form of stressing the important factors from the industry, resources, and institutions' perspectives influencing this process. Ultimately, this work contributes to Market Access once it provides a better understanding of the factors influencing the firm's internationalisation, which can be used to improve this process in the future.

Limitations/Implications: The present report has an inherent limitation since the research is focused on a specific firm. The generalizability of the theoretical framework remains to be evaluated through its application to more cases. Moreover, the factors included in the framework developed were proved to influence firms regardless of their sector of activity. Thus, it might be possible that particular factors influencing international business consultancies were outlooked.

JEL Codes: F23, M16

Keywords: Internationalisation, Strategy Tripod, International Business Consulting.

Resumo

Objetivo: Este trabalho visa agregar conhecimento à literatura existente, sobre como as três perspetivas da análise estratégica, indústria, recursos e instituição, influenciam o processo de internacionalização de uma empresa – o caso da consultora de negócios internacionais, Market Access.

Metodologia: A revisão da literatura permitiu identificar vários fatores que influenciam a internacionalização com base em cada uma das três perspetivas do tripé estratégico O resultado foi um quadro teórico relevante o suficiente para ser utilizado neste caso específico, e que incluiu 11 fatores. Foi utilizada uma metodologia qualitativa, através de uma abordagem de estudo de caso onde foram analisadas entrevistas semiestruturadas com quatro consultores de topo da Market Access.

Resultados: A análise dos dados mostrou que a internacionalização da empresa em estudo é influenciada pela intangibilidade do serviço, dimensão da empresa, habilidades de gestão, qualidade dos recursos humanos, redes, políticas regulatórias domésticas, burocracia de exportação e favorecimento da sociedade ao empreendedorismo e inovação. Inversamente, as pressões competitivas, a corrupção e o grau de aversão ao risco da sociedade não puderam ser confirmados como influenciadores da internacionalização da empresa.

Originalidade/Valor: Este estudo é considerado relevante, pois contribui para o conhecimento sobre a internacionalização das consultoras de negócios internacionais, que é escasso, uma vez que destaca os fatores importantes nas perspetivas da indústria, dos recursos e das instituições que influenciam este processo. Em última análise, este trabalho contribui para a Market Access, uma vez que proporciona uma melhor compreensão dos fatores que influenciam a internacionalização da empresa, conhecimento que pode ser utilizado para melhorar este processo no futuro.

Limitações/Implicações: O presente relatório tem uma limitação inerente, uma vez que a pesquisa é focada numa empresa específica. A generalização do quadro teórico ainda precisa de ser avaliada por meio da sua aplicação a mais casos. Além disso, os fatores incluídos no quadro desenvolvido demonstraram influenciar as empresas independentemente do seu setor de atividade. Assim, pode ser possível que fatores influenciadores particulares às consultorias de negócios internacionais não tenham sido tidos em consideração.

Códigos JEL: F23, M16

Palavras-chave: Internacionalização, Trípode Estratégico, Consultoras de Negócios Internacionais.

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1. Introduction

The present Internship Report was developed as part of the Curricular Internship carried out to complete the Master's degree in Economics of Business and Strategy. The internship took place in the company Market Access (MA) – Experts in International Business under the theme "International Business Expansion", beginning on the 10th of January 2022 and ending on the 3rd of June 2022. The goal of this report will be to analyse MA's internationalisation based on a theoretical framework developed from the strategy tripod framework.

Globalization, as "(…) the process through which an increasingly free flow of ideas, people, goods, services, and capital leads to the integration of economies and societies" (IMF, 2002), represents an inevitable phenomenon in the history of mankind (Kuqi & Hasanaj, 2018). Overall, the concept can be described as the worldwide trend of economies all over the world to become "borderless" and interlinked (Cullen & Praveen, 2010). This growing trend challenges the way firms are organised and operate by forcing them to appraise the possibility of developing their strategy on a global scale (Roque, Alves, & Raposo, 2019). The rapid growth of international trade aligned with globalisation has made it crucial for firms to search for opportunities for market expansion (Gao, Murray, Kotabe, & Lu, 2010). It is said that globalization and internationalisation are often two sides of the same coin yet, they are not synonyms (Maringe & Foskett, 2010). Despite the variety of definitions that are attributed to internationalisation in the literature, most of them underpin the company's strategic orientation (Roque, Alves, & Raposo, 2019).

Strategy is an integrated set of choices that uniquely positions the firm in its industry to create sustainable advantage and superior value relative to the competition (Lafley & Martin, 2013). It is about building a unique position, along with capabilities not imitable, as well as building barriers around them, not only to maintain competitive advantage nowadays but in the future. Global strategy, defined as a company's approach to competing in the global market, is critical in determining a firm's performance in the global market (Zou & Cavusgil, 1995). In today's turbulent competitive environment, the success of firms largely depends on their capability to adapt and deliver more value through a well-thought strategy. Internationalisation appears as one of the central solutions, representing an opportunity for the firm to create value in different geographical areas and turn business independent of just one economic country. Among other motivations, to compensate for slow or stagnant growth in domestic markets some companies decide to adopt an internationalisation strategy that would allow them to pursue growth opportunities. Through the internationalisation process, companies face great challenges, such as the need of creating and developing competitive advantages in the foreign market and to differentiate themselves from other competitors (Buckley & Ghauri, 2015).

The strategy tripod framework is used to determine firms' theories about how to compete based on the influence of industry, resource, and institution factors, which are key topics of interest when making strategic decisions and the three views that the theory combines. The industry-based view suggests that the degree of competitiveness in an industry determines by a great extent firm performance. In its turn, the resource-based view argues that firm-specific resources and capabilities drive performance differences. Lastly, the institution-based view proposes that institutional forces also provide an answer to differences in firm performance. Despite the many debates among the different schools of thought on global strategy, several authors argue that probably the true determinants of firm performance involve a combination of these three forces (Peng, 2009).

The purpose of this work is to discuss and analyse the internationalisation case of a consultant specialised in international business, from a strategic tripod framework perspective. An analysis will be pursued by means of a case study methodology. Although there is some research regarding consultancies' internationalisation in general, lacks relevant literature on how international business consultants behave throughout their internationalisation process and the strategies used. In this sense, this report intends to fulfil this gap in the existing literature. But more than an academic contribution, the main objective is to contribute to the company's knowledge and qualification in its own internationalisation process.

The present report is structured in the following way: in section 2, a literature review regarding the international expansion process, and the strategy tripod framework will be presented; in section 3, the methodology applied in the research and the theoretical framework used will be described, including the methodology to be implemented, data collection methods, theoretical framework, and the context of the study; in section 4, the results of the interviews will be displayed and analysed, as well as MA's internationalisation path; in section 5 the internship will be approached, focusing on the developed activities; and, lastly, in section 6, the main conclusions will be summarized plus limitations and future directions.

2. Literature Review

This section intends to review the relevant literature on international strategies, and it is organized into two main topics. Firstly, some key concepts in the debate on the importance of internationalisation are discussed, focusing both on the strategic decisions that need to be made in an internationalisation process such as the entry mode, and on the theories and models of this process. Lastly, the strategy tripod framework, as well as how it can be included in an internationalisation strategy are analysed.

2.1. The International Expansion Process: Concepts and Theories

The growing importance of globalization has been modifying the way firms are organised and operate by forcing them to consider the development of their strategy on a global scale (Roque, Alves, & Raposo, 2019).

As a result, the concept of internationalisation is increasingly important. While some define it as the outward movement in a firm's international operations (Turnbull, 1987), others, refer to it as "the process of increasing involvement in international operations" (Welch & Luostarinen, 1988, p.36). What both definitions have in common is the implication that internationalisation is associated with greater involvement in foreign markets. Calof and Beamisht (1995), proposed a broader definition of internationalisation, considering it "the process of adapting firms' operations (strategy, structure, resource, etc.) to international environments" (Calof & Beamisht, 1995, p.2). A definition in which the internationalisation concept may refer to a range of aspects of an organisation, including strategy, organisational structure, goods, and so forth.

The newly internationalised corporation will gradually begin to adapt to the international environment. As it acquires experience, it undergoes a number of organisational and strategic changes (Calof & Beamisht, 1995).

Considering the increasingly significant role that internationalisation is playing in a firm's strategy, it becomes interesting to understand the process through which a company internationalises. In this section, some basic concepts are approached, such as the entry mode options for a firm to expand to a foreign market, as well as a selection of theories and models of internationalisation.

2.1.1. Entry Modes into Foreign Markets

After deciding to enter or expand into a foreign market, a firm must choose the structure of its operation in that foreign country. The reward for choosing well the mode can be the achievement of competitive advantage. Therefore, this strategic decision is one of the most important ones a firm needs to make during its internationalisation process (Andersen & Buvik, 2002). When long-term contracts and/or big resource commitments are made, it is difficult to reverse wrong mode decisions. Moreover, some contractual entry modes can hinder a company from fully exploiting big market expansion. Thus, careful consideration of these trade-offs is critical (Osland, Taylor, & Zou, 2001).

The scale of entry is a relevant feature in foreign entry decisions. Peng (2009) distinguishes between equity and non-equity entry modes. While the first represents relatively larger and harder-to-reverse commitments, the second is prone to reflect relatively smaller commitments. Equity modes require the establishment of independent organisations overseas, either partially or wholly controlled whilst non-equity do not. Indeed, this distinction is what defines an MNE, it enters foreign countries using equity modes through foreign direct investment (FDI). A firm that purely exports/imports without FDI, usually is not considered an MNE (Peng, 2009). Within these two groups, Anderson and Buvik (2002) classify entry modes into three different categories: export modes, contractual modes, and investment modes.

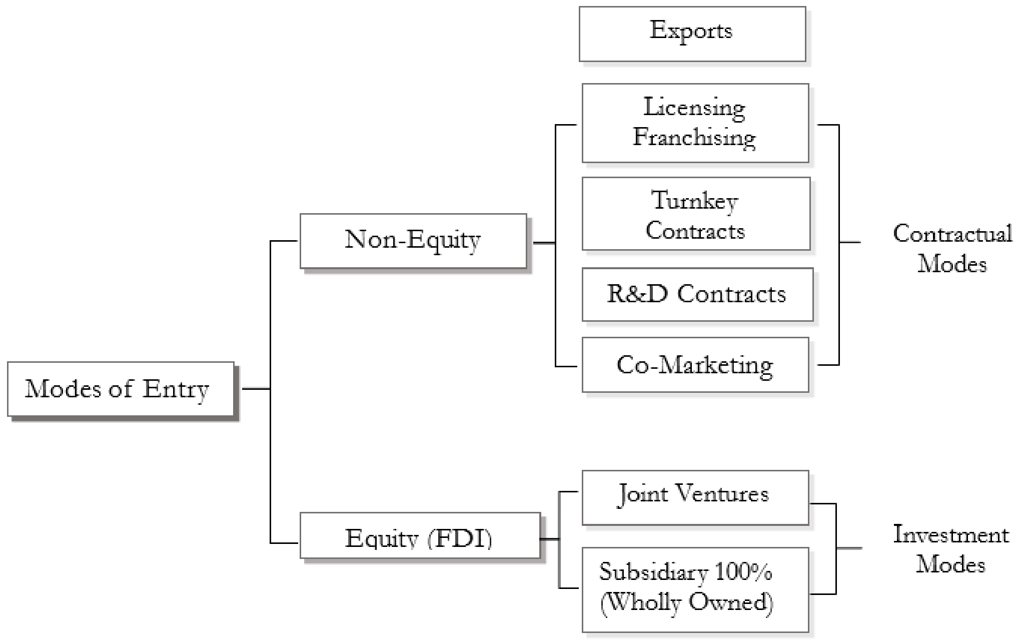
Exports represent a non-equity entry mode and entail a relationship with an external recognizable exchange partner. It occurs whenever there is no advantage in production being physically close to the market and can either be direct or indirect. Direct exports represent the direct sale of products developed in the home country to customers in other countries. Through this strategy, firms can control better the product distribution as well as capitalize economies of scale in the production that is concentrated in the home country. On the other hand, indirect exports may be perceived as exporting indirectly by means of a domestic-based export intermediary. Besides being relatively worry-free, this strategy may also result in economies of scale related to domestic production (Peng, 2009).

Root (1994, p. 27) defined contractual modes as "(…) long-term non-equity associations between an international company and an entity in a foreign target country that involve the transfer of technology or human skills from the former to the latter" (Andersen & Buvik, 2002). This category comprehends the following modes: licensing/franchising, turnkey projects, R&D contracts, and co-marketing, which are clarified below (Peng, 2009). Through licensing or franchising agreements, the licensor/franchiser gives the rights to intellectual property, such as know-how or patents, to the licensee/franchisee in return for a royalty fee. As a result of this type of agreement, while on one hand the licensor/franchisor does not have to pay all the expenses and risks associated with international expansion, on the other, he does not have complete control over production and marketing. In their turn, turnkey contracts are projects under which clients pay contractors to design and construct new facilities as well as train the workforce. Once the project is complete, contractors deliver the "key" to the clients. Although this mode provides the ability to profit from process technology in nations where FDI is limited, it also has its downsides. Firstly, if overseas clients are competitors, providing them with cutting-edge technology via turn-key projects may help them compete more effectively. Secondly, after the "key" is handed over to clients, turnkey projects do not allow for a long-term presence. Regarding R&D contracts, they occur whenever one firm agrees to fulfil a specific R&D task for another. In short, it refers to outsourcing agreements of R&D among firms, allowing firms to enter great locations for certain innovations at a quite low cost. Nevertheless, this type of contract is frequently hard to arrange and enforce considering the uncertain and multidimensional nature of R&D itself in which time and cost of delivery are reasonably straightforward to negotiate but the quality is often difficult to assess. Moreover, such agreements may promote competitors' growth. Moreover, firms that rely on outsiders to undertake R&D risk losing some of their basic R&D competencies in the long run. Lastly, co-marketing takes place whenever a group of companies works together to sell their products and services. Although this joint force allows firms to reach a greater number of customers, the control and coordination are restricted.

In their turn, investment modes are equity modes that require a firm's equity, more specifically FDI, thus converting it into an MNE. FDI may take place through a joint venture or a wholly owned subsidiary, depending on the extent of control exercised. A joint venture is a new legal entity formed through the capital provided by two or more parent companies. Although this entry mode has the potential for synergies since the partners share risks and profits (Dow & Karunaratna, 2006), it frequently involves partners from different backgrounds and with different goals, thus conflicts may arise. Moreover, when compared to the 100% owned subsidiary, the level of control is much smaller. The 100 per cent subsidiary, on the other hand, signifies a higher level of commitment because it enables more control over external operations (Peng, 2009). However, it also entails a greater level of risk, once the firm is dependent solely on its own resources.

The above-mentioned entry modes can be seen in Figure 1.

Figure 1. Entry Modes into Foreign Markets



Source: Own elaboration, based on Peng (2009)

2.1.2. Theories and Models of Internationalisation

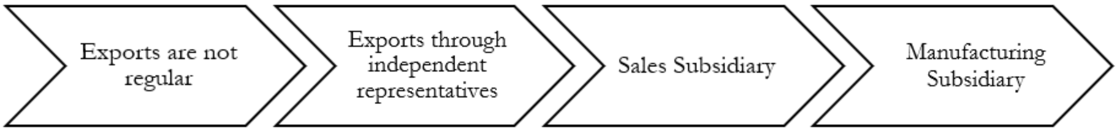
Throughout the international expansion process, businesses should strategize their path not only in the selection of favourable markets and the entry timing but also in the choice of an appropriate mode of operation in those markets (Kumar & Bramaniam, 1997). Internationalisation theories aim to explain the behaviour and strategy of firms in host markets.

The Uppsala Internationalisation Model

Johanson and Vahlne (1977, 1990) developed one of the first evolutionary models of firms' internalization process. In this model, the internationalisation of the firm is seen as a process in which its international involvement evolves gradually. The authors argue that the acquisition of knowledge regarding overseas markets and operations, on one hand, and a rising commitment of resources to foreign markets, on the other, drive this process.

In their turn, Johanson and Wiedersheim-Paul (1975) argue that this internationalisation process model can explain two patterns of a firm's internationalisation. On one hand, the firm's involvement in a certain foreign market follows an established chain of events in which no regular export activities are performed at first, then exports through independent representatives, afterwards through a sales subsidiary, and finally, manufacturing may follow. Indeed, this series of stages implies an increasing commitment of resources to the market as well as indicating current business activities that differ regarding the market experience gained. While in the first stage, the firm gains nearly no experience, in the second one it has an information channel to the market, and it receives reasonably regular but shallow information about market circumstances. Subsequently, the remaining business activities present in the chain result in a more varied and broad market experience, which may even comprise factor markets. The process may be seen in Figure 2.

Figure 2. Uppsala Stages of the Internationalisation Process



Source: Own elaboration, based on existing literature

Moreover, the model conjectures that firms tend to choose markets that are psychically close before entering markets with further psychic distance once the business environment of psychologically close markets tends to be similar, thus reducing the uncertainty (Brewer, 2007). Johanson and Wiedersheim-Paul (1975) originally defined the concept of "psychic distance" as the sum of factors, such as differences in language, culture, political systems, etc., (Johanson & Vahlne, 1977), that prevent information from flowing into and out of markets. Shortly, enterprises firstly begin the internationalisation process by focusing on markets that they are most familiar with, where opportunities are found, and the perceived uncertainty is lower (Johanson & Vahlne, 1990).

Nevertheless, despite having received great support in studies of a wide spectrum of countries and situations (Johanson & Vahlne, 1990), the Uppsala Model is not free of criticism. Some authors (Reid, 1983; Turnbull, 1987; Rosson, 1987) argue that it is too deterministic once firms have the option of making a strategic choice regarding their modes of entry and expansion and the model relies on a "stages theory". In their work, Johanson and Vahlne (1990) counter-argued that even though the argument is plausible, it should probably not be used as a primary argument against the process model but instead for the model's evolution and distinction.

Even more important for the case in question, some studies suggested that the internationalisation process model does not apply to service industries. Sharma and Johanson

(1987), in their research related to Swedish technical consultants' internationalisation, found that the accumulating reinforcement of foreign commitments implied by the process model is lacking. Johanson and Vahlne (1990) suggest that the incremental and sequential process that underpins the "stages models" in the manufacturing sector may not be applicable to services. In some cases, a gradual sequence of sequential steps is not possible due to the nature of services. Additionally, stage models include stages that may not be relevant for services. Some services cannot be exported in the traditional sense once they are inextricably linked to the service provider and the creation and consumption occur simultaneously. Thus, such firms may have to establish their service production in the host country to internationalise (Cicic, Patterson, & Shoham, 1999). Even so, Sacramento, Almeida, and Marques (2002) concluded that the Uppsala Model, at least partially, explains the process through which the service firms present in their study internationalised. In both cases analysed by the authors, the gradual commitment to international operations is explicit, starting the process with a smaller commitment and raising it as new experiences allowed them to gain more knowledge. The differences between these service firms' internationalisation processes and those of manufacturers can be found in the specificities of their operations. Overall, existing models of internationalisation can still be applied to the services industry, as evidenced by the cases reviewed by these authors. Indeed, as also with manufacturing firms, no theory of internationalisation appears to be able to describe all aspects of all firms' internationalisation, but they do appear to provide a reasonable explanation for how firms proceed through the process, especially during the early stages.

Network Theory

Another approach to internationalisation models focuses on the network perspective once the individual organisation, from an internationalisation perspective, is dependent on a collective of relationships intrinsic to the network(s) to which it belongs. Firms in industrial markets build, develop, and maintain long-term business ties with other business players, according to empirical research (Turnbull and Valla, 1986; Hallén, Johanson, & Mohamed, 1987). Ford's work (1979) exhibited that relationships evolve through interaction in which the parties create mutual trust and knowledge, and interaction entails a great commitment to the relationships. Networks are formed because of the interplay between firms since they represent the connection of the relationships (Johanson & Vahlne, 1990). Empirical evidence has illustrated the networks' role in a firm's internationalisation process - Coviello and Munro's (1995, 1997) findings suggest that network relationships have an impact not only on foreign market selection but also on the mode of entry.

Acknowledging the importance of networks and that much has changed since the Uppsala Model was first suggested (Johanson & Vahlne, 1977), Johanson & Vahlne (2011) proposed a development of this model in which rather than examining the commitment of resources to the market, the commitment in creating relationships within the business network is considered. The authors' core argument is therefore focused on business network research and has two brinks. First, markets are relational networks in which firms are connected to one another in a variety of intricate and, to a large degree, invisible patterns. The second is that connections provide opportunities for learning as well as the development of trust and commitment, which are both prerequisites for internationalisation. According to this network theory, the firm is part of a business network that is both enabling and restricting, with actors involved in a wide range of interdependent connections. In this sense, internationalisation is viewed as the result of corporate measures taken to strengthen network positions through what is generally referred to as strengthening or defending their market position (Johanson & Vahlne, 2011). The problem of lack of international market knowledge, which reflects "liability of foreignness" to a considerable extent, is replaced in the new model by not having a position in the foreign network, which is referred to as "liability of outsidership" (Forsgren, 2016). Holm, Johanson, and Kao (2015) argue that internationalisation is thus conceived as the process of a firm trying to transpose its network position from outsidership to insidership.

Nevertheless, although facilitating international growth, network relationships also bring some adversities resulting from their influence on the internationalisation process. Coviello and Munro (1997) highlighted the disadvantages that emerge from this situation, such as factors that negatively damage the reputation of a network at a global level that might have an impact on the performance, development of activities, and reputation of a firm in a specific market.

2.2. The Strategy Tripod Framework

Throughout the process of entering a new market, firms need to strategically position themselves across a variety of relevant dimensions. A proper decision regarding the best position to adopt is crucial to gaining competitive advantages. In fact, a successful positioning may influence a firm to a level that detaches it from competitive pressures (Alden, Stayman,

& Hoyer, 1994). Therefore, acknowledging the benefits of a thriving positioning, it becomes clear the importance of understanding firms' theories about how to compete.

Peng (2009) proposes a framework, the strategy tripod, that incorporates three leading perspectives, the three "legs" of strategy as a discipline: industry-, resource-, and institution-based views.

2.2.1. The Framework

In sum, the framework suggests that it is the integration of these three perspectives that enables an improved understanding of the strategy phenomena (Peng, Sun, Pinkham, & Chen, 2009).

Industry-based View

Michael Porter (1985) argues that competition defines the appropriateness of a firm's activities that may contribute to its performance, and thus, it is at the centre of the success or failure of firms. A competitive strategy can be defined as the search for a favourable competitive position in an industry, and the goal of this strategy is to establish a profitable and sustainable position against the forces that determine industry competition. The choice of competitive strategy is determined by two major factors. On one hand, by the attractiveness of industries for long-term profitability and the factors that define it. On the other hand, by the determinants of relative competitive position inside the industry.

According to the industry-based view, a firm's performance is largely determined by the industrial conditions in which it competes, and the firm can establish and maintain its competitive advantage by changing its position in the industry (Boter & Holmquist, 1996; Porter, 1985). Following this view, the level of competitiveness in an industry highly conditions firms' performance (Peng, 2009). Thus, a detailed understanding of the rules of the competition that define an industry's attractiveness is required for a competitive strategy to emerge. Whatever the industry, the rules of the competition are incorporated in five competitive forces that form the pillar of the industry-based view of strategy: the entry of new competitors, the threat of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and the rivalry among the existing competitors (Porter, 1985).

Therefore, this view suggests that the strategic task is mostly to scrutinize the five competitive forces influencing an industry once their degree of competitiveness highly impacts a firm's performance. The more powerful and competitive these forces become, the less likely the focal firm is to produce above-average profits and vice versa. The purpose is to outline a position that is less vulnerable in relation to these five forces, focusing on the external opportunities and threats.

In general, if there are only a few dominating rivals, new capacity is added incrementally, industry growth is strong, and exit costs are reasonable. Thus, the rivalry is probably moderated, and industry earnings are steadier. On the other hand, if industry conditions are the opposite, it may unleash intense rivalry. Frequent price wars, the spread of new products, high-cost competitive actions and reactions or intense advertising campaigns, among others, are indicative of a high degree of rivalry - so intense that may threaten firms through the reduction of their profits (Peng, 2009).

The profitability of a company being above or below the industry average is determined by its positioning. Even if the industry structure is unfavourable and the industry's average profitability is low, a firm that can position itself properly can generate significant rates of return. In the long run, the key to reaching above-average performance is a sustainable competitive advantage. Whatever strengths or weaknesses a firm has, there are two types of competitive advantage that it can gain: low cost or differentiation (Peng, 2009).

Resource-based View

Barney (1991) argues that the work developed on the analysis of the industry-based view impact on a firm's competitive position proposed by Porter (1985), has accommodated little attention to the impact of idiosyncratic firm attributes. According to the author, these environmental models of competitive advantage have embraced two simplifying assumptions. Firstly, firms in an industry detain similar strategically relevant resources and pursue identical strategies (Porter, 1981; Rumelt, 1984; Scherer, 1980). Secondly, these models assume that because the resources that businesses use to implement their strategies are highly mobile, if resource heterogeneity develops in an industry, the heterogeneity will be very short-lived (Barney, 1986a; Hirshleifer, 1980). Although these assumptions were useful to help understand the impact of a firm's environment on its performance, since the resource-based view analysis the link between a firm's internal characteristics and performance, it cannot be built around them. These assumptions eradicate firm resource heterogeneity and immobility as possible contributors to gaining a competitive advantage (Rumelt, 1984; Wernerfelt, 1984, 1989).

Inversely, the resource-based view embraces two alternative premises to analyse sources of competitive advantage. On one hand, it argues that firms within the same industry may control heterogeneous strategic resources. On the other, it assumes that heterogeneity can be long-lasting once these resources may not be completely mobile over firms. The resource-based firm model scrutinizes the consequences of these two assumptions for analysing sources of sustained competitive advantage (Barney, 1991). A primary premise of this view is that a firm comprises a collection of productive resources and skills (Peng, 2009) with resources being "(…) all assets, capabilities, organisational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness" (Barney, 1991, p. 101).

Nevertheless, simply detaining resources is not enough. Not all resources confine the ability to sustain competitive advantages. In fact, to detain this potential, the resource must have four essential characteristics (Barney, 1991). Therefore, the resource-based view focuses on the value (V), rarity (R), imitability (I), and organisational (O) aspects of resources and capabilities, that can be arousing in a VRIO framework (Peng, 2009). Firstly, the resource must be valuable in the sense that it capitalizes on opportunities and/or mitigates threats in the firm's environment. If the resource is not valuable, it cannot be a source of sustained competitive advantage (Barney, 1991). The link between valuable resources and capabilities and firm performance is unambiguous (Peng, 2009). Moreover, the resource must be rare within a firm's existing and potential competitors. If, although valuable, the resource is owned by many competitors or potential competitors, it cannot be a source either of competitive advantage or a sustained competitive advantage. A firm can only gain a competitive advantage when it implements a value-creating strategy that is not simultaneously being used by a great number of other firms (Barney, 1991). It is easily understood that valuable and rare organisational resources may be a source of competitive advantage. However, a valuable and rare resource can only be a source of sustained competitive advantage if firms that do not possess it are not able to obtain it. So, additionally, it must be imperfectly imitable (Barney, 1991). Lastly, even the most valuable, rare, and hard-to-imitate resources and capabilities may not give a firm a sustained competitive advantage if it is not effectively organized (Peng, 2009).

Thus, Peng (2009) argues that overall, sustained competitive advantage and persistently above-average performance can only emerge from valuable, rare, and hard-to-imitate capabilities that are organisationally embedded and capitalized.

Institutional-based View

The industry- and resource-based perspectives, as insightful as they are, can be criticized for mainly disregarding the formal and informal institutional foundation that provides the context of competition among industries and firms studied (Kogut, 2003). Over the years, research has increasingly shown that institutions are not merely background conditions (Oliver, 1997; Peng & Heath, 1996). Rather, they directly shape the strategy and performance of firms (Peng, Wang & Jiang, 2008). Consequently, with the acknowledgement of institutions' importance, an institution-based view of strategic management has emerged (Peng, 2002, 2003), constituting the third leg of the strategy tripod.

North (1990, p. 3), described institutions as "the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction.". Likewise, Scott (1995, p. 33) describes them as "cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour.". In this sense, Davis and North (1971, p. 6) defined an institutional framework as "the set of fundamental political, social, and legal ground rules that establishes the basis for production, exchange, and distribution.". Moreover, an institutional framework is formed by formal and informal institutions controlling individual and firm behaviour. While formal institutions include laws, regulations, and rules, informal ones comprise norms, cultures, and ethics (Peng, 2009).

Considering the impact of institutional frameworks on firm behaviour, any strategic decision made by a firm is inevitably influenced by the limits imposed by a given institutional framework (North, 1990; Oliver, 1997). Therefore, the institution-based view of strategy focuses on the vigorous interaction among institutions and organisations and appraises strategic choices as the result of such an interaction (Peng, 2002). Overall, this view suggests two core propositions on how institutions matter. Firstly, managers and firms rationally undertake strategic choices within institutional constraints. Secondly, while formal and informal institutions work together to govern firm conduct, informal constraints will play a greater role in decreasing uncertainty and providing consistency to managers and firms in instances when formal constraints are unclear or fail.

All three perspectives may be considered insightful, yet each of them focuses on a different level (Su, Peng & Xie, 2016). More specifically, the industry-based perspective is outstanding at recognizing external factors at the industry level, the resource-based perspective excels at identifying internal strengths and weaknesses at the business level, and the institution-based perspective highlights societal-level impacts (Peng, Wang and Jiang, 2008). It is to note that none of these views can provide a complete picture on their own; rather, a better and more perceptive comprehension of the complicated event can be reached through their combination (Yamakawa, Peng and Deeds, 2008). Table 1 summarizes the three perspectives of this framework.

Table 1. The Strategy Tripod Framework

Industry-based View	Industry conditions, in which firms compete, help determine the firm performance, and the firm can develop and sustain its competitive advantage by altering its position in the industry.
Resource-based View	Based on the assumption that resources are heterogeneous and idiosyncratic, a firm's sustainable competitive advantage is largely a result of its valuable, rare, and hard-to-imitate resources that are well embedded in the organisation.
Institutional-based View	This view highlights that apart from industry and firm-level conditions, the constraints of the institutional framework influence, at least in part, firms' decisions, and their performance.

Source: Own elaboration, based on existing literature

2.2.2. The Framework versus Internationalisation

But, more importantly for the work in question, how and why do industry, resources, and institution characteristics impact firm's internationalisation?

Industry-based View

Industry variables have been overlooked as potential predictors of corporations' internationalisation, except for a small number of studies emphasizing rivalrous conduct in oligopolistic industries (Grøgaard, Gioia, & Benito, 2013). Some researchers suggest that industry features shape corporate strategies and limit the strategic options available to organisations, both large and well-established (Ghoshal 1987; Porter 1986) as well as smaller, more entrepreneurial ones (Fernhaber, McDougall, & Oviatt, 2007).

Firms are heavily impacted by their competitors' strategic moves, according to oligopolistic reaction theories. As a result, if one competitor goes global, others are likely to follow (Knickerbocker 1973). In some industries, firms are being encouraged to seek global strategies to leverage scattered resource endowments and scale economies (Morrison & Roth 1993; Porter 1986). Therefore, significant similarities in internationalisation tendencies among enterprises in the same industry might be expected. Pursuing tactics that do not fit the industry's features would result in long-term disadvantages, including divestitures and market withdrawals (Benito 2005). In sum, the export behaviours of other companies in the same industry serve as a benchmark, increasing the appeal of exporting. Consequently, overall, it may be stated that an industry's export orientation is positively related to a firm export propensity as well as intensity (Gao, Murray, Kotabe, & Lu, 2010). Firms from highly internationalised industries are more likely to follow the internationalisation paths of other top firms, allowing them to depend on previously successful techniques while directly competing with established competitors (Taylor, 2016).

Additionally, local competition also impacts a firm decision to internationalise from another perspective. Studies that have focused on high-tech industries have shown that companies must quickly internationalise to compete against larger, more internationalised competitors (Phan & Fan, 2007; Thai & Chong, 2008). When the home market is hostile and extremely competitive, enterprises may be pushed to internationalise to avoid intense or direct rivalry (Evangelista, 2005). Thus, firms that belong to highly competitive local industries are motivated to go abroad so that they may become more competitive in their home market (Chetty & Campbell-Hunt, 2004; Taylor, 2016).

Furthermore, domestic industry instability might also have a direct impact on firms' internationalisation strategies. Because international markets are considerably riskier, enterprises may have little reason to investigate sales prospects abroad while the domestic market is steady. Nevertheless, when the domestic market is unstable, researchers have shown that it influences both the export propensity and the export intensity of a firm. Organisations are pushed to consider exporting and look for chances in international markets as the home market gets saturated and more competitive (Gao, Murray, Kotabe, & Lu, 2010).

Moreover, the industry's research intensity also influences a firm's propensity to internationalise. The higher the research intensity, the more probable industry incumbents will gain competitive advantages and improve their ability to innovate and introduce new goods that will find customers both domestically and internationally. As a result, the proclivity to internationalise rises (Grøgaard, Gioia, & Benito, 2013).

The product tangibility impacts firms' internationalisation as well. Traditionally, when compared to manufacturing firms, service firms have remained local and thus internationalise less (Contractor, Kundu, & Hsu, 2003). Barriers to the international marketing of services are numerous and much more complex than barriers to trade in goods

(Ball, Lindsay, & Rose, 2008; Bateson, 1992; Samiee, 1999; Winsted & Patterson, 1998; Zeithaml, Parasuraman, & Berry, 1985). While some barriers are purely intellectual in nature, others are founded on tradition and regulation. In the first place, since services are intangible, they are experiences that cannot be touched, seen, transported, or lifted, customer risk perceptions are enhanced, and quality evaluation is more challenging than it is for produced commodities. For any business seeking to promote services abroad, where risk perceptions are frequently already elevated and where there may be significant geographic and cultural barriers, this creates an extra difficulty (Winsted & Patterson, 1998). Secondly, once services are inseparable from their users, it takes a lot of time and effort to gain the trust and build relationships that are key to the success of many services. This heightens the risk and investment required to enter these markets. In addition, high levels of interaction demand increased customization of service offerings to meet the needs of local clients, leading also to increased cost and the need for understanding of the local culture (Lovelock, 1996; Winsted & Patterson, 1998). In line with this inference, the acceptance and uptake of services will unavoidably be significantly impacted by cultural norms. Since services inevitably require some level of human resources, there is a higher chance of cultural mismatch (Samiee, 1999). Due to all the motives listed allied with several more, international marketing of services differs significantly from international marketing of tangible goods. Professional services firms must succeed by building strong relationships and a solid reputation for excellence. As a result, these firms' competitive edge is extremely ephemeral and is reliant as much on interpersonal relationships, consistent quality, and contacts as on legal protections and patents. Nevertheless, it is exceedingly challenging to manage quality in a foreign setting, making the export of professional services dangerous, expensive, and needing a lot of knowledge and connections.

Lastly, researchers have demonstrated that enterprises within clusters have significantly higher foreign-sale and foreign-employment intensities than those outside of clusters, and that clustering is positively associated with the development of overseas subsidiaries, albeit only to a lesser extent. Belonging to a cluster may improve a firm's international competitiveness (Brown and Bell 2001; Mariotti and Piscitello 2001; Porter 1998), since clusters are effective at both bringing new businesses to a location and retaining those that are currently there (Enright 2000; Grøgaard, Gioia, & Benito, 2013).

A selection of factors from the industry-based view that, according to the literature, influence a firm's internationalisation process is presented in Table 2.

Table 2. The Industry-based view and Internationalisation

View	Factor	How it impacts	Authors
Industry-based	Competitors' strategic moves and export orientation	If one competitor goes global, others are likely to follow.	Gao, Murray, Kotabe, & Lu, 2010; Taylor, 2016; Knickerbocker; 1973
	Highly competitive local industries	Motivate firms to go abroad so that they may become more competitive in their home market	Chetty & Campbell-Hunt, 2004; Evangelista, 2005; Phan & Fan, 2007; Taylor, 2016; Thai & Chong, 2008
	Domestic industry instability	Organisations are pushed to look for opportunities in international markets as the home market is unstable.	Gao, Murray, Kotabe, & Lu, 2010
	Industry's research intensity	The higher the research intensity, the more probable firm's internationalisation	Grøgaard, Gioia, & Benito, 2013
	Product tangibility	Service organisations have a weaker proclivity for internationalisation	Bateson, 1992; Contractor, Kundu, & Hsu, 2003; Winsted & Patterson, 1998; Samiee, 1999; Ball, Lindsay, & Rose, 2008; Zeithaml, Parasuraman, & Berry, 1985
	Presence in clusters	Belonging to a cluster may improve a firm's international competitiveness	Brown and Bell 2001; Mariotti and Piscitello 2001; Porter 1998

Source: Own elaboration, based on existing literature

Resource-based View

Although the resource-based view on its own does not explain directly how a firm's resources contribute to its internationalisation process, several authors tried to explain this linkage. Evidence was found showcasing that a firm's financial, human, physical and organisational capitals contribute to internationalisation (Seifert & Machado-da-Silva, 2007) and the division among those resources is often done between tangible and intangible resources.

On the tangible resources side, the firm size- a result of the number of employees, as well as sales- especially in service sector firms, may be considered a distinguishing factor between internationalised and non-internationalised firms. Overall, it is widely agreed that the probability of international activity increases with firm size (Aaby & Slater, 1989; Ali & Camp, 1993; Benvignati, 1990; Erramilli & Rao, 1993; Hassan & Ahmed, 2012; Javalgi, Griffith, & White, 2003; Katsikeas, 1994; Keng & Jiuan, 1989). The general argument to justify this trend highlights that to pursue an internationalisation strategy, the firm must commit a great number of resources. In this sense, larger companies tend to be better equipped to handle the risks of internationalisation (Aaby & Slater, 1989). Moreover, internationalisation is also positively correlated with the measure of the team's international selling experience, indicating that larger SMEs are more likely to have international selling teams. When compared to larger SMEs, smaller firms need to look for knowledge and experience in international business in a greater effort (Chelliah, Pandian, Sulaiman, & Munusamy, 2010).

On the intangible resources side is one of the most significant variables supporting entrepreneurial growth and expansion, as well as economic opportunities- human capital. Several were the researchers who investigated human capital in firms, identifying a range of factors that are part of its constitution, and impact internationalisation. While some authors describe human capital as experience, talent, and skills (Dar & Mishra, 2019), others outline it as an intangible resource that provides a sustainable competitive advantage that is unique and non-replaceable (Barney, 1991). Regarding internationalisation, a variety of scholars confirmed that it is positively influenced by human capital (Cerrato & Piva, 2010; Goxe, 2010; Ruzzier, Antoncic, Hisrich, & Konecnik, 2007).

Additionally, studies have shown that firms' entrepreneurial orientation- characterised by managerial philosophies, personal managerial skills, firm traits, and behaviours that are entrepreneurial in nature- also affects internationalisation (Covin & Slevin, 1991; Sanyal, Hisam, & Baawain, 2020). Evidence was also found that proactive entrepreneurs and their previous experience influence early internationalisation of SMEs (Santhosh, 2019). Entrepreneurial autonomy, innovativeness, risk-taking, and competitive aggressiveness were shown to influence internationalisation as well (Wiklund & Shepherd, 2003; Orengo, 2012).

Moreover, studies have shown that family involvement in management has a negative impact on SMEs' ability to export. A shortage of competent, qualified managers could emerge from increased family engagement in management, which would be reflected in a smaller proclivity to export. That is, the presence of the owner's family in management has a detrimental impact on export propensity. On the other hand, the presence of foreign shareholders in SMEs have a beneficial impact on internationalisation, according to empirical findings (Cerrato & Piva, 2010). Additionally, studies have also indicated that state-owned firms are less prone to pursue internationalisation when compared to firms controlled by inside owners (Hobdari, Gregoric, & Sinani, 2011).

Networks are a topic widely researched and that has been considered a critical factor influencing firms' internationalisation, as well, especially SMEs'. Through networks, small firms find suppliers, consumers, distributors, and other resources in foreign markets. Additionally, these alliances are also used as a strategy to get access to global markets while also sharing the risks of exploring and operating in new markets (Coviello & Munro, 1995; Miller & Besser, 2005; Zain & Ng, 2006). SMEs, who typically lack resources, can successfully exploit these networks to get knowledge about and access to international markets, which would otherwise be difficult (Sanyal, Hisam, & Baawain, 2020).

Furthermore, a brand's value is one of the most important intangible resources a firm may have and is also considered to favour internationalisation (Mahnke & Venzin, 2003; Mariz-Pérez & García-Álvarez, 2009).

Table 3 recapitulates the main factors influencing a firm's internationalisation process from a resource-based view.

Table 3. The Resource-based View and Internationalisation

View	Factor	How it impacts	Authors
Resource-based		*Tangible Resources*	
	Firm Size	The probability of international activity increases with firm size.	Aaby & Slater, 1989; Ali & Camp, 1993; Benvignati, 1990; Erramilli & Rao, 1993; Hassan & Ahmed, 2012; Javalgi, Griffith, & White, 2003; Katsikeas, 1994; Keng & Jiuan, 1989
		Intangible Resources	
	Human Capital	Internationalisation is positively influenced by the quality of human capital.	Cerrato & Piva, 2010; Goxe, 2010; Ruzzier, Antoncic, Hisrich, & Konecnik, 2007

Entrepreneurial Orientation	Firms' entrepreneurial orientation affects their internationalisation.	Covin & Slevin, 1991; Sanyal, Hisam, & Baawain, 2020
Proactivity and Previous	Influence early internationalisation of SMEs.	Santhosh, 2019
Autonomy, Innovativeness, Risk Taking, and Competitive Aggressiveness	Influence positively firm's internationalisation.	Wiklund & Shepherd, 2003; Orengo, 2012
Family Involvement	Impacts negatively SMEs' ability to export.	Cerrato & Piva, 2010
Presence of foreign shareholders	Has a beneficial impact on internationalisation.	Cerrato & Piva, 2010
Firm's ownership	State-owned firms are less prone to pursue internationalisation.	Hobdari, Gregoric, & Sinani, 2011
Networks	Belonging to a network critically influences internationalisation	Coviello & Munro, 1995; Miller & Besser, 2005; Sanyal, Hisam, & Baawain, 2020; Zain & Ng, 2006
Brand Value	Higher brand value favours internationalisation.	Mahnke & Venzin, 2003; Mariz-Pérez & García-Álvarez, 2009

Source: Own elaboration, based on existing literature

Institutional-based View

The institutional environment in a country shapes the favourable or unfavourable conditions for business activity (Dunning & Lundan, 2008; North, 1990; Witt & Lewin, 2007) and has a significant impact on firms' decisions, such as whether and how to internationalise (Audretsch, Belitski, Chowdhury, & Desaia, 2021; Cuervo-Cazurra, Mudambi, & Pedersen, 2019; Oliver, 1991).

The list of institutional factors influencing a firm's decision to internationalise or to prevent it is not short. The degree of institutional development in the home market, for instance, influences firms' willingness to expand. In underdeveloped institutions, factors such as a lack of legal protection for property rights, a lack of enforcement of commercial laws, non-transparent judicial and litigation systems, underdeveloped factor markets, and inefficient market intermediaries, raise transaction and market costs, eroding firms' competitiveness (North, 1990; Peng, 2003).

The degree to which an institutional environment varies rapidly over time is referred to as institutional instability or volatility (Li, Poppo, & Zhou, 2008). Firms' ability to adapt is hampered by rapidly changing institutions, resulting in a misalignment between their demands and the business system in which they are embedded. As a result, the level of institutional instability in the home market has a detrimental impact on MNEs' willingness to expand to advanced markets overseas (Wu & Chen, 2014).

Over the years, literature that analysis institutional impact on firms' internationalisation often focused on a theoretical framework composed of three dimensions: regulatory, normative, and cognitive (Scott 2001).

- Regulatory Dimension

The regulatory component of the institutional environment is a collection of regulation-related processes intrinsic to the current institutional structure, such as rulemaking, monitoring, and penalising. In practice, the regulatory institutional environment for entrepreneurship refers to government policies that encourage the formation of new firms and the development of new technologies, as well as specific strategies. It is understandable that these disruptions impact the firm's cross-border ambitions once they create impediments to domestic entrepreneurship (Volchek, Henttonen, & Edelmann, 2013).

Regulatory barriers in the home market might include tax burden (Estrin, Meyer, & Bytchkova, 2008), as well as the presence of unfavourable government regulations that can stifle firm growth (Reynolds, et al., 2005). Well-developed domestic regulatory policies can encourage firms to internationalise their operations (Buckley, et al., 2008), and favourable policies and initiatives can give entrepreneurs rights of protection for their property and investments, and competitive advantages. Conversely, a high cost of legal settlements, and a lack of protection for property rights (Abor & Quartey, 2010), as well as pressure from governmental agencies, and underdeveloped legislation can create challenges for firms and discourage their internationalisation (Shirokova & Tsukanova, 2013; Tovstiga, et al., 2004).

– Corruption Level

Not surprisingly, corruption, characterised as the extent to which government officials serve their own interests at the expense of the state and/or the businesses with which they deal (Anokhina & Schulze, 2009; Estrin, Korosteleva, & Mickiewicz, 2013), also plays an important role in firms' growth opportunities and therefore in their internationalisation propensity.

A strong literature stream argues that SMEs' perceptions of a highly corruptive home environment may intensify resource allocations for exports. Firms' opportunity-seeking actions in foreign markets appear to be heightened by perceptions of poor informal institutional quality at home (Manolopoulosa, Chatzopoulou, & Kottaridi, 2018). Because only the most productive domestic firms can overcome the increased costs associated with a corrupt business climate, corruption diminishes the likelihood that a firm will exclusively sell domestically (Olney, 2015). Therefore, exporting to other countries appears as a solution to avoid new firms' susceptibility to domestic government corruption (Lee, Yin, Lee, Weng, & Peng, 2015).

– Bureaucracy Inefficiency

The term "bureaucracy" refers to a highly structured administrative system (Hofstede, 1980) defined by the strict adherence to written rules, procedures, and directives (Adler & Borys, 1996). The amount of domestic bureaucracy has long been recognized as a stimulus for firms' internationalisation operations (Arteaga-Ortiz & Fernández-Ortiz, 2010; Stoiana & Filippaios, 2008), particularly exporting (Leonidou, 2000). While an effective bureaucracy that facilitates the smooth transition between different governmental entities, codifies procedures and ensures the continuity of the public sector may increase export growth (Aulakh, Kotabe, & Teegen, 2000), an excessive export bureaucratic burden appears to weaken the profit-maximizing level of exporting (Jones & Hill, 1988). As a result, this might lead to a shift in SMEs' attitudes toward internationalisation (Naidu, Cavusgil, Murthy, & Sarkar, 1997), which would stifle export activities (Katsikeas & Morgan, 1994).

Overall, it is widely agreed that excessive export bureaucracy has a negative and significant impact on exports, indicating that domestic formal institutional inefficiencies reduce SMEs' export commitment (Manolopoulosa, Chatzopoulou, & Kottaridi, 2018).

- <u>Normative Dimension</u>

The normative institutional environment is defined by societal values and norms in connection to a certain purpose that the actors want to attain (Scott, 2001). It represents "values, beliefs, norms, and assumptions about human behaviour held by the individuals in a given country" (Kostova & Roth, 2002, p. 217). Overall, normative barriers are those that are based on a societal commitment to shape and restrict human relationships (Scott, 2001).

SME internationalisation is supported by a favourable impression of the normative institutional environment, which refers to how much a country's inhabitants value entrepreneurial activities (Volchek, Jantunen, & Saarenketo, 2013).

- Cognitive Dimension

In its turn, the cognitive environment represents people's abilities and expertise in a country when it comes to starting and running a business (Busenitz, Gómez, & Spencer, 2000). Ultimately, it reflects the extent to which knowledge concerning starting a business is available. Typically, emerging economies do not have a wide range of knowledge available when it comes to the beginning and growth of enterprises (Manolova, Eunni, & Eunni, 2008). As a result, corporate executives in these countries frequently have challenges collecting credible information, required to capitalise on new business prospects (Spencer & Gómez, 2004).

Studies have shown that an SME's initial decision to internationalise is influenced by conditions in the cognitive institutional environment. An adverse cognitive institutional environment, defined as the lack of relevant and appropriate information for launching international commercial operations, limits enterprises' ability to expand globally (Spencer & Gómez, 2004; Volchek, Jantunen, & Saarenketo, 2013).

The factors mentioned above to influence a firm's internationalisation process from an institution-based view are outlined in Table 4.

Table 4. The Institution-based view and Internationalisation

View	Factor	How it impacts	Authors
Institution-based	Degree of institutional development	Developed institutions increase firms' willingness to expand.	North, 1990; Peng, 2003
	Institutional instability	Instability has a detrimental impact on EMNEs' willingness to expand to advanced markets overseas	Wu & Chen, 2014
	Regulatory environment	Well-developed domestic regulatory laws encourage businesses to expand abroad	Buckley, et al., 2008; Shirokova & Tsukanova, 2013; Tovstiga, et al., 2004

	Corruption level	Corruption diminishes the likelihood that a firm will exclusively sell domestically	Lee, Yin, Lee, Weng, & Peng, 2015; Manolopoulosa, Chatzopoulou, & Kottaridi, 2018; Olney, 2015
	Bureaucracy inefficiency	Excessive export bureaucracy has a negative and significant impact on exports	Arteaga-Ortiz & Fernández-Ortiz, 2010; Aulakh, Kotabe, & Teegen, 2000; Jones & Hill, 1988; Katsikeas & Morgan, 1994; Leonidou, 2000; Manolopoulosa, Chatzopoulou, & Kottaridi, 2018; Naidu, Cavusgil, Murthy, & Sarkar, 1997; Stoiana & Filippaios, 2008
	Normative environment: the degree to which society favours entrepreneurship and innovation.	SME internationalisation is supported by a favourable impression of the normative institutional environment.	Scott, 2001; Volchek, Jantunen, & Saarenketo, 2013
	Cognitive environment: Society's risk-aversion degree level	Influences SME's initial decision to internationalise.	Spencer & Gómez, 2004; Volchek, Jantunen, & Saarenketo, 2013

Source: Own elaboration, based on existing literature

3. Methodology

Throughout this chapter, a description and explanation of the methodological approach selected to understand and explore the topic under study are presented. Furthermore, the theoretical framework used, the context of study and the interviews and their participants are also approached.

3.1. Methodology Type

The term methodology relates to how problems are approached and the search for solutions. In the social science field, the concept is usually referred to as how research is executed. The choice of which method to adopt is influenced by the researcher's assumptions, interests, and goals. In this sense, methodological debates ultimately concern assumptions and intentions, over theory and viewpoint (Taylor, Bogdan, & DeVault., 2016).

3.1.1. Qualitative Methodology

Rapid social change and the resulting diversification of lifestyles are increasingly challenging social researchers with new social contexts and perspectives. These are so new for them that, as a result of the differentiation of objects, their traditional deductive methodologies—formulating research questions and hypotheses from theoretical models and testing them against empirical evidence—are failing. Thus, research is increasingly forced to make use of inductive strategies (Flick, 2018a).

Qualitative approaches such as descriptive observation, interviewing, and other qualitative methods have been used from the beginning of time (Wax, 1971). Qualitative research is a situated activity in which the observer is placed in relation to the rest of the world entailing a naturalistic, interpretative approach of it (Denzin & Lincoln, 2018). Overall, it is generally outlined by inductive approaches to knowledge building with the purpose of generating meaning (Leavy, 2014). This technique is used by researchers to study, examine, and learn about social phenomena; to unravel the meanings that individuals attach to actions, circumstances, events, or artefacts; or to get a deeper knowledge of any aspect of social life (Leavy, 2014; Leavy, 2017). Therefore, in the broadest sense, qualitative methodology, may be described as "(…) research that produces descriptive data—people's own written or spoken words and observable behaviour." (Taylor, Bogdan, & DeVault., 2016, p. 7). Being characterised by its exploratory, inductive and flexible character, the goal of this method is to gather data, interpret phenomena and allocate results. It does not rely on statistical data as the focus of analysis, and it does not have the goal of measuring units, unlike other approaches (Prodanov & Freitas, 2013). Instead, it follows an inductive approach, in which the researcher studies concrete situations in a temporal and spatial specificity (Flick, 2018b) before concluding something more general. In this regard, a hypothesis can be formed by the observation of descriptive data and experimentation (Prodanov & Freitas, 2013).

3.1.2. Case Study Methodology

Qualitative research encompasses a wide range of methods and approaches, including case study, interviewing, participatory inquiry, politics and ethics, participant observation, visual methods, and interpretative analysis, each specific to the context and nature of research that one intends to conduct (Denzin & Lincoln, 2018). Considering the specific context and requirements that the study in question demands, the case study was the method chosen to pursue with this work.

Over the years, case study research has grown out of reputation and importance as an effective methodology to investigate and understand complex issues in real-world contexts, undergoing substantial development. While the contributions of researchers from various disciplines have aided in the development and strengthening of case study research over time, the diversity of disciplinary backgrounds has also added complexity, particularly in terms of how case study research is defined, described, and applied in practice (Harrison, Birks, Franklin, & Mills, 2017). Despite the variety of definitions, it is widely agreed that its primary goal is to uncover the features of a certain entity, and its main distinguishing traits include a single-unit emphasis, in-depth description of a phenomenon, a foundation in real-world circumstances, and the use of several data gathering techniques. Having a unit as a focal point is clearly a hallmark of a case study, and therefore distinctions characteristic of a unit and how this is reflected into the research by addressing it with openness and acceptance is the advantage of employing a case study methodology for research in such areas (Njie & Asimiran, 2014).

Case studies are often superior to quantitative research in the areas where the last ones are lacking. Their ability to reach high conceptual validity, robust processes for developing new ideas, utility in thoroughly investigating the hypothesized role of causative mechanisms in the context of individual cases, and capability for dealing with causal complexity are just some of their advantages (Starman, 2013). Moreover, researchers value the connection to ordinary life and the plentifulness of individual elements and details in case studies from two perspectives. On one hand, a case study is critical for creating alternative perspectives on reality, such as the recognition that human behaviour cannot be described just as an act guided by a rule or theory. On the other hand, case studies can help a researcher's professional growth by providing a real, context-dependent experience that improves their research abilities (Flyvbjerg, 2006).

Notwithstanding the increasing popularity and attention that the case study method has been receiving, it is not free of criticism. Flyvbjerg (2006) identified some misunderstandings related to this research type, mainly connected to its theory, reliability, and validity. Firdtly, information that is general, theoretical, and context-independent is more useful than knowledge that is specific, practical, and context-dependent. Secondly, the case study cannot enrich much scientific development once it is impossible to generalize on the basis of an individual case. Lastly, case studies have a propensity to corroborate the researcher's preexisting beliefs, which is known as a verification bias.

3.2. Data Collection Methods

Data collection is the act of acquiring and quantifying information on variables of interest in a systematic manner that allows researchers to answer research questions, test hypotheses, and assess outcomes. The purpose of any data collecting is to get high-quality evidence that can be translated into rich data analysis and used to construct a persuasive and credible response to the questions addressed (Kabir, 2016).

3.2.1. Secondary Data

At a time when large quantities of data are being gathered and archived by researchers all around the world, the feasibility of employing existing data for research is becoming increasingly widespread (Andrews, Higgins, Andrews, & Lalor, 2012; Johnston, 2014; Schutt, 2011; Smith, 2008; Smith, et al., 2011). In research, this already existing data, that is, data that has not been collected with the goal of answering the specific research question in mind defines the concept of secondary data (Emanuelson & Egenvall, 2013). This type of data may be obtained from several sources. Information from a previous research study, academic course records, or even news media or social media, are just some examples of what secondary data may look like (Doolan, Winters, & Nouredini, 2017).

Using data that already exists to conduct new research has several advantages. Firstly, working with secondary data is economic. Once the data is already available, the researcher does not have to allocate resources to this phase of research, and therefore, the time and costs for the researcher to spend on collecting data are less compared to collecting primary data. Secondly, the breadth of data available is also a huge advantage of using secondary data. It is often possible to gather larger amounts of data, making it possible to analyse a greater part of the population and so to limit selection bias (Boslaugh, 2007; Emanuelson & Egenvall, 2013). Furthermore, it allows smaller research projects to make use of data obtained through a data collection process informed by experts and professionals, that otherwise could not be available to them (Boslaugh, 2007).

Nevertheless, using already existing data also has its limitations. Inherently to its nature, once the data was not collected specifically for the research in question, precise information that would be useful may not have been collected. For instance, the geographical zone or temporal range might also differ from the ones desired. Variables may also have been defined or grouped in ways that differ from what a new research would require (Boslaugh, 2007).

3.2.2. Primary Data

In its turn, primary data refers to data that is collected for a specific research question (hypothesis) in mind, for the particular research problem at hand, through a method that best fits it (Emanuelson & Egenvall, 2013). New data is added to the current store of social knowledge whenever primary data is acquired. Afterwards, this new material developed by researchers is made available for reuse by the wider research community, generating secondary data (Hox & Boeije, 2005). When the researcher collects its own data, the operationalization of theoretical constructs, research design, and data collection strategy can all be customized to the research question, ensuring that the study is coherent and that the information gathered actually aids in reaching the problem's solution. Nonetheless, it is costly and time-consuming (Hox & Boeije, 2005).

The list of possible data collection tools that a researcher may use to capture qualitative data and find the answer to his proposed problem is not short. From surveys, questionnaires, tests and simulations, to interviews or direct observations, all belong to this list (Phillips & Stawarski, 2008). For this specific study, interviews were the data collection method chosen. Qualitative research interviews are attempts to comprehend the world through the eyes of the participants, unravel the significance of their experiences, and discover their lived reality before scientific explanations. The interviewer asks the interviewee questions in order to elicit subjective information on a certain topic or experience (DeJonckheere & Vaughn, 2019).

Concerning organisation, interviews range from the firmly structured format of standardized survey interviews in which questions are asked in a determined order using the same format, to unstructured interviews, which are just flexibly schemed. In the middle is a mix of both options, the semi-structured interviews (Flick, 2018b), the method chosen to perform this study. This approach usually entails a conversation between the researcher and the participant, which is led by a flexible interview strategy and boosted with follow-up questions and comments. Follow-up questions are developed in response to what interviewees have already said and therefore, they allow the interviewer to probe for additional information. This approach makes it possible for the researcher to collect open-ended data, dive deeply into personal and often sensitive themes, and investigate participant ideas, feelings, and opinions about a certain topic (DeJonckheere & Vaughn, 2019; Phillips & Stawarski, 2008). Overall, a few broad questions are asked, which might lead to more detailed information as relevant data is discovered (Phillips & Stawarski, 2008).

3.3. Theoretical Framework: Definition of Hypotheses

In this section, the components of the theoretical framework used are scrutinised in-depth and embedded in the context of this research. In this sense, the development of the hypotheses is pointed out. Considering the framework collected from the existing literature summarized in Tables 2, 3, and 4, not all factors have applicability in this specific case and therefore, some factors are not analysed. The following hypotheses are defined:

Industry-based View

H1: Highly Competitive pressure in the home industry is positively correlated with internationalisation.

H2: Service organisations have a weaker proclivity for internationalisation.

Resource-based View

H3: Firm size positively promotes internationalisation.

H4: Good management skills positively influence internationalisation.

H5: Human resources' quality positively impacts internationalisation.

H6: Belonging to a network is a critical factor that promotes internationalisation.

Institution-based View

H7: Well-developed domestic regulatory policies and initiatives can encourage firms to internationalise.

H7.1: Home country corruption increases the likelihood of internationalisation.

H7.2: Excessive export bureaucracy has a negative impact on internationalisation.

H8: The degree to which the society is favourable to entrepreneurship and innovation positively influences internationalisation.

H9: The degree of risk-taking aversion in the domestic market negatively influences enterprises' ability to expand globally.

3.4. Context of Study

In this section the context of the study is examined, focused on two main themes. Firstly, MA, the case firm, is introduced, including its history, services available, and its organisational structure. At a second stage, the interviews and participants are presented.

3.4.1. Market Access

With the purpose of studying the factors, from each of the three perspectives in study, that are critical in a firm's decision to internationalise and to its success, the particular case of an internationalisation consultancy, MA, is analysed. Note that the company studied, in this case, is also the host entity.

Created in 2005, MA is a consultancy specialised in internationalisation and focused on supporting the achievement of international business, operating in the B2B segment. Currently, has more than 1,000 projects of internationalisation successfully concluded, and a diverse customer base from 60 different geographies. Over its years of activity, the firm has developed internationalisation consulting services to help its partners' and clients' expansion and approach to external markets.

MA creates full solutions for its customers' internationalisation processes using an integrated internationalisation system. This process is divided into different phases starting with the diagnosis, going through the strategic marketing plan, market development and culminating in the management of market presence. To follow this process, MA specializes in providing four essential services: (1) Market Studies and Strategic Analysis; (2) Customer Prospecting and Acquisition; (3) Business and Virtual Missions to Markets; (4) Internationalisation Training and Consulting.

Internally, MA has a matrix-based organisational structure that encourages communication across its organic units and ensures effective utilisation of its resources. In this approach, directly or indirectly, the company's whole organic structure reports to the Management, obeying the hierarchical structure shown in Annexe 2.

From a strategic view, MA's plan is associated with the development of solutions that are increasingly tailored to its customers, both on the national and international markets, and is based into three main pillars. Firstly, to strengthen the company's internal competencies, through the administration of a management system and the qualification of its resources. Secondly, to have stronger teams in the markets in which it is already present and expand its presence to new markets. Lastly, to develop the capability to secure international customers, with the goal of making progress in MA's internationalisation process, promoting itself in foreign markets and exporting its own services.

3.4.2. The Interviews and the Participants

Given the goal of this study and its methodological considerations, interviews were carried out with MA consultants. To collect data capable of reflecting the company's point of view on factors considered relevant to its internationalisation and success, the interviewees chosen are the most linked to the question in study, from different departments and at different levels of activity. The interview guide (Annexe 1) was formulated based on the analysis framework presented above (Section 3.3.). It consists of eight open questions that served as a starting point to obtain the necessary information to answer the questions raised in this study. All interviews were conducted virtually in meetings previously scheduled for this purpose. In this study, the following interviews were carried out[1]:

- Tereza Marques (TM) - International Business Developer (15/06/2022; 50 minutes)
- Pedro Vieira (PV) - Founder & CCO (22/06/2022; 44 minutes)
- Juliana Teixeira (JT) - Business Unit Manager (06/07/2022; 48 minutes)
- Filipe Silva (FS) - Business Unit Manager (13/07/2022; 38 minutes)

Subsequently, all the interviews were transcribed and analysed, however, for confidentiality reasons they will not be fully present in the work.

[1] Before starting the interview and to protect the identity of the interviewees and safeguard the image of the company studied, permission was requested from the interviewee to use his name and position, and to record the interview

4. Case Study

This chapter contains two central topics. Firstly, the main results of the interviews performed are displayed and analysed on the light of the developed framework. Secondly, Market Access's internationalisation path is explored, contextualizing it on the examined theories and models of internationalisation.

4.1. Interviews Analysis

In this topic, the interviews are analysed, considering the questions asked (Annexe 1), which are linked to the hypotheses developed above. For each hypothesis, the interviewees' statements are displayed as well as an interpretation of them, considering the existing literature, and a conclusion regarding the verifiability of the hypotheses.

<u>*Industry-based View*</u>

- **H1** - <u>Highly competitive pressure in the home industry is positively correlated with internationalisation</u>

Regarding the competitive pressures to which MA is subject, PV stated the following: *"The competition exists, of course, but it is not easy to find a company that is exactly like we are. (…) When we created MA, exactly in the same year, two other companies were created but doing only the relation between Portugal and China and China and Portugal. So yes, we were competing when a client wanted to enter the Chinese market, but they were not offering, as we were, a wide range of markets that the clients could pick. The second group that we can consider competition are the traditional management consulting firms and those firms were very broad in the services they were offering, they were not specialised. So, we had some competition that was very specialised in one market and then we had companies that were not specialised at all and so the clients were not seeing them as specialists. Internationally, that place that we were, was quite interesting because we could differentiate from both, offering more services and countries compared with the ones that were specialised in one market, but telling our clients that comparing with the general management global consulting firm, we were very specialised."*. Referring to home country's competitive influence in MA's internationalisation process, the interviewee specifically stated that *"No, it was not one of the first reasons."*. From here it is possible to infer that although some similar companies can be found in Portugal, whether they are very specialised in one market or not specialised at all, allowing MA to differentiate itself from both groups. Despite the existence of these two types of competition, PV does not consider that they influence very much the company's internationalisation.

In turn, although recognising that MA has some direct competitors in Portugal, TM argued that the company's position in the home market is much strong: *"There are competitors to MA in Portugal, a few direct ones, but at the same time, I know that our position on the national market is actually very strong. We are really a reference in the industry."*.

JT declared that *"In Portugal, we have the main pressure in terms of competitors coming not from big organisations but more from individual consultants. And sometimes, our big issue is price competitiveness because when you are an individual consultant, you have a market price that is not comparable to a company's. Of course, what you offer is not the same thing as well, but that puts us under a lot of pressure in terms of price. (…) By now we don't have a very big competitivity from organisations. (…) I think it is very important for us to differentiate from these smaller companies or from these individual consultants and from other companies that of course compete with us, but I think the pressure to go abroad was not felt in terms of revenue or in terms of turnover."*. Therefore, according to the respondent, the biggest competitive pressures do not come from organisations, but rather from individual consultants that are able to practice lower prices than the company. Nevertheless, the company's internationalisation is not influenced by competitive pressures in terms of revenue and turnover.

Lastly, FS declared the following: *"I think our main competitors are more focused on bigger companies. Obviously, we are also available to work with them, but I think that our differentiation allows us to work with small or even micro companies, for example. It is a totally different work. So once our domestic market is more concentrated with these consultancy companies, that work with the bigger companies we feel that pressure to continually search for international markets and for international companies to work with us.* Concerning how competition influences MA's internationalisation process, the interviewee stated: *"I think it is the key point in this sector."*. According to FS, MA's competitors are not that similar to the company because they mainly target big clients, while MA is available to work with small or even micro companies too, which makes the service delivered very different. Nevertheless, despite the differences, the respondent still views the competitive pressures to which MA is exposed in the domestic market, as the key factor promoting the company's internationalisation.

All interviewees, seem to agree that although MA was under some competitive pressures, those competitors are somehow different from the company, not only in terms of the services delivered, referred by PV but also in the size of the targets, mentioned by FS. Furthermore, competition might also be found among individual consultants, as claimed by JT. Recalling the literature review on the topic, analysed above, according to studies such as

Chetty and Campbell-Hunt (2004), Evangelista (2005), Phan and Fan (2007), Taylor (2016), and Thai and Chong (2008), highly competitive local industries promote firms' internationalisation with the purpose of enhancing competitiveness in the home market. Analysing the interviews, while PV, TM and JT seem to agree that competitive pressures were not one of the major factors that influenced the company's internationalisation, FS considers it to be a key factor. Thus, based on the interviews it is reasonable to conclude that the competition in the home market is not that relevant in this case. As FS mentioned, it can be seen as a critical factor in the sense that while the competitors are focused on different size targets, an opportunity emerges for MA to focus on smaller companies, enhancing internationalisation. But not in the sense that the competition in the home country is so high that the firm needs to go abroad. Nevertheless, as most of the interviewees did not consider the firm to experience highly competitive pressures in the home industry, it is not possible to understand how this factor is relevant and if it is in accordance with the mentioned studies. Thus, from the presentation and analysis of the data examined it is possible to conclude that H1 does not apply to this case.

- **H2** - Service organisations have a weaker proclivity for internationalisation

Concerning the tangibility of the product, and how it impacts the company's internationalisation, PV mentioned the following about selling a service: *"I wouldn't say it's more difficult, but the way you communicate the service is different from the way you communicate the product. (…) if we think about logistics, it is easier. If you have a product, it is more complex. So, there are advantages and disadvantages of being a service and not a product.".* According to PV, the fact that MA sells a service rather than a product does not hamper the company's internationalisation, highlighting that the most relevant difference between the two in this situation is the way in which they are communicated. Moreover, the interviewee underlines that selling a service has its advantages, such as the easiness in terms of logistics involved.

On the same subject, TM stated that *"It is exportable but it's not easy. I would say the idea is that you can replicate it easily, you can bring your methodologies and apply them to a Spanish company, but it is not easy (…). It is much easier for us to sell on the Portuguese market, and there are strong barriers, for example in France, for us to enter. (…) We were talking with a few people that implement projects in France and they were telling us "Look, I work with Portuguese companies that want to go to France and there are sectors that the French people love to hear that you are a Portuguese company, like textiles, it's a very positive reference." (…) I'm not saying what we concluded, but what is our strong hypothesis is that for qualified* *services, French people will always prefer to get from French companies. (…) But I think even more in this specific sector of qualified consultancy services, they just want to go with local nuts and it's not a question of language because we were doing the approach in French. We could deliver the projects in French.".* TM recognized that although the company's services are easily replicable, they are not easy to export, making it much simpler to sell in Portugal once abroad many barriers can be faced, referring to the nationality of the company as an example. Therefore, the interviewee agrees that the intangibility of the service influences the firm's internationalisation. The respondent used MA's attempt to penetrate the French as an example to illustrate how selling a qualified service abroad may be more difficult. Despite recognizing that in some sectors, such as the textile one, in which the French population sees Portuguese companies as a positive reference, there is a strong hypothesis that when it comes to buying qualified services, French people tend to prefer to get them from national companies. From TM's experience, it is not a linguistic difference barrier, as the projects were delivered in French, but instead a nationality one.

JT foregrounded different concerns regarding selling a service. The interviewee claimed that *"The selling process and the time of selling something are much longer when you are selling services and qualified services, and you have to invest much more in terms of resources and time before the market starts to pay itself. So, you cannot expect to close the deal in one to three months, the investment is quite high in that sense because you need to have a team allocated and dedicated sometimes for one year before you have any sales. And this, of course, is a big effort for an SME and it is quite pushy also because when you are selling services and qualified services you need to win the trust of the clients, and you cannot show them anything before they accept the project (…), it's completely different to show them a sample So, you also need to have consultants and people in the process that are more senior and that can pass that trust to those prospects and to those leads. I would say that the difficulty is the investment that you need to do to show to those prospects and leads that you are trustable, that you can do a good job, that you can be the solution. This is quite demanding in terms of time investment and the motivation of the team is difficult to manage because you don't have success quite quickly and you need to deal with that.".* The interviewee referred to several aspects that make selling a qualified service much more difficult than selling a product. The fact that the time demanded to sell a service is much greater was one of the factors mentioned. When selling a service, the company needs to gain the potential buyer's trust without being able to show them the final project before they accept to buy it, which reveals to be a huge challenge. Moreover, JT mentioned the high investment required, not only in terms of resources but also in terms of time.

Ultimately, FS claimed that the selling process of a service is much longer than selling a product as it is necessary to build trust. While MA's team needs to get to know the association or company at stake and try to develop a mature relationship with it, the potential clients intend to know deeper the team, its skills, and past references, among others. When selling a service, a relationship of trust is needed: *"I think once we are not selling a product that is physical, it is a much long-lasting process. Obviously, we are dealing with some projects that can take months to be ready. (…) But I think it is a (…) matter of trust. For us, to know the person that we have to deal with, to know the association, the company that we are trying to work with and try to develop a very confident relationship with them. (…) for that potential new client, to know deeper our team, our qualities, our past references in terms of projects, qualifications, and some testimonials, as we introduce in our daily presentations. And it's very interesting for us, the fact that we sell services has a direct impact on our internationalisation process."*.

While PV states that the major difference between selling a service or a product abroad is in the way they are communicated. JT and FS mentioned factors like the long time that takes to mature a project, the need to develop a relationship of trust with the potential client, and the great investment required in terms of resources and time before it starts to be successful. These arguments are in accordance with Lovelock's (1996) and Winsted and Patterson's (1998) works. In her turn, TM highlighted the fact that when selling qualified services, clients take into account factors that would less likely consider about products, like the nationality of the company providing the service, an inference that is in line with Winsted and Patterson (1998), Samiee (1999). Overall, all interviewees, except for PV, seem to agree that the fact that the company sells a service raises difficulties in the internationalisation process. This conclusion is in accordance with the literature claiming that service organisations have a weaker proclivity for inter-nationalisation, such as Ball, Lindsay, and Rose, (2008), Bateson (1992), Contractor, Kundu, and Hsu (2003), Winsted and Patterson (1998), Samiee (1999), and Zeithaml, Parasuraman, and Berry's (1985) works. Therefore, H2 is confirmed for MA's case.

Resource-based View

- **H3** - Firm size positively impacts the probability of internationalisation

Regarding how the firm size might influence internationalisation, PV stated the following: *"It is important, and I would say in different aspects. We are still a small company if you compare us with all those big consulting companies, but we were even smaller. Just comparing our company in*

2005 to 2010 or to how the company is now, I see that size affects the way we do our internationalisation process. One of the aspects I can mention is flexibility and agility. When you are very small, you are very agile, you are very flexible, and you adapt very fast to what the clients need. (…) When you become bigger and you start having processes and procedures, you have a sales department, a marketing department, a human resources department, an operations department, then things change a bit. There are more people, more stakeholders, and more people deciding, it takes more time to adapt to the client. But if I compare our size with the size of bigger companies, then we are still more agile and flexible than they are or can be. (…) Bigger is not necessarily better.". When questioned if as MA grow bigger, it was less easy to internationalise due to the decrease in flexibility and agility, the interviewee answered the following: *"No, no. It is good that you have other conditions. It is better to do this process when you have a marketing department and a sales department than when you are small and two people do everything. So, there are pros and cons, there is a trade-off here. Maybe I am not so agile and flexible when I am bigger, but I am more professional (…). I wouldn't put it as you know it's better or it is worse when you get bigger or when you are smaller, it depends on how you can adapt to that. I would say that if we could have a rule that the bigger you are, maybe the more conditions you have to be in more and more international markets. Because if you are very small, at some point you have a big limitation, you cannot grow more, you cannot be opening markets and having more clients and not be able to deliver.".* PV acknowledged that indeed the firm size highly influences the internationalisation process and that MA's evolution over the years is an example of that. The interviewee recognized that the smaller the company, the more flexible and agile it can be, and the faster it can adapt to clients' needs. As the company grows, it starts having different processes, procedures, departments, conditions, and resources, it all starts working differently and bigger is not necessarily better. Therefore, the participant identifies a trade-off in this situation. The bigger the company, the less possibility to be agile and flexible, but the greater possibility to be more professional. Nevertheless, highlighting that it all depends on the capability to adapt, PV posits that the bigger the company, the more conditions it will have to be in more and more international markets. Because if the company is very small, at some point will have a big limitation to grow.

As for TM, when inquired if the size of the firm influenced internationalisation, the interviewee claimed the following: *"I don't think it is so relevant, no. I think it is more the quality of resources because then the size is about how many projects we can take on at the same time. We now, usually with the size of the company that we have, can work at the same time on 60 projects with the team, but you could very easily be doing the same just on a smaller scale.".* From this statement, it is possible to conclude that TM does not consider the firm size to influence that much internationalisation since a smaller firm could do the same as MA but on a different scale.

In her turn, still concerning the influence of the firm size on the internationalisation process, JT stated as follows: *"Well, I think it influences positively and negatively. Having a big company with a big structure that has more investment capacity is important in an international process adjustment. Of course, money does not solve all the problems, but it helps to solve many problems, you have a bigger capacity to invest in a new market, to do marketing actions and to hire specialised people to go abroad. Sometimes you can even open an office locally which is helpful in some cases. But at the same time, when you are very big, you do not move as fast as a small company, and when you go abroad, one thing that you need to have is flexibility. Because cultures are different, the way to do things is different, the way you present your services will be different, so you need to be flexible and sometimes a big company doesn't move as quick as a small one, or the managers are not so present on the daily activity, so the decisions are slower and sometimes you need to make quick decisions when you are negotiating abroad. I think that like in everything, you have advantages and disadvantages in both, you need to develop a strategy that will help you elevate your potential and of course, mitigate the things that are your disadvantages, but you will find good things and bad things in small or in big companies when you are moving abroad."*. The interviewee identifies advantages and disadvantages in both small and big companies' internationalisation process. Although bigger companies have a greater structure, investment capacity, possibility to hire more qualified human resources, and ability to open offices abroad, which are critical factors to internationalisation, they also have their disadvantages. Small companies move faster, and they are more flexible, which are considered key factors in internationalisation once different cultures demand different ways of working, and a different presentation of the services available. Internationalisation requires fast adaptation, which a big company may have more difficulty delivering. Moreover, the decisions may take more time to be made which may not be compatible with quick decisions that need to be made when negotiating abroad.

Lastly, FS showed a different view on the matter, for him, the size of the company is relevant to its internationalisation once in some tenders in which the company may be, a robust capacity and background, both in terms of human resources and international partnerships are required: *"I think it is relevant because in some quotations or in some tenders that we answered, we have to show our robust capacity or our background not only in terms of the number of human resources but also about international partnerships that we have, the native consultants that we have on the markets or on the regions and obviously their qualifications. So, it is not only a matter of dimension but of different varieties of capacities that we have to show that have a direct impact."*. When inquired if over the years, as MA grew, the internationalisation process became easier, the interviewee claimed the following: *"I think the internationalisation process became easier once the commercial department had an upgrade in terms of the number of people that are directly working on it."*. From this statement, it is possible to conclude that the process became easier with the upgrade in the commercial department's number of people.

Except for TM, which does not consider a firm's size to be a relevant factor for internationalisation since the same can be done on a smaller scale, the interviewees seem to agree that indeed, the size of the firm influences the internationalisation process. A conclusion that is in accordance with the literature showcased above that asserts that the probability of international activity increases with firm size. Works such as Aaby and Slater (1989), Ahmed (2012), Ali and Camp (1993), Erramilli and Rao (1993), Javalgi, Griffith, and White (2003), Katsikeas (1994), and Keng and Jiuan (1989) give voice to this inference.

PV and JT mentioned that the smaller the company, the more flexible and agile it can be, and the faster it can adapt. Nonetheless, they recognize that bigger companies have greater conditions, resources, investment capacity, and the possibility to hire more qualified human resources, which according to FS are a key advantage when applying to tenders. Although TM's argument that a smaller company can do the same as a bigger one but on a smaller scale is valid, the size ultimately influences the internationalisation process. Because a smaller firm will not have the resources required to expand as much as a bigger one, at a certain point its growth will be limited. Moreover, as FS stated, companies with a robust capacity have a greater chance of getting some tenders, showcasing how size can influence the process. These arguments are in line with the works mentioned before, as Aaby and Slater (1989), that claim that to pursue an internationalisation strategy, the firm must commit a great number of resources and larger companies tend to be better equipped to handle the risks of internationalisation. Once the majority of the interviewees agree that size has a big influence on the internationalisation process, H3 can be confirmed.

- **H4** - <u>Good management skills positively influence internationalisation</u>

Regarding how managerial productivity, innovation, and risk-taking influence the internationalisation process, PV claimed that: *"They influence a lot, all of them. A lot of innovation, because you really need to adapt your services to the different clients and to different markets, and you also must create new things. We did that in Brazil, we did something completely different from what we were doing in all other markets. (…) Risk-taking? Always too. You cannot be in international markets without some capacity to deal with risk at all levels. (…) There's something that I have been telling for many years, if you* *don't have a management team, from the board to directors to people that have some responsibility, with the same alignment, that needs to exist, and the motivation (…) there is no use going abroad. (…) You need to have everybody very well motivated, aligned and knowing the risks, but also knowing the advantages, and being willing to take the risk. And proactivity, because going abroad can be reactive (…) it is the way you start, but then you need to change that to a proactive approach.".* The interviewee recognizes the vast influence that good managerial skills have on the company's internationalisation with the need to adapt services to different clients and markets, and to create new things demands managerial innovation, making it very important. Furthermore, managerial willingness for risk-taking also influences greatly a firm's expansion abroad once it is not possible to be present in international markets without some ability to deal with risk at all levels. Additionally, although internationalisation may be reactive, the interviewee argues that it is only the first stage, and then a shift to a proactive approach is needed to keep growing.

In turn, regarding the management team's influence on internationalisation, although not entering into much detail on the management team's skills, TM recognizes the importance of the role played by the management team in the internationalisation process of a firm: *"They are the ones that decide in which direction to go, (…) in terms of priorities and goals (…).".*

Concerning the critical resources in the company to foster the decision to go international, JT declared the following: *"The key is the management team to want to do it, of course. And then their will to invest in the process. (…) I think for a successful internationalisation project, the DNA of the management team is very important. If they are not involved or do not believe in it, it is very difficult to have good results. So, I would say that the involvement of the management team, the will to do it and how they perceive it, is determinant for a successful project.".* The management team's proactivity was referred to by the interviewee as the main factor influencing internationalisation. Moreover, the willingness to invest may be associated with the disposition to take risks, which JT also considers to be a key factor not only for the development of the project but also for its success.

As for FS, the interviewee claimed that: *"With our new arrangement or new process division, one of the more central processes inside the company is precisely related to innovation. So, I think the managerial team had very high attention to these international movements, not only to implement some of these new factors, or some of these new partnerships on the company but obviously to help in a more qualified way our plans.".* FS sees innovation as one of the major challenges that firms face nowadays and acknowledges the management team's attention to international movements that lead it to rearrange MA's process division, to include an innovation department, and implement innovative partnerships.

In general, all interviews appear to agree that good management skills are crucial to the internationalisation process. An inference that is in accordance with Covin & Slevin, (1991), and Sanyal, Hisam, & Baawain (2020) which argue that firms' entrepreneurial orientation - characterised by managerial philosophies, personal managerial skills, firm traits, and behaviours that are entrepreneurial in nature- affect their internationalisation.

To start, as TM and JT stated, the management team is the one that sets the goals and that ultimately decides to pursue an internationalisation process that therefore does not happen without managerial proactivity at least at some point, as PV claimed. Additionally, the entrepreneurial willingness to invest and take risks, as well as the alignment of the whole team, were also considered to be key elements of the process by PV and JT. Finally, PV and FS referred to the importance of managerial innovation as a key aspect of the internationalisation process promotion. These arguments follow the ones mentioned in Wiklund and Shepherd (2003), Orengo (2012), and Santhosh (2019). Consequently, as all interviewees recognize the importance of good management skills to the internationalisation process, H4 can be confirmed.

- **H5** - Human resources' quality positively influences internationalisation

When inquired about the critical resources in the company to foster the decision to go international, PV declared that *"People that have this international business mentality, that have the know-how, experience, and expertise for working with other markets, not only from the perspective of assisting our clients but in getting clients there. People are the number one factor."*. The interviewee considered human resources quality to be the main critical resource that MA has, mentioning its know-how, experience, expertise in working with other markets, and the international business mentality required to work in this field.

In her turn, TM highlighted different human resources' characteristics: *"One very clear thing is language. In our case, we must be able to both prepare and deliver all materials in English so we must have a team that is fluent or with a good level of the language. For our approach in Spain, for some projects, we really need to have the proposal in Spanish and the team is implementing in Spanish, reporting in Spanish, and doing everything in Spanish. So, the most basic thing is language. The second thing you also need to have is a sensitivity to cultural differences. The business culture is also very important, and we must adapt to the client always. (…) Experience and talent are of course also very important for us to maintain the quality of* *services.".* Although the interviewee acknowledges the importance of having experienced and talented human resources, TM underlined the value of having a team with linguistic skills and sensibility for cultural differences.

On the same topic, JT argued the following: *"I think in every company, human talent is the determinant and when we are talking about services, it is impossible to do a good job without good people and people that are committed and that really pass the value of the institution. It is, I would say, the most important asset of the company.".* The respondent identifies qualified human resources as the principal asset of the company and states that even more when selling services, it is not possible to do a good job without committed and qualified people.

FS Vieira claimed the following regarding this topic: *"For us, it's very important to have people that are available to deal with international clients, to deal with this international pressure, to deal with different time zones, and to travel 1-2 weeks if it is necessary.".* On the linguistic skills available on MA's team and how they affect internationalisation, the respondent stated the following: "*I think it is one of the key factors and affects directly. One of our main goals is to always have a more harmonised team in terms of the languages (…).".* FS highlights the importance of having motivated human resources that can deal with international clients and international pressure. Additionally, the interviewee stated that the MA human resources' linguistic skills are a key resource that directly affects the internationalisation process.

In conclusion, H5 is verified as each of the interviewees perceives human capital quality as a fundamental factor in internationalisation, with PV and JT highlighting the know-how, experience, commitment, and expertise in working with other markets and TM and FS underlining the linguistic skills and motivation. This interpretation follows Cerrato and Piva (2010), Goxe (2010), and Ruzzier, Antoncic, Hisrich, and Konecnik (2007), which confirm a positive relation between internationalisation and human capital quality.

- **H6** - <u>Belonging to a network is a critical factor that promotes internationalisation</u>

Although recognizing the network importance, *"(…) the network we have is critical."*, with reference to the relevance of network partners in the internationalisation of the company, PV declared that *"It is not as big as it should (…) because the network usually implements projects and does not get clients. So, I would say that the network is not the number one factor influencing internationalisation.".* Claiming that the role of the network on the firm's internationalisation process should be bigger than it is.

TM recalled the fact that the company's own internationalisation process started through a partnership: *"Our internationalisation process actually started with partners."*. And added that: *"(…) a lot of times it can be a two-way street: "We bring you a project to implement in China or in Korea, and you bring us a project to implement in Europe." (…) So, there is a strong connection, between the network and sales. Not always, there are partners that are purely for implementation and in the past (…) never brought any opportunities to us, but there is definitely a connection."*. The interviewee endorses the network role in the firm's internationalisation, admitting a strong relationship with sales.

In her turn, JT claimed that: *"We need to have some very good partners to be able to perform well and to also have a good differentiation from our competitors. So, I would say that our network is determinant, and we also need to be in line with them in terms of the way they work, their methodology and their values. They are very important for our success without a doubt."*. The interviewee highlighted the importance that network partners have on MA's internationalisation process and success, allowing the firm to perform better as well as to differentiate from the competitors.

FS acknowledges the relevance of network partners for MA's internationalisation, spotlighting their importance not only for their cooperation in implementing some projects but also in bringing more projects to the firm: *"They have a very relevant position and not only because they can provide us with a more qualified solution to implement some projects, helping us to achieve or to implement the project, which I think is a very key factor on our daily basis, but also provide us more projects."*. As a result, the interviewee even stated that MA's international network may even be seen as an effective partnership, rather than just a services provider: *"Our international network is not just a services provider, but an effective partnership for us."*.

While TM focused on the link between partners and sales, JT opted to underline how the network helps the firm to perform better and differentiate itself from its competitors. As for FS, in his opinion, network partners are relevant both in helping implement projects and in bringing new ones. Altogether, although PV claims that their role should be even greater, the four interviewees seem to agree that network partners are very important for the company's success and internationalisation process. A conclusion that is in line with the one present in the following studies: Miller and Besser (2005), Coviello and Munro (199), and Zain and Ng (2006). All factors considered, H6 is confirmed.

Institution-based View

- **H7** - Well-developed domestic regulatory policies and initiatives can encourage firms to internationalise

About the development of the Portuguese regulatory environment, PV characterised it as being less flexible than it could be and is in other countries, highlighting that labour legislation negatively influences the firm's internationalisation: "*It's probably not as flexible as it could be.* (…) *It's not as flexible as it is in other countries and when we are entering new markets, we see how flexible other companies can be compared with us because of the institutions. (…) The labour regulatory legislation affects us negatively, for example."*. Nevertheless, the interviewee also recognizes the value that the financial support provided by Portuguese institutions has on MA's internationalisation: *"On, the other hand, and we benefit from that, exists in Portugal, as well as in other countries, some financial support to internationalisation that is a good assistance, financial resources that we, as all the other companies, can use when we decide to go to another market. It helps us to make some research, travel, have documents translated into different languages, prepare new materials of communication, or be more digital. All those financial supports coming from the different funding's are very positive."*. This financial support, which is available to all the companies that intend to go abroad, can help firms to research the markets, translate documents, and prepare communication materials, among others.

Still concerning the Portuguese regulatory environment's degree of development, TM argued the following: *"I think it is very stable and very supportive because there still are the European funds that are translated into the Portugal 2020 initiative, that a lot of our clients (…) use to finance our services. So, for us, it's a huge opportunity and it is something that we have been taking advantage of for many years. (…) There really are a lot of programmes, which means there is a lot of funding behind and we are in a very advantageous position because we already have trust from those associations"*. The interviewee acknowledges how greatly the institutional initiatives influence MA's success, not only through its own international path but also by aiding companies that intend to go abroad that can then use this funding in companies like MA.

As for JT, the interviewee highlighted the Portuguese institutions and entrepreneurs' mentality of being much open to international operations, and how diplomatic these institutions are: *"Portugal, its institutions and its entrepreneurs have a mentality of being very open to the exterior. So that is quite interesting and in the negotiation process, I think Portuguese institutions are very good, we have very good diplomates."*. JT also underlined that the fact that Portugal belongs to the European Union and has the same currency aids firms in their internationalisation process: *"The fact that we belong to the European Union, that we have the same currency that the euro countries have, helps internationalisation."*. Concerning government regulatory policies, JT stated that: *"(…) they affect but in the Portuguese case, they affect more the revenue. The taxes that you have on sales or on the human resources payments can affect your competitiveness. But in terms of strategical thinking or in* *terms of certifications regulations, I think we are really not complicated compared to other countries. (…) There are some things that could be easier, but I think that maybe the worst thing that we have is the tax level that companies have to pay.".* The respondent considers that overall, when compared to other countries, Portugal's regulatory affairs do not negatively impact internationalisation. Nevertheless, taxes were mentioned to have a high impact negatively on this process.

On the same topic, FS stated the following: *"I think the structure is developed. (…) In terms of financial support for initial opportunities to go abroad, I think we are in a good mood in terms of support for internationalisation, but we do not have matchmaking between the financial support and the bureaucratic barriers that companies face in the process.".* Although the interviewee considers the Portuguese institutional environment to be developed, claiming that there is good financial support for internationalisation, he still identifies some barriers in the process that do not match this support.

Concerning the development of the Portuguese regulatory environment, all interviewees seem to agree that it is indeed developed, although PV considers that it could be more flexible than it is and JT recognizes taxes as a barrier to internationalisation, being in line with Estrin, Meyer, and Bytchkova (2008). Moreover, the four respondents exploited the financial support options available to companies that intend to internationalise as the main factor justifying the Portuguese institutions' good degree of development. Consequently, as the four interviewees agree that well-developed regulatory policies and initiatives promote internationalisation, H7 is confirmed. This conclusion is in line with the existing literature on the topic, including studies like Buckley, et al., (2008).

- **H7.1.** - <u>Home country corruption increases the likelihood of internationalisation</u>

Concerning corruption, PV claimed that it is not a relevant factor for MA's internationalisation since he does not consider the Portuguese corruption level to be pertinent: *"I don't see that much in Portugal. In our case, it is not so relevant.".* While TM and JT did not pronounce on this topic, FS does not see corruption as a relevant factor affecting internationalisation, nor in Portugal nor in a European level: *"No, I think that even in the European context it does not influence the process, for my experience during the last years, I think it's not a crucial factor."*

As the two interviewees that approached the level of corruption in Portugal's influence on a firm's internationalisation appear to agree that the corruption in Portugal is not relevant, H7.1. does not have applicability and thus, cannot be confirmed.

– **H7.2.** - Excessive export bureaucracy has a negative impact on internationalisation

With reference to the level of export bureaucracy's impact on firms' internationalisation, PV argued that the Portuguese environment is somehow bureaucratic, making it hard to invest and thus influencing internationalisation: "(…) *a little bureaucratic. It's tough for companies to survive and it's very difficult to invest.".*

TM did not enter in detail regarding the Portuguese bureaucracy level impact on internationalisation.

In her turn, JT claimed the following: *"We could have a little bit less bureaucracy but again, I think we are quite on the European level and if we compare our level of bureaucracy with the one of Brazil, for example, we are in paradise.".* Although the interviewee acknowledges that the bureaucracy level could be smaller, JT considers that it is at the European level and that if compared to the one from Brazil, it is extremely good.

As for FS, the respondent considers the level of bureaucracy in Portugal to be high, representing a barrier to the internationalisation process since not all firms have the will and resources required to deal with the programmatic process: *"I think obviously in terms of bureaucracy, Portugal is a very bureaucratic country, and when we are applying for some companies it's a very tough process that obviously not all the companies are available to deal with it. Because as I said and for experience, we deal with S&M and some small companies (…) and they don't have conditions in terms of resources or human resources to deal with this programmatic process, so I think it's a barrier in terms of internationalisation.".*

In general, all the interviewees that referred to the topic seem to agree that the Portuguese level of bureaucracy is at least, a little bureaucratic, two different views emerge. While PV and FS consider that this factor strains firms' internationalisation process and success, JT softens its impact, comparing it with the one from Brazil which is quite higher. Nevertheless, all the statements underline the conclusion that indeed, excessive export bureaucracy has a negative impact on internationalisation, confirming H7.2. This conclusion is in accordance with several contributions to the literature: Jones and Hill (1988), Katsikeas and Morgan (1994), Manolopoulosa, Chatzopoulou, and Kottaridi (2018), and Naidu, Cavusgil, Murthy, and Sarkar (1997).

- **H8** - The degree to which the society is favourable to entrepreneurship and innovation positively influences internationalisation

PV did not make a statement with respect to this topic.

In relation to the degree to which the Portuguese society's entrepreneurship and innovative characteristics impact the internationalisation process, TM stated the following: *"I would say very indirectly, but it's a factor. For example, with the Web Summit, that is the representation of this entrepreneurial and innovative, we are getting more and more international clients wanting to come to Portugal. So, for us, it's very positive."*. The interviewee considers that the degree to which the society is favourable to entrepreneurship and innovation influences internationalisation indirectly. The interviewee used the Web Summit event, hosted in Portugal, as an example representing this entrepreneurial and innovative vein of the Portuguese society that is influencing increasingly more international clients to come to Portugal.

JT claimed that cultures that are open to innovation and entrepreneurship are also very open to internationalisation. Thus, society's attitude toward entrepreneurship and innovation highly influences and promotes internationalisation.: *"Entrepreneurship and innovation influence on a positive note. If you have a culture that is more entrepreneur, that is looking to innovate in a more positive way, you will look to an internationalisation process also in that positive way. Both things are related. If you look into start-ups usually, they have this born global attitude (…) and that's very good for the internationalisation process."*. The interviewee even mentioned the same example as TM, to showcase the Portuguese entrepreneurial and innovative spirit: *"(…) And it is not in vain that we have one of the most important events in the world in terms of entrepreneurship, which is the Web Summit, they are in Portugal for a reason."*

Regarding the same topic, FS considers that although in theory, the Portuguese society is very open to innovation, in practice that is not always the case. The respondent argues that firms need to study new practices that will lead to the reorganisation of their methodologies, requiring change that ultimately people are not so open to: "*I think in theory is very open to innovation but in practice not so innovative. Because we have to study in terms of benchmarking, for example, for new practises, for new experiences, for new ways to do some things, and then obviously that will push us to reorganise some of our methodologies and then I think people are not so open to changes. It's very interesting for us to know different experiences to know different approaches that we are having in international markets or with international perspectives but then when we want to internalise that capacity and it is not so easy."*. FS phases out the topic stating that he considers this to be a great barrier that the Portuguese society needs to get through: *"So, I think Portuguese society has a very high barrier to change."*.

In short, although FS does not agree with JT and TM concerning the level of the Portuguese society's favourability towards entrepreneurship and innovation, considering that in practice this level is low, essentially, the interviewee recognizes that these characteristics influence internationalisation, in his opinion and in this case, negatively. Thus, H8 is confirmed. This conclusion is in accordance with Scott (2001), and Volchek, Jantunen, and Saarenketo (2013).

- **H9** - <u>The degree of risk-taking aversion in Portugal influences enterprises' ability to expand globally</u>

PV does not consider Portuguese society's risk-taking aversion to be a relevant factor in a firm's internationalisation. Instead, the respondent believes this characteristic only influences the process on a management level: *"It is on a management level and not on the population level."*

In her turn, TM agrees with PV, stating that this characteristic only has its influence on internationalisation from a management perspective: *"I think this is just one factor within the management."*

On the same topic, JT declared that: *"Risk avoidance, which we have a lot, I think is one of the biggest issues. Maybe not the biggest, but one important issue in Portugal when we are thinking internationally. Portuguese people do not like to take risks and then this influences a lot of other things. It influences long-term strategic thinking because if you don't like to take risks, you will always think in the short term because in the long-term things usually only come when you take some risks, especially when you're talking about investments and internationalisation is an investment."*. The respondent considers risk avoidance to be a big factor influencing the Portuguese population and firm's internationalisation.

In his turn, FS, on risk avoidance influence in internationalisation, stated the following: *"Influences because it's hard. If we are talking about, for example, an internalisation process and we are dealing with a market selection having to choose between two approximate countries or two more distant countries with a distant culture, even if we identified a more qualified opportunity in the second process, (…) almost all the time we would go on the more secure process, so I think we have an aversion to the risk."*. The interviewee acknowledges that the Portuguese population is risk averse once in general, between two choices, the final response is usually the most secure one, and concluded that these characteristic influences internationalisation.

Despite JT and FS statements, as half of the interviewees, PV and TM, do not consider Portuguese risk-taking aversion to be a relevant factor influencing the internationalisation process, H9 cannot be confirmed.

Table 5 summarises the results of the interviews performed in light of the hypotheses defined.

Table 5. Interview's Analysis

Hypothesis	Confirmed	Cannot be Confirmed
H1		X
H2	X	
H3	X	
H4	X	
H5	X	
H6	X	
H7	X	
H7.1		X
H7.2	X	
H8	X	
H9		X

Source: Own elaboration based on the interviews' results

4.2. Brief Analysis of Market Access's Internationalisation Path

Given that the company does not have much secondary information available about its internationalisation process, this section comprises a brief presentation of this process based on what was possible to gather in the interviews developed. Thus, this information may be limited as the focus of the interviews was not centred internationalisation process.

As the Portuguese market is limited and, although still having room to grow, at a certain point in time, it became clear for MA that the national market was no longer enough. One of the reasons behind the decision to pursue internationalisation had to do with the strategic need for diversification of risks. As two of the interviewees, Pedro and Tereza claimed: *"Not to put all our eggs in the same basket."*. When exposed to different markets, firms face competition from different geographies which requires improvements and ultimately leads to growth. Thus, MA believes that internationalisation is a way of growing as well as becoming more competitive.

MA's internationalisation process started in 2016 with an approach to finding sales partners in specific markets. An international market selection was done, followed by the definition of the modes of entry that would make more sense for the company. Afterwards, the profile of the potential partners was defined. The first opportunity appeared in the UK, where a sales partnership was established between MA and a UK-based international business consultancy, providing similar services, mainly for national clients, but that also had offices in the Baltics. Therefore, this partnership, which was very much active for about two years, allowed MA to spread its services to both UK and the Baltics. When there were some organisational changes in the partner company, MA decided to find both new partners and try to approach the markets directly, an approach that is still used currently. From there, the company kept working more systematically in international markets and over the years, it enlarged its export network to 60 different geographies. Recalling the literature review chapter, this operation represents a non-equity mode of entry, more precisely, an export mode. Thus, concerning the internationalisation path, MA mainly focuses on direct exports that can be characterised as the direct sale, to customers in other countries, of products developed in the home nation (Peng, 2009). Meticulously analysing MA's internationalisation move, it is possible to identify the presence of the Network Theory mentioned previously, a theory grounded on the assumption that a firm's changing internationalisation circumstance is an outcome of its positioning in a network of firms and their linkages to each other (Johanson & Vahlne, 2011). In this case, the partnership between MA and one member of its network provided an opportunity for the firm to begin its internationalisation process.

Nevertheless, exports are not the only mode of entry present in MA's portfolio. The Brazilian market represented a great opportunity for MA, with the firm, that used to approach the market through a local person, identifying a variety of Brazilian companies that wanted to approach international markets. In 2020, and after several projects with Brazilian clients, for taxes reasons that were revealed to be a great competitive disadvantage, MA decided to use a distinctive entry mode approach. The establishment of a joint venture in the country, Market Access Brazil, which represents a new legal entity formed through the capital provided by two or more parent companies (Dow & Karunaratna, 2006), was the entry mode chosen. MA owns 51% of this subsidiary, that can be seen as a strategic partner. This mode of establishment is much different from the one mentioned above and belongs to the category of the investment modes, being considered FDI through a joint venture. Carefully examining this strategic move, it is possible to conclude that the Uppsala Model mentioned previously had some application here with the first three stages of the model being fulfilled. Firstly, MA's exports to Brazil were not regular. Then, the firm started exporting through an independent representative. And lastly, it established a sales subsidiary, the joint venture.

5. Internship Report: Developed Activities

The curricular internship developed at Market Access lasted 4 months and 3 weeks (10 January 2022 to June 3, 2022) during which, the student had the opportunity to develop different activities and to get involved in several projects, contributing, in such wise, to consolidate and acquire knowledge. Throughout this period, the intern had the chance to integrate the Market department, within the international subdivision.

The main goal of the internship was to support the Market Access International Expansion team in the strategy development and commercial approach to key markets. More precisely: (1) Support to the team of consultants in the International Expansion Area on the commercial approach to the international markets; (2) Support in the study and development of the entry model in markets, tailored to each key market; (3) Development of strategic marketing analysis and international benchmarking; and (4) Development of commercial approach actions. Nonetheless, in the course of my work at MA, there was a connection and frequent interaction with all the units that make up the organisation – on that account, emerging the opportunity of having active participation in all business units, contributing to the acquisition of a broader view of internationalisation processes' needs.

Therefore, across this experience, the intern had the opportunity to be involved in a variety of initiatives such as:

- Prospection, creation, and update of companies/associations' (public and private) databases to find new potential customers to target in different markets: Netherlands, France, Belgium, United Kingdom.
- First contact (email) to potential customers in the UK and the Netherlands.
- Follow-up contact (emails and calls) to potential customers in the UK and the Netherlands.
- Adaptation of communication materials focused on target markets and target sectors.
- Translation and support for the Market Access's operational tasks.
- Preparation of commercial proposals for international clients.

The realisation of this Internship undoubtedly benefited the student, as it allowed the supplementation of the theoretical knowledge acquired through the Master in Economics of Business and Strategy with the reality of the daily work developed in a firm specialised in Internationalisation.

6. Conclusion

In this research, the internationalisation of an international business consultancy, Market Access was examined. To contextually analyse this process, the strategy tripod framework (Peng, Wang, & Jiang, 2008; Peng, 2009) was employed. Within the existing literature, from several factors that influence internationalisation from each of the three perspectives. a selection of them was made. The result was a framework relevant enough to use in this specific case, and that included 11 factors, resulting in 11 hypotheses. Using a single case-study approach, from the framework compiled, the main drivers of MA's international strategy were identified, as well as other factors also considered to be relevant. In total, 4 interviews were carried out with MA consultants from different departments and different levels of activity inside the firm.

The data analysis showed that the internationalisation of the case firm is influenced by almost all factors from the theoretical framework. Since H2, H3, H4, H5, H6, H7, H7.2, and H8 were confirmed, those factors are service intangibility, firm size, management skills, human resources quality, networks, domestic regulatory policies, export bureaucracy, and the society's favourability towards entrepreneurship and innovation. Inversely, competitive pressures, corruption and the society's risk-taking aversion degree could not be confirmed to influence the firm's internationalisation. One point is made abundantly evident by our strategy tripod structure, namely that international business consultancies' internationalisation plans might change in response to various resource-based, institution-based, and industry-based factors they must deal with and manage. Just one of these factors is insufficient to understand or study its internationalisation. To effectively capture internationalisation, all three perspectives are required.

In short, this research contributes to the body of knowledge about international business consultancies' internationalisation, which is scarce, in form of stressing the important factors from the industry, resources, and institutions' perspectives influencing this process. Ultimately, this work contributes to MA, proving a better understanding of the factors influencing the firm's internationalisation, a piece of knowledge that can be used to improve this process in the future.

To conclude, our synthesis suggests that industry-, resource-, and institution- conditions drive international business consultancies' internationalisation. It is hoped that this synthesis will prompt researchers to invigorate the literature streams regarding internationalisation consultancies' own internationalisation and the factors impacting this process by productively leveraging the strategy tripod framework.

6.1. Limitations and Future Directions

This study is subject to several limitations, which also represent a proliferating path for further research in the field.

The present report explored the influence of the strategy tripod framework in a particular international business consultancy, which is an inherent limitation since the research is focused on a specific firm. For future research on the topic, it is suggested to empirically test the role of different factors in the international process in other international business consultancies. We do not assume that other international business consultancies necessarily undergo the same influences as the case firm. The generalisation of the theoretical framework remains to be evaluated through its application to more cases. It would also be interesting to test the same framework on international business consultancies from other countries and compare it to the results achieved in Portugal.

Moreover, due to the lack of research around international business consultancies and their internationalisation, the factors included in the framework developed were proved to influence firms regardless of their sector of activity. Thus, it is possible that some factors influencing international business consultancies may have been outlooked.

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Annexes

Annexe 1- Interview Guidelines

The following guidelines were used to identify the factors, from each of the three perspectives in study, that were and are critical in the company's decision to internationalise and for its success.

Background

1. Can you tell me about your career in MA and your involvement in the company's moves to international markets? How would you briefly describe MA's internationalisation process over the years?

Industry-based View

2. How would you describe the competitive pressure to which MA is exposed in the Portuguese market and how has this affected the decision to internationalise?
   2.1. How would you assess the company's competitive capacity in the international markets in which it is present?
3. Considering that you are selling a service and particularly a qualified service, to what extent does this affect the internationalisation process and the success that the company has?

Resource-based View

4. How relevant is the company's size to the internationalisation process?
5. What are the critical resources in the company to foster the decision to go international, and which are key to succeeding in this process?
   5.1. firm's entrepreneurial orientation/ managerial proactivity / innovation / risk-taking / competitive aggressiveness.
   5.2. human capital's experience, talent, and skills.
   5.3. relevance of network of partners.

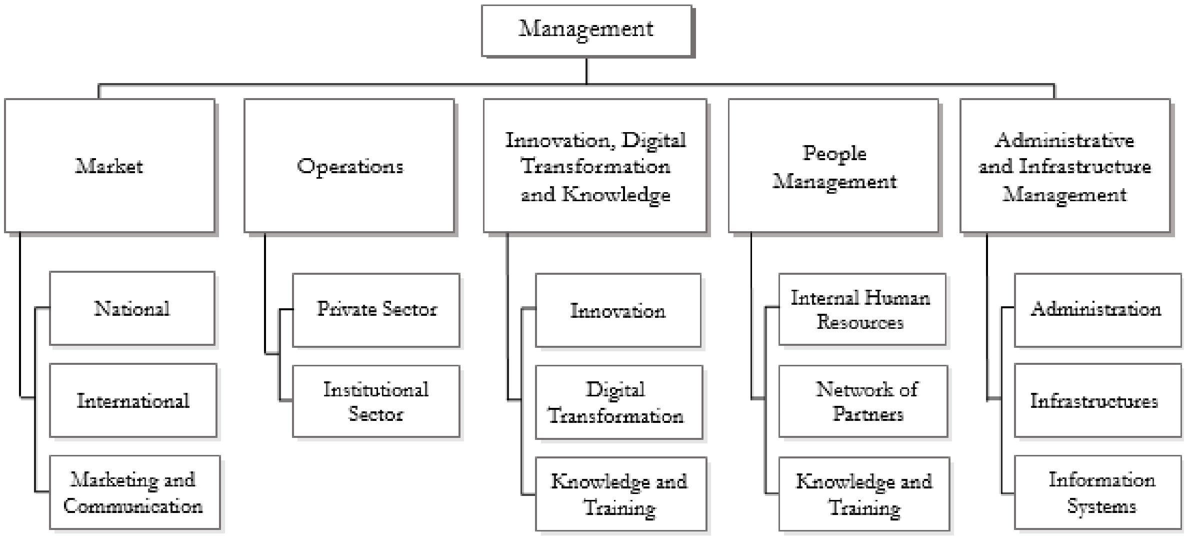
Institution-based View

6. How would you evaluate the Portuguese institutional environment in terms of development and stability to internationalisation?
7. How would you assess the Portuguese regulatory environment and to what extent does it influence internationalisation? government regulatory policies/ costs of legal settlements / corruption level / bureaucracy inefficiency / others.

8. What social/cultural factors of the Portuguese population do you consider influencing the internationalisation of MA?
    8.1. the degree to which the society is favourable to entrepreneurship and innovation.
    8.2. the degree of risk-taking aversion in Portugal.

Annexe 2- Market Access's Organisational Structure

Figure 3. MA's Organisational Structure



Source: Market Access (2022)

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