

Enhancing our understanding of rapidly internationalising professional service firms. An exploration of post-entry internationalisation strategies

By Amir Chiti Zadeh

Student No. 42635802

**Department of Management Faculty of Business and Economics
Macquarie University**

A thesis submitted in fulfilment of the Master of Research

December 2018

Table of Contents

Table of Figures.....	iv
List of Tables	v
Abstract.....	vi
Thesis Declaration.....	vii
Acknowledgement	viii
Chapter 1: Introduction	1
1.1 Background to the research	1
1.2 Justification for the research	2
1.3 Methodology	3
1.5 Thesis outline.....	4
Chapter 2: Literature Review	6
2.1 Introduction:	6
2.2 Internationalisation theory	6
2.3 Internationalisation Model	7
2.3.1 Uppsala Model 1977	7
2.4 Professional service firm characteristics	9
2.5 Rapidly internationalising firms:	12
2.6 Rapidly internationalising models.....	13
2.6.1 Drivers of internationalisation of rapidly internationalising firms	14
2.6.2 Rapidly internationalising firms' entry market choice	16
2.6.3 Rapidly internationalising firms' post-entry pathway	17
2.7 The research gap.....	19
Chapter 3: Methodology.....	21
3.1 Introduction	21
3.2 Approach the research methodology	21
3.3 Qualitative case study	22
3.4 Data collection	23
3.5 Sources of information	25
3.6. Data Analysis.....	27
3.7. Conclusion	28
Chapter 4: Findings	29
4.1 Introduction	29
4.2 Global Consulting	29
4.2.1 Background	29
4.2.2 Rapid internationalisation phase	29
4.2.3 Deceleration phase	31
4.2.4 De-internationalisation phase	32

4.3 Digit Marketing	33
4.3.1 Background	33
4.3.2 Rapid internationalisation phase	34
4.3.3 Deceleration phase	35
4.3.4 De-internationalisation phase	36
4.4 ABC Relations	38
4.4.1 Background	38
4.4.2 Rapid Internationalisation Phase	38
4.4.3 Deceleration phase	40
4.4.4 De-internationalisation phase	41
4.5 Construction International	42
4.5.1 Background	42
4.5.2 Rapid Internationalisation phase	42
4.5.3 Deceleration phase	43
4.5.4 De-internationalisation phase	45
Chapter 5: Discussion	47
5.1 Introduction	47
5.2 Cross-case analysis	47
5.3 Rapid internationalisation phase:	50
5.4 Deceleration phase	54
5.4.2 De-internationalisation Phase:	58
Chapter 6: Conclusion and Implications	61
6.1 Introduction	61
6.2 Main findings	61
6.3 Limitations and Future Research Directions	63
6.4 Implications for managers	64
References	66
Appendix One – Introductory Email	75
Appendix Two – Explanatory Statement	76
Appendix Three – Informed Consent Form	78
Appendix Four – Discussion Guidelines	80
Appendix Five – Ethics Approval Application Email	81

Table of Figures

Figure 1 The basic mechanism of internationalization: state and change aspects	7
Figure 2 The business network internationalization process model	8
Figure 3 Summary flowchart of PSF internationalisation phases and post-entry strategies – with the drivers of each phase.....	63

List of Tables

Table 1 Overview of interview.....	25
Table 2 Case studies profile	27
Table 3 Summary of key findings for rapid internationalisation phase	49
Table 4 Summary of key findings for deceleration phase.....	53
Table 5 Summary of key findings for de-internationalisation phase	57

Abstract

Rapidly internationalising firms represent a growing phenomenon in advanced nations, whose economies are increasingly service based. There has been much research on initial internationalisation of manufacturing based firms, within the ‘international new venture’/ ‘born global’ literature, yet the rapid internationalisation of professional service firms or their post entry internationalisation stage remains under-explored. This study focuses on the post entry internationalisation processes of rapidly internationalising firms. Using a qualitative case study approach, the drivers, market selection and entry mode of four professional service firms in their post entry internationalisation are explored. Using an interpretive research paradigm, the findings reveal that these firms initially rely on networks and reputation to internationalise, but are forced to reduce their pace of internationalisation and de-internationalise in their post entry stage due to loss of reputation within the international market and gaining stronger network within the home market.

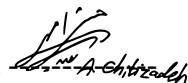
The research extends the body of literature for both rapidly internationalising firms and professional service firms by exploring three key phases of firm internationalisation and their drivers, exploring key drivers of internationalisation in the initial phase of internationalisation and post entry stage of internationalisation. As part of the initial rapid internationalisation phase, each firm advances their network and knowledge of the international environment, before entering the deceleration phase where firms reduce their pace of internationalisation prior to entering the de-internationalisation phase where firms take advantage of stronger home networks. This research will build on the insights and new knowledge found for links between internationalisation phases present in this research and will further benefit professional service firms that are looking to internationalise rapidly.

Thesis Declaration

This thesis is submitted in fulfilment of the requirements of the degree of Master of Research in the school of Management, Faculty of Business and Economics, Macquarie University. I certify that the research described in this dissertation has not already been submitted for another degree.

I certify that to the best of my knowledge all sources used and any help received in the preparation of this dissertation have been acknowledged.

The Faculty of Business & Economics Human Research Ethics Sub Committee has deemed that this research meets the requirements of the National Statement on Ethical Conduct in Human Research 2007 (Reference Number 5201800140).

Signed  *Amir Chiti Zadeh*

(Student Name) Amir Chiti Zadeh

(Date) 3-Dec-18

Acknowledgement

I would like to express my gratitude to outstanding individual who supported me during the development of this thesis, and it would not have possible with their help.

First and foremost, I am grateful to my supervisor Dr. Murray Taylor for his continued support throughout my thesis. His assistance and ongoing encouragement were beyond the call of duty. Thank you.

I want to thank Professor Alison Pullen, Associate professor Yu Wang and everyone in the Department of Management for their valuable support.

Special thanks to all the founders and CEOs who took time out of their busy schedule and allowed me to interview them and shared their knowledge for my research. I will always be grateful for their participation in this project.

Finally, I wish to acknowledge my family, my parents, Jafar Chiti Zadeh, Nasrin Chitizadeh and my brother and sister Armin Chitizadeh and Ayda Chitizadeh for encouragement and support through this research process. I am so fortunate to have such a generous and understanding family who encouraged me all the times and always willing to talk and listen

Chapter 1: Introduction

1.1 Background to the research

Since Johanson and Vahlne (1977) introduced their internationalisation model, there has been increasing interest in the performance of internationalisation. By the 1990s, rapidly internationalising firms were attracting the attention of academics. These firms challenged the stepped (staged) internationalisation model and created new topics for internationalisation research. Although rapidly internationalising firms do not have enough resources, they can enter multiple markets (Knight, 1996; Knight & Cavusgil, 2004; Oviatt & McDougall, 1994). In the traditional internationalisation model, the firm takes a few years within its domestic market to gain resources and prepare itself for entering the new market and gradually steps into the foreign market. However, the rapidly internationalising firms skip the preparatory operation within the home market and, shortly after their inception, take the big jump to operate within foreign markets (Rialp et al., 2005).

Among the rapidly internationalising firms, Professional Service Firms (PSFs) captured the interest of academics (Greenwood et al., 2006; Von Nordenflycht, 2010). PSFs have changed the business environment in the last 20 years (Muzio & Faulconbridge, 2013) and are of interest to researchers because they have distinctive characteristics that other non-PSFs do not have (Empson, 2007; Gardner et al., 2008). They are knowledge-intensive, low-capital firms and have a professionalised workforce (Von Nordenflycht, 2010). These characteristics indicate that PSFs rely on workforces with significant expertise (Anand et al., 2007; Teece, 2003; Von Nordenflycht, 2010).

The intangible PSF output and the nature of their business (professionalised workforce and knowledge intensity) also make them a top attraction in organisational and strategic research. It is critically important for a PSF to find out how its performance is socially approved. A high reputation and social approval can help the PSF by increasing recognition among its clients and stakeholders, while low reputation can lower the social approval of the firm and its future projects (Jensen & Roy, 2008; Pfarrer et al., 2010).

The majority of studies focused on initial internationalisation performance of the rapidly internationalising firms and failed to discuss what happens to these firms after the initial phase (Gabrielsson et al., 2008; Jin et al., 2018). Most current studies about the post-entry discuss the evolutionary and gradual process of internationalisation of rapidly

internationalising firms (Chandra et al., 2012; Hashai & Almor, 2004; Johanson & Martín, 2015), the network as a critical driver of rapid internationalisation (Johanson & Vahlne, 2009; Prashantham et al., 2018) and global strategy of the firm (Cavusgil & Knight, 2015; Knight & Liesch, 2016). But there is lack of understanding of how and why rapidly internationalising firms grow after initial internationalisation (Jin et al., 2018; Kyläheiko et al., 2011).

1.2 Justification for the research

Although there is a focus by academics on rapidly internationalising firms, there is a deficit of study about the performance of these firms and the effects of internationalisation on these firms and more specifically PSFs (Ibeh et al., 2018). The literature state that rapidly internationalising service firms implement variety of advanced strategies, though the reason for them is not clear. Gerschewski et al., (2015) and Sleuwaegen and Onkelinx (2014) believe that there is a need for conducting research on post-entry strategies of rapidly internationalising firms and investigating how and why rapidly internationalising firms choose their post-entry strategies. As a result, future studies required for exploring the drivers of post-entry choice of market and entry mode.

Earlier studies discussed the important role of the network for rapid internationalisation. However, few studies considered the effects of network relationships on firm performance after initial internationalisation (Knight & Liesch, 2016). Autio (2017); Fernhaber and Li (2013); Gerschewski et al. (2015); Jones et al. (2011) noted the effects of resources of the entity on its strategy during post-entry growth, but there is a need for more detailed understanding of influences for both tangible and intangible resources of rapidly internationalising firms after initial internationalisation (Coviello, 2015). Other researchers (Coviello (2015); Ghauri et al. (2014); Jin et al. (2018); Muzio and Faulconbridge (2013); Romanello and Chiarvesio (2017); Von Nordenflycht (2010) add that there is a need for better understanding of: how, and why the strategies of rapidly internationalising PSFs change and develop; as well as how the resources of these types of firms influence the internationalisation through the business life cycle. This paper contributes to fill these knowledge gaps by investigating why and how rapidly internationalising PSFs implement certain strategies, and the reasons for implementing particular strategies. The research question that guides this study is

‘How and why do rapidly internationalising professional service firms, choose and implement their post-entry strategy?’

The objective of this thesis is to provide theoretical, managerial and applied contributions with relevance to the research questions. This study aims to make a contribution to the rapid internationalisation and PSF literature by examining the internationalisation processes of rapidly internationalising PSFs using a qualitative methodology.

1.3 Methodology

Burrell and Morgan (1979) conclude that the methodology of a study should present the philosophical mind-set of that research. To answer the research question, a qualitative method will be used to conduct in-depth analysis of the post-entry strategy of rapidly internationalising firms. The qualitative approach aids in the development of research questions (Tashakkori & Teddlie, 2010), helps to explore new issues that might be raised during data gathering (Gerschewski et al., 2015) and tries to discern new phenomena (Stake, 2013).

Qualitative research helps to develop theory and to construct information with a real life context (Yin, 2015). So, this approach is appropriate for an open and flexible investigation with the aim of achieving deeper understanding of firm internationalisation. Bryman and Burgess (2002) believe that qualitative research helps to develop new insight into critical viewpoints and consequently provides depth with individual respondents. In addition, Yin (2015) states that the case study is the preferable method when ‘how’ and ‘why’ questions are posed, And the qualitative approach is particularly appropriate when there is little previous investigation. For example, for the current study, there is no previous research about the post internationalisation strategies of PSFs (McCutcheon & Meredith, 1993). Daniels and Cannice (2004, p. 186) point out that qualitative research can be relevant ‘to discover new relationships or situations not previously conceived’.

Semi-structured face-to-face interviews with managers and founders of four Australian rapidly internationalising firms were planned to provide essential insights into the firms and their internationalisation decisions. Australia has been chosen, because of the nature of its

economic and geographical location (small domestic market in an advanced economy); it therefore encourages better investigation of the research question. The face-to-face interview helps to gain more information about the interviewee's thoughts and his/her concerns about the topic (Cooper et al., 2006). In addition to the interviews, further data were derived from the company's website, any available archived documents, annual reports and management reports. These background data function to verify timelines and other information gathered during interviews.

All interviews were recorded and transcribed. A semi-structured interview format provided a broad, consistent framework of questions across interviews, while enabling the researcher to focus on key themes or topics as they arose. At the beginning of the interview, some general questions about the dates of inception and the internationalisation of the firm were asked. Following on from post entry internationalisation research (Chetty et al., 2014; Gerschewski et al., 2018; Jin et al., 2018; Sadeghi et al., 2018) the research questions explore key themes including: initial firm strategy, the drivers of internationalisation decisions as well as how and why strategy/drivers changed.

Four firms were selected from the service sector. The chosen businesses had to meet the three definitional criteria of a rapidly internationalising firm. First, they must have started to move into the foreign market within three years of establishment (Knight & Cavusgil, 2004; Weerawardena et al., 2007). Second, the participating firm must have a minimum 25% of their total sales originating from international markets (Andersson & Wictor, 2003). Lastly, the firm must not be a subsidiary of other firms (Zahra, 2005).

1.4 Thesis outline

This chapter has established the foundation of the thesis and provided a background to the study. It briefly discusses the research questions, the justification for the study and the methodology adopted. This introduction leads on to Chapter 2 where the study framework is considered by reviewing the literature on internationalisation theory, internationalisation models and their critiques. This is followed by consideration of the drivers of rapid internationalisation and the market entry choices of rapidly internationalising firms, together with discussion about the characteristics of service firms. This chapter also elaborates on the research gaps in the current literature. These reviews are a necessary prelude to Chapter 3, which explores the qualitative methodology used in this study, outlining the reasons for a

multiple case study design. Chapter 4 then outlines the key findings demonstrated by detailed firm analysis. Chapter 5 discusses the findings by considering cross-case analysis and emphasises key contributions to the literature. The final chapter summarises findings and discusses the contribution made by the study, in relation to international business models theory; it goes on to present conclusions, suggestions for further research, and limitations.

Chapter 2: Literature Review

2.1 Introduction:

This chapter begins with internationalisation definitions and theory as well as models proposed in the literature and associated criticisms of internationalisation theories. The definition of rapidly internationalisation firms and their models are then reviewed, followed by discussion of the drivers of rapid internationalisation, market entry and post-entry pathways. Finally, the knowledge gaps will be outlined in detail.

2.2 Internationalisation theory

2.2.1 Internationalisation Definitions

Scholars have not agreed on a single definition of internationalisation (Merino et al., 2015; Welch & Luostarinen, 1988), although the focus of existing definitions is based on the firm's operation and networks (Johanson & Vahlne, 2009; Lehtinen & Penttinen, 1999; Welch & Luostarinen, 1988). For example, Beamish (1990, p. 77) states internationalisation is a 'process where firms start by increasing their awareness of the direct and indirect influences of international transactions on their future, before moving on to establish and conduct transactions with other countries'. Johanson and Vahlne (2009, p. 1411) describe internationalisation as a situation where 'markets are networks of relationships in which firms are linked to each other in various, complex, and, to a considerable extent, invisible patterns'. The definition of Johanson and Vahlne (2009) is the definition of internationalisation used in this study as it more closely linked with rapid internationalisation research that emphasises the role of networks in early internationalisation.

2.3 Internationalisation Model

2.3.1 Uppsala Model 1977

The Uppsala Model was introduced in 1977 to create a better understanding of international business and foreign market (Johanson & Vahlne, 1977). Johanson and Vahlne (1977) in their study about Swedish-owned subsidiaries abroad, showed that the firm gradually moves into the international market in incremental stages with incrementally higher commitment and risk. As the firm learns more about the market, the market commitment increases. This follows by increase in market learning.

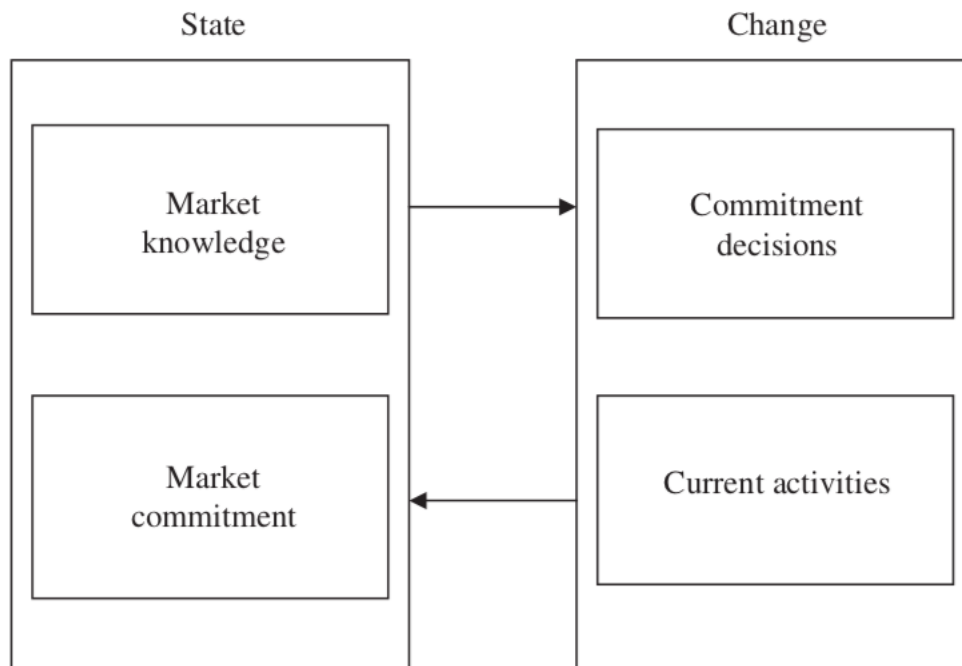


Figure 1 The basic mechanism of internationalization: state and change aspects
(Johanson & Vahlne, 1977, p. 26)

The Figure 1 shows there are two change mechanisms for the firm. First, the firm changes by gaining experience and learning from the foreign market. The second mechanism is via the commitment decisions that the firm makes for strengthening its position in the international market.

Johanson and Vahlne (1977) conclude that the process of internationalisation is by the growth of market commitment and increased foreign transactions. This rise in business leads to moves to countries with greater psychic distance. Johanson and Wiedersheim-Paul (1975, p. 308) define psychic distance as ‘the sum of factors preventing or disturbing the flows of information between firm and markets’. The Uppsala Model states that due to the lack of information about foreign markets, the firm moves to countries with a closer psychic distance.

2.3.3 Uppsala model 2009

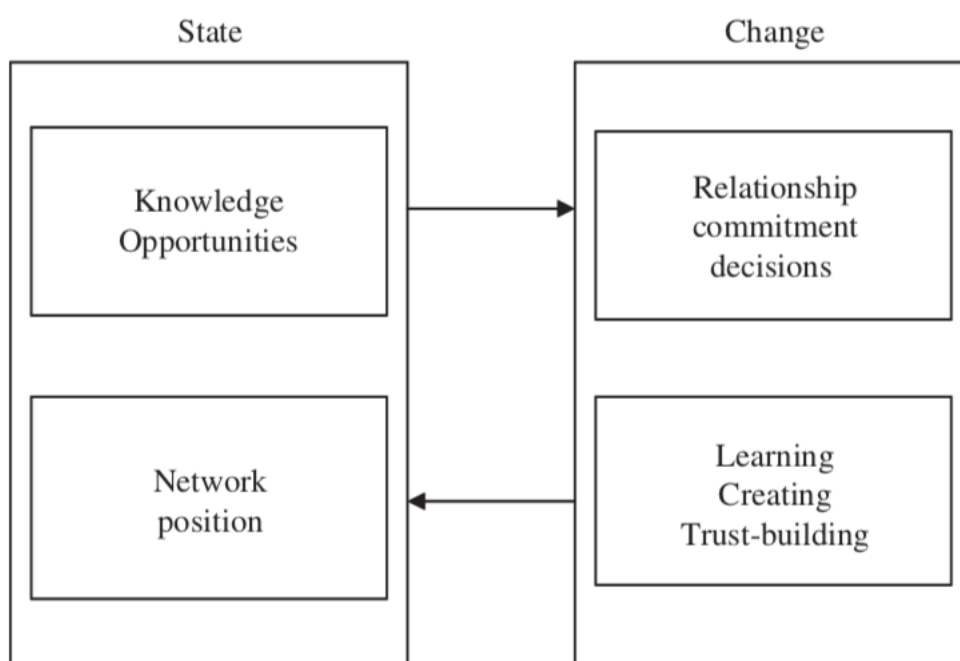


Figure 2 The business network internationalization process model

(Johanson & Vahlne, 2009, p. 1424)

Johanson and Vahlne (2009) revisited their original 1977 Model, because of changes in business practices and theoretical advances. In the 2009 model they introduce the network and define internationalisation as ‘multilateral network development process (Johanson & Vahlne, 2009, p. 1415), in which the concern and uncertainty of the firm is about outsidership of network, not psychic distance. They stated that the business environment embedded with the firms and other organisations that are interconnected can influence their internationalisation process and pathway.

Coviello and Munro (1997) believed that the network of the firm could influence the market selection. Johanson and Vahlne (2009) agreed by postulating that the networks of firms created the market structure that contained the internationalising firms and their relationships. The positive results of joining a network include the achievement of knowledge and building trust that leads to commitment within members of the network.

The network and relationships are the key elements that are added to 2009 model. Figure 2.2 demonstrates that knowledge opportunities can influence relationships and trust; consequently, trust construction can influence the network position of the firm among its network members.

In their revised model, Johanson and Vahlne (2009) introduce two new concepts, insider-ship and outsider-ship. The benefits of being an insider for a firm is to learn, build trust and commitment. Johanson and Vahlne (2009) state that these are essential, but do not guarantee the success of the firm in international markets. In their model, Johanson and Vahlne (2009) define the outsider-ship as a firm that moves into a new market, where it does not have any network or connections and suffers from the liabilities of outsider-ship and foreignness.

Johanson and Vahlne (2009) concluded that building trust and commitment were necessary requirements for business development. By moving into a foreign market a firm starts to build up a relationship with business members of the host market to develop commitment, trust and learning. Johanson and Vahlne (2009) believe that network theory can explain the rapid internationalisation of firms in the following way. When firms go to the international market based on their network, and do not consider incremental internationalisation with low commitment at the beginning of their movement, the uncertainty and concerns at the beginning of internationalisation are about outsider-ship and not being able to access information within a particular network in the foreign market. This leads to the conclusion that, if there is enough time for learning and relationship building, the firm can move to the international market very rapidly. Therefore, the Uppsala Model can support rapid internationalisation (Johanson & Vahlne, 2009; Vahlne & Johanson, 2002).

2.4 Professional service firm characteristics

The professional service firms are embedded in a distinctive environment that requires notable theories of management (Greenwood et al., 2005; Hinings & Leblebici, 2003;

Løwendahl, 2005; Malhotra et al., 2006; Von Nordenflycht, 2010) and therefore, are becoming an interesting type of company to consider. Von Nordenflycht (2010) believes that there are different types of PSF, which cannot be described in one definition. The most distinctive characteristics that PSFs are well-known for are their priority and being expert knowledge bases. Von Nordenflycht (2010, p. 157) continues that to embrace more types of PSF, it's important to consider 'degree of professional service intensity' that, in turn, is based on three characteristics, knowledge intensity, low capital intensity, and a professionalised workforce.

Knowledge-intensity is the most substantial characteristic of the PSF. Winch and Schneider (1993) state that the final product of a PSF depends on this characteristic. Von Nordenflycht (2010, p. 159) call this feature the 'human capital intensity'. Alvesson (2000) adds that the PSF should depend on both executive function teams and frontline workers for the intellectually skilled workforce. Low capital indicates that the production of firms does not require high amounts of tangible or intangible assets, and that the PSF can establish the business with low investment (Von Nordenflycht, 2010). The last characteristic arises from the professionalism of service firms. Torres (1991) combines the different range of professions within the variety of studies into three key features. They are knowledge base, regulation & control (self-regulation) and an ideology. As the first feature has already been acknowledged, Von Nordenflycht (2010) calls the other two industrial features professional workforce. Von Nordenflycht (2010) and Leicht and Lyman (2006) define ideology as a norm and ethical code that appears both internally (during professional training) and outside by professional associations. Self-regulation 'mean that professionalised occupations have strong control over the practice of the occupation' (Von Nordenflycht, 2010, p. 163).

Von Nordenflycht (2010) in his paper, by linking distinctiveness of PSFs to organisational features, presents a taxonomy of knowledge-intensive firms and designates four categories with different degrees of professional service intensity. These are Classic PSFs (e.g. Law, Accounting and Architecture), Professional campuses (e.g. Hospital), Neo-PSFs (consulting and advertising) and Technology developer (e.g. Biotech and R&D labs). This thesis considers consulting firms which are Neo-PSFs. These types of firms have low capital intensity and knowledge intensity characteristics, but these two characteristics create three challenges and opportunities for the firm including: cat herding, opaque quality and no investor protections. Cat herding relates to the retaining and directing of skilled employees (Von Nordenflycht, 2010). Von Nordenflycht (2010), Løwendahl (2005), Broschak (2004), Empson (2001) and Levin and Tadelis (2005) all define the opaque quality as when it is not

clear to evaluate the output of the firm for a non-expert customer, and a skilled professional person does the service. Since consulting firms have low capital intensity and outside investment is not critically important, the firm can use the ownership 'as contingent and deferred compensation to retain and direct hard-to-monitor employee' (Von Nordenflycht, 2010, p. 169).

Reputation is considered as an intangible asset of a PSF, that helps the firm to be recognised by consumers. Pfarrer et al. (2010, p. 1131) call it 'social approval assets' because it brings perceptions to clients about the service of the firm. The outputs of PSFs are intangible, and they utilise complex knowledge. The intangibility makes it difficult for the customer to weight the competence of the firm (Greenwood et al., 2005). King and Whetten (2008) discuss 'high reputation' and state it is the gradual achievement of the firm's output and capabilities among its customers. Barney (1991) adds that reputation can bring competitive advantage, in the form of recognition by new and current customers. High reputation helps to decrease the uncertainty among clients and increases the requests that the firm receives from its customers, by reducing the uncertainty of information asymmetry (Greenwood et al., 2005).

There are a variety of definitions of reputation that use different theoretical perspectives. The definition that is used for this study reflects most management research; it is defined as 'an intangible asset based on broad public recognition of the high quality of its capabilities and outputs' (Sadeghi et al., 2018, p. 1133). In a situation where the quality of service is opaque, reputation can be a good way of signalling high-quality service to clients (Greenwood et al., 2005; Von Nordenflycht, 2010).

Greenwood et al. (2005) emphasise the importance of reputation for PSFs and believe that it can influence the strategic decisions of the firm. Greenwood et al. (2005) continue that the reputation can bring three main benefits to PSFs. These are lowering the marketing cost and easier recognition by clients, increasing premiums and the service fees and the ability to hire the best experts within the industry. The big concern that PSFs have regarding the reputation is 'reputation stickiness' which comes from the nature of PSF's services. Greenwood et al. (2005, p. 664) define this as 'difficulty of transferring reputation from one product or service to another'.

PSFs, while sharing some of the characteristics of service firms (e.g. perishability), have three main unique characteristics that distinguish them from other service firms. These are knowledge intensity, a professionalised workforce and ability to supply customised service (Li et al., 2011; B. Løwendahl, 2005; Maister, 2012; Netland & Alfnes, 2007; Von

Nordenflycht, 2010). Most researchers and scholars consider knowledge intensity as the primary feature of a PSF (Li et al., 2011; Løwendahl, 2005; Løwendahl et al., 2001).

On the other hand, many scholars believe that the relationship between knowledge and internationalisation of the firms is more complicated than the traditional view in the literature (Autio et al., 2000; Johanson & Vahlne, 1977; Scott-Kennel & von Batenburg, 2012; Tuppurä et al., 2008). Kogut and Zander (2003, p. 1683) also believe that the internationalisation decisions are complicated and require simplification by ‘ultimately a function of personal attributes, technical expertise, and professional experience’. Scott-Kennel and von Batenburg (2012) in their study find that both a firm’s knowledge dimension (the extent to which firms depend on complex knowledge of an intellectually skilled workforce that constitutes their main input, output, and core competence, or strategic resource) and professional knowledge of its members can influence the process of the internationalisation; while the latter group is more effective for internationalisation decision making.

2.5 Rapidly internationalising firms:

Born global & International New Venture:

The rapidly internationalised firms came to attention after McKinsey & Company (1993) conducted a case study in Australia. These researchers found that there was a new type of firm that moves to the international market shortly after their inception, instead of gradually building market commitment. But the inconsistency in definition criteria makes the study of the phenomenon difficult. Both Zander et al. (2015, p. 30) and Coviello (2015) argue that this research field is young and that ‘the literature still lacks a uniformly accepted definition of the parameters that define them’. Knight and Cavusgil (2004, p. 124) define these firms as ‘business organisations that from or near their founding, seek superior international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries’ and call them Born Globals (BGs). In the literature, the rapidly internationalising firm is also defined as an ‘International New venture’ (INV). Oviatt and McDougall (1994, p. 49) define them as ‘business organisations that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of

outputs in multiple countries'. They consider coordination of value chain activities as paramount.

Madsen (2013) provides an umbrella definition for born global and INV's he terms as 'rapidly internationalising firms'. The main characteristics of these firms are derived from both born global and INV definitions. Specifically, rapidly internationalising firms are characterised by; a share of foreign sales with the minimum of 25% from overseas within three years from inception, operating in multiple countries and moving into international markets within three years of their establishment (Madsen, 2013).

2.6 Rapidly internationalising models

In the literature, the rapidly internationalising firms are considered as small firms that, shortly after their establishment, move into foreign markets regardless of the psychic distance. This mainstream view contrasts with the gradual internationalisation Uppsala model of 1977, which stated that firms begin internationalisation by choosing psychically close countries and incrementally move to more distant nations, while increasing their commitment (Johanson & Vahlne, 1977).

Over three decades later Johanson and Vahlne (2009) updated their original model and added the network to the Uppsala model. They asserted that, although there are different changes in the business environment, the entity still follows the step model and discussed how the network could lead to rapid internationalisations.

The mainstream focuses on the beginning of the internationalisations of rapidly internationalising firms, but have not discussed events after the first movement (Gabrielsson et al., 2008; Gabrielsson & Gabrielsson, 2013). Although the early findings of post-entry strategy discuss the evolution of rapidly internationalising firms (Gabrielsson & Gabrielsson, 2013; Sleuwaegen & Onkelinx, 2014; Trudgen & Freeman, 2014), they do not clearly examine whether the pathway of post-entry internationalisation follows the Uppsala model or goes through another pattern. The absence of such analysis is critical, since more than 13 years after McDougall et al. (1994), (Rialp et al., 2005) and Knight (1996), there is still a lack of understanding of how rapidly internationalising firms grow after their first international movement.

The other limitation in the literature is about the choice of rapidly internationalising firms in relation to the entry market. Taylor and Jack (2013) as well as Hashai and Almor (2004) stated that these firms consider psychic distance and choose a country where the gap

is smaller as the initial entry market. This pattern would support the incremental model. This research will examine whether only industry characteristics (Taylor & Jack, 2013) and networks of the firm (Loane & Bell, 2006) influence the initial international market entry or if there are more variables to consider.

The other major purpose and motivation of the current research is that it considers rapidly internationalising firms in the service sector. Nearly all earlier studies about post-entry internationalisation and discussion papers about the Uppsala model either have not distinguished the differences between consumer goods and the service sectors, or focus on consumer goods only (Johanson & Vahlne, 2009; Loane & Bell, 2006; Taylor & Jack, 2013). Also, as there is more growth of service firms in the international market, it requires more attention (Freeman et al., 2006; Freeman & Sandwell, 2008).

2.6.1 Drivers of internationalisation of rapidly internationalising firms

i. Entrepreneurs

Most research about rapidly internationalising firms has been focused on the specific characteristic of these phenomena and the drivers that motivate them (Cavusgil & Knight, 2015; Combs et al., 2005; Rauch et al., 2009). Rapidly internationalising firms expose a high level of international entrepreneurship that arises from their creators (Cavusgil & Knight, 2015). Cavusgil and Knight (2015) continue that entrepreneurs of rapidly internationalising firms ‘view the world as their marketplace’. Cavusgil and Knight (2015); Oviatt et al. (1995) believe that global thinking is the most important feature. The second characteristic that scholars pay attention to is the international experience of the founder and manager (Cavusgil & Knight, 2015). Oviatt et al. (1995) state that internationally experienced managers are the primary motivation for entering the international market.

Rapidly internationalising firms consider differentiation strategy as a part of their early internationalisation. As rapidly internationalising firms are small, resource poor firms they often rely on unique products and/or services, and target niche markets where competition is less intense (Cavusgil & Knight, 2015). Oviatt et al. (1995) believe that the process of internationalisation can be successful and compete with local competitors, when it’s able to present a competitive advantage from its product and service to the host market customers.

ii. Network

Over the years the topic of network and its influence over internationalisation has been discussed by many researchers (Cavusgil & Knight, 2015; Gerschewski et al., 2018; Ibeh et al., 2018; Knight & Liesch, 2016; Oviatt et al., 1995). Rapidly internationalised firms suffer from low financial resources and do not have sufficient experience in the international market. The firm must create trust with its suppliers, distributors and financiers to survive and grow in the foreign market (Oviatt et al., 1995). The network relationships help these firms by providing financing, market access and channels (Coviello, 2006).

The literature outlines that the business is involved in different types of relationships with its suppliers and customers (Cowley, 1988; Hakansson, 2014). Loane and Bell (2006, p. 1414) define the connection as ‘exchange in one relationship is linked to exchange in another’. These connections and relationships are named the business network (Loane & Bell, 2006).

In the literature, the importance of network for internationalisation is significant (Johanson & Vahlne, 2009). The business environment is now considered as a web of connections and relationships, rather than a classic market where its members operate independently (Loane & Bell, 2006).

Network and alliances are viewed as capabilities of the firms, that help them move into foreign market faster (Cavusgil & Knight, 2009; Knight & Liesch, 2016; Schwens & Kabst, 2009). The literature states the network can reduce the risk of early internationalisation and the challenges that the INVs and BGs might face within the first few years of internationalisation (Baum et al., 2013; Sullivan Mort & Weerawardena, 2006). Freeman et al. (2006); Gleason and Wiggenhorn (2007) believe that network ties can promote the comparative advantages for the rapid internationalisation firm and support the entity to overcome typical difficulties that a new firm might face, during early internationalisation. The competitive advantages include: distribution channels, internal and external channels and access to new customers (Freeman et al., 2010; Gleason & Wiggenhorn, 2007; Styles & Genua, 2008).

The behaviour of members of the network can also influence the internationalisation process (Blomstermo, Eriksson, Lindstrand, et al., 2004; Blomstermo, Eriksson, & Sharma, 2004; Coviello & Munro, 1995; Coviello & Munro, 1997; Loane & Bell, 2006; Moen & Servais, 2002). Johanson and Vahlne (2009) find that the network members drive the mode of

entry and market decisions; network members' commitment and trust between them and the firm, influence the firm's choice of entry mode. For example, the firm may start with a joint venture where trust is built and the network is strengthened, rather than just export with the lowest commitment rate (Johanson & Vahlne, 2009).

2.6.2 Rapidly internationalising firms' entry market choice

Most recent studies argue that rapidly internationalising firms choose foreign markets based on psychic distance (Taylor & Jack, 2013), their serendipity or emergent entry (Chandra et al., 2012) or first entry into international market followed by the domestic market (Yamakawa et al., 2008).

First, the literature maintains that the rapidly internationalising firm initially internationalises based on the value chain activities in countries with closer psychic distance (Taylor & Jack, 2013). This supports the original Uppsala (Johanson & Vahlne, 1977) model and incremental internationalising. This contrasts with the situation where the firm chooses the foreign market through existing networks, regardless of psychic distance (Chandra et al., 2012). In this view, rapidly internationalising firms consider the opportunities within the international market (Chandra et al., 2012).

Jin et al. (2018) on their recent research on entry market choice found that the first entry mode among the rapidly internationalising firm occurred as a consequence of emergent opportunities. The emergent opportunities could be orders received by chance, orders actively sought while attending trade shows, network or and contract manufacturing orders received from foreign buyers' (Jin et al., 2018, p. 570). Much of the rapid internationalisation literature focuses on the international market choices firms make at the cost of examining their domestic market choices. This conflicts with the idea of simultaneous entry. In this view, the firm presents itself internationally and then enhances legitimacy and moves into the domestic market (Yamakawa et al., 2008). Jin et al (2018) propose that after the first phase of entry mode, the firms consider pursuing strategic markets and emergent selling opportunities, wherever they may be. They add that rapidly internationalising firms that consider image-oriented consumer goods, tend to improve the brand reputation and enter leading markets in their industries.

2.6.3 Rapidly internationalising firms' post-entry pathway

Very few studies consider the post-entry pathway of rapidly internationalising firms. Almor et al. (2014) suggest that these firms grow via greenfield, networks and mergers and acquisitions. Rialp-Criado et al. (2010) state that internationalisation of the rapidly internationalising firms comprises various strategic approaches.

Ghauri et al. (2014) in their study of the internationalisation of multinational corporation service firms find that the firms implement social entrepreneurship, to create a relationship with non-governmental organisations (NGOs), as a post-entry pathway. This extension of connection helps the service firm to gain knowledge about the target market, at the host market, while using the human resources of NGOs. Johanson and Vahlne (2009) earlier supported the Ghauri et al. (2014) arguments - stating that the firms in general, by building a relationship with another firm in the new country, are trying to decrease the liability of foreignness and become an insider. Also, it helps to build trust and commitment and earn support for success in the new market (Johanson & Vahlne, 2009). Both Hadjikhani et al. (2008) and Ghauri et al. (2014) suggest that the entity is looking for key players in the host market and starts collaborating with them. The firms in the host market, can be in the same service industry and be competitors. The reason for the success of this strategy is that the firm focuses on the 'neglected key needs of the BOP people' (Ghauri et al., 2014, p. 586) and 'offering sustainable solutions and empowerment' (Ghauri et al., 2014, p. 587). In the mutual relationship, firms in the host market can gain benefit regarding sharing their knowledge and improve it, about such topics as poor communities, on-the-ground infrastructure and human resources (Ghauri et al., 2014). Lastly, Ghauri et al. (2014) in their study point out that there are many firms that do not consider the developing markets for internationalisation, because of predicted low profits. However, this study showed that firms moving to these markets start to learn about the market and gain more benefits in the future. This is consistent with other elements in the Johanson and Vahlne (2009) paper of Uppsala models, that also discusses learning in the host market.

The international business literature generally concludes that the rapid internationalisation movement leads to a successful post-entry pathway. Pangarkar (2008, p. 483) states: 'to enhance their performance, SMEs should internationalise aggressively'. Sadeghi et al. (2018) discuss the effects of fast internationalisation on the INVs post-entry pathway. These researchers believe that fast internationalisation does not support the success

of the firm. Although the fast growth has advantages including engaging with multiple new markets and a first mover advantage, over time, firms cannot keep the balance between the cost and benefits in the most effective way. This may result in insufficient market penetration. The INVs are small and do not have enough resources (both human and financial), and so fast internationalisation increases the chance of failing (Musteen et al., 2010; Sadeghi et al., 2018).

McQuillan and Sharkey Scott (2015) in their study introduce four types of business models, relating to different pathways for business internationalisation. The first one is the 'Multiple local' business model. In this model, the firm replicated a strategy in multiple regional networks. Although the host markets may be unknown, providing an efficient solution, and service and using the advantages of the early mover, the firm can be successful. The process is incremental and it starts with low commitment activities, followed by building a reputation and establishing a full -service office in that market.

The next model is 'Global'. In this model, the business focuses on a specific project rather than the location, and there is no noticeable difference between the domestic and international activities (McQuillan & Sharkey Scott, 2015).

The third one is the 'Niche Global' business model. McQuillan and Sharkey Scott (2015, pp. 20-21) define it 'as one where the gaining of a special expertise in designing/producing a certain type of building in the home market for a global multi-national company or organisation client facilitates the global internationalisation of the firm's activities within that narrow field or segment'. The internationalisation is fast, and the firm replicates technical services of a specific industry into global markets.

The last one is the 'Local to Global' business model, where the services can be different from the business operation. For example, a firm provides design and construction services, while organising teaching workshops about interior designing (McQuillan & Sharkey Scott, 2015)

Later in their study McQuillan and Sharkey Scott (2015) argue that in the current complex business environment, the firms can use two business models at the same time and it depends on diversification of revenues, opportunity recognition and building reputation in the foreign markets. For example, a commercial firm can use Multiple Local internationalisation while also implementing the Niche Global business model as a secondary model. The reason is reinforcement, as both models require strong replication capabilities to satisfy the needs of clients in the foreign market.

For better understanding of rapidly internationalising firms after they enter the foreign market, we need to examine the theoretical approaches that are connected to the development of these firms (Sapienza et al., 2006). Oviatt and McDougall (1994) state that entrepreneurship theory and a resource-based view explain the growth, survival and strategies of these firms. Rapidly internationalising firms have poor resources and this impacts the international development (Hannan, 1998; Oviatt & McDougall, 1994; Sapienza et al., 2006; Zahra et al., 2006). The resources-based view is that resources are critically essential for the survival and growth of rapidly internationalising firms (Barney, 1991; Penrose, 2009; Wernerfelt, 1984). Zahra et al. (2006) add that to achieve high growth, firms' resources and capabilities should be both substantial and dynamic. The growth and survival of rapidly internationalising firms is based on the proactive, innovative and risk-taking behaviours of firms (Knight & Cavusgil, 2004; Lumpkin & Dess, 1996; Miller, 1983). Risk-taking is seen as the 'proclivity to engage in risky projects and bold acts to achieve its objectives' (Gabrielsson & Gabrielsson, 2013, p. 1359; Lumpkin & Dess, 1996).

Shukla and Dow (2010) in the study of Australian service firms found that knowledge-intensive firms can have resource commitment in the foreign market two times faster than capital-intensive firms, via gradual increase of internationalisation. This helps them for trust building and engagement with the host market; that leads to rapid internationalisation (Johanson & Vahlne, 2009).

2.7 The research gap

Despite considerable studies of rapid internationalisation processes, the performance of rapidly internationalised firms in the post-entry stage is not well understood. Sleuwaegen and Onkelinx (2014) believe that rapidly internationalising firms neither follow the same structure nor implement a single strategy in post-entry internationalisation. It is the aim of this study to examine the post-entry strategy of rapidly internationalising firms to determine how and why firms make post-entry decisions.

There are varying empirical findings that raise questions about the pathway of post-entry internationalisation. Romanello and Chiarvesio (2017) in their study about the evolution of rapidly internationalising firms at maturity level, claim these firms reduce their speed of internationalisation from their initial internationalisation and begin to pursue long-term objectives of the firm.

Very little is known about the drivers of the firms post entry strategy. Gabrielsson and Gabrielsson (2013) outline further elements for choosing a post-entry strategy relating to leveraging the resources of the network, improving technology, customer understanding and marketing. Gerschewski et al. (2015) claim that competitor's orientations and international entrepreneurial orientations are critical elements for the performances of rapidly internationalising firms.

The literature emphasises that rapidly internationalising service firms conduct differing strategies as their internationalisation ventures progress, though the reasons and methods of such advancement remain unclear. Many studies (e.g. Autio, (2017); Coviello, (2015); Gerschewski et al., (2015); Jones et al., (2011); Sleuwaegen and Onkelinx (2014) and Gerschewski et al. (2015)) promote the argument for increased investigation into post-entry strategies of rapidly internationalising firms and highlight the requirement for future studies examining how and why rapidly internationalising firms choose their post-entry strategies. Therefore, the internationalisation process after firms rapidly internationalise needs to consider the drivers of post entry decisions, including the firms choice of markets and entry mode.

Based on an examination of the relevant literature, the following research question has been formed:

‘How and why do rapidly internationalising professional service firms, choose and implement their post-entry strategy?’.

Chapter 3: Methodology

3.1 Introduction

In this chapter, the research methodology and the research process are explained. First, the positioning of the study in the philosophy of science is discussed, then the methodological choices and data collection are explained. Lastly, the sources of information are summarised.

3.2 Approach the research methodology

It is important, as researchers to consider the role of theory, epistemological issues and ontological concerns when choosing the methodology (Bryman & Bell, 2015). This study conducts a qualitative method to gain ‘valuable insights into how people construct meaning in various social settings’ (Neuman, 2006, p. 308) and how people interpret the social world (Bryman & Bell, 2015). Qualitative research helps in exploring, explaining and understanding the research question through the interpretation of the world by its participants (Bryman & Bell, 2015; Coviello, 2005). The object of the current research is to gain a perspective of the objectives of social sciences in rapidly internationalising PSFs, by examining and analysing the themes and topics while interpreting the process (Lavery, 2003). The qualitative approach is an interpretive method (Creswell, 2003; Wolcott, 1994). This study works within an interpretive research paradigm which ‘focuses on the conceptions of social actors and implies that understanding must be based on the experience of those who work in organisations’ (Bryman & Bell, 2015, p. 35).

The qualitative approach is relevant for this research because it focuses on exploring the process. In this study, the dynamic and process of post-entry internationalisation of PSFs is considered. Consequently, the qualitative method is applicable as it provides the opportunity to describe, explain and investigate dynamic processes. In addition, qualitative methods are about understanding complex interrelationships by investigating the causes (Denzin & Lincoln, 2008; Stake, 2013). Post-entry internationalisation processes of PSFs contain multiple elements that create variable perspectives and operate in a dynamic environment (Efrat & Shoham, 2012; Weerawardena et al., 2007).

Qualitative analyses provide the researcher with the ability to investigate new phenomena in depth. Currently, there are limited studies examining the post-entry strategy of

rapidly internationalising PSFs (Cavusgil & Knight, 2015; Jin et al., 2018). Peiris et al. (2012) state that most studies into the internationalisation of firms are conducted with high technology and manufacturing industries. Sadeghi et al. (2018) examined the effect of post-entry internationalisation on the export performance of INVs from New Zealand and Gerschewski et al. (2018) examined the performance of INVs during post-internationalisation by considering learning, network and niche strategy. The qualitative approach is recommended for investigating previously unexplored phenomena to examine ‘how’ and ‘why’ questions; in this case about the post-entry strategies of rapidly internationalising professional service firms. Rialp-Criado et al. (2010) express the opinion that there is a need for a holistic approach to study post-entry internationalisation strategies – and that requires qualitative methods. Previously, Leavy (1994, p. 107) had stated that the qualitative method helps for demonstrating complex and dynamic environment and continues ‘the focus for (qualitative) study tends to be on processes rather than on structures, and on dynamic rather than static phenomena. The emphasis tends to be on description and explanation rather than on prescription and prediction’. Leavy (1994) continued that qualitative research is applicable for studies of processes such as post-entry internationalisation where the process is critical in the explanation of the phenomena; Coviello (2005) supports Leavy (1994). Qualitative methods help interpreting information within the real-life context (Yin, 2010). This approach helps in the investigation of the nature of the phenomenon (post-entry internationalisation) and encourage researchers to view the phenomenon directly (Bryman & Burgess, 2002).

The main purpose of the qualitative method is to explore and interpret a real-life context and to build on existing knowledge (Yin, 2010). It helps for in-depth analysis of viewpoints of individuals (Creswell, 2003, 2012). Interpretation is applicable for this study; because ‘the participants are trying to make sense of their world; the researcher is trying to make sense of the participants’ (Smith & Osborn, 2003, p. 51). Meyrick (2006) says that during the process of data collection and interpretation, the researcher might find some findings that supports his/her own thoughts and may support the research goals.

3.3 Qualitative case study

The strategies chosen in a qualitative investigation can have a dramatic effect on the research operation (Creswell, 2003). Creswell (2003) explains the suitability of the case study to explore processes, activities, and events. A case study approach is therefore an appropriate

choice to explore the internationalisation process of a firm by understanding the events and activities during its internationalisation. Walsham (1993) continues that when conducting research on early phases of a phenomenon, the interpretive case study is applicable. Neuman (2006, p. 41) endorses that ‘Case studies help researchers connect the micro level, or the actions of individual people, to the macro level, or large-scale social structures and processes’. The case study helps in building and developing a theory (Piekkari et al., 2009) and exploring the in-depth investigation of the phenomenon (Welch et al., 2011). The case study creates a holistic understanding of the topic (Gummesson, 2000), because it utilises multiple sources of data in the research (Creswell, 2012; Denscombe, 2003).

For the current research, four case study firms were investigated. Multiple case studies gather comprehensive information from several angles of one research topic and accumulates in-depth, real-life phenomena from different firms (Yin, 2010). It helps for creating holistic understanding of the topic (Gummesson, 2000). The multiple case study approach used for this research is designed to find and compare the similarities and differences of post-entry strategy internationalisation of different firms. The advantage of multiple case studies over a single case study is that it is less idiosyncratic and more reliable (Yin, 2009). More importantly, (Yin, 2009) endorses the suitability of multiple case studies, when there are few available empirical findings; this researcher adds that multiple case studies give a deeper understanding of the theme.

3.4 Data collection

Ghauri (2004) believes that case selection is essential as a part of improving research method. Case study selection is not a simple procedure. In the literature there are a variety of strategies for sampling and how to pick the best strategy (Fletcher & Plakoyiannaki, 2011). In discussing sample size in qualitative research, Mason (2010, p. 2) believes that ‘assure that most or all of the perceptions that might be important are uncovered, but at the same time if the sample is too large data becomes repetitive and, eventually, superfluous’. Stake (2013) states that the procedure of sample selection should be based on theoretical instead of statistical sampling Ghauri and Firth (2009) add that selected cases should be common in some features for comparison, which is consistent with Fletcher and Plakoyiannaki (2011) and Patton (2005) about ‘criterion sampling’ and selective sampling’ respectively. For this

study the cases were ‘purposefully’ selected so as to understand the problem and the research question better (Creswell, 2003).

By considering the aims of my research, four case studies were chosen based on the following selection criteria: The case must meet the definitional criteria of the rapidly internationalising firm and must meet the definition of professional service firms. The chosen firms must have entered the multiple foreign market within three years of its establishment and received at least 25% of its total revenues from the foreign market to meet the rapidly internationalising firm definition (Cavusgil & Knight, 2015). The selected firm must have three main distinctive characteristics of PSFs that are: knowledge intensity, low capital intensity and professionalised workforce (Von Nordenflycht, 2010). To find appropriate case studies, I used the Directory of Suppliers from the Australian Trade Commission (Austrade) and List of Fastest Starters from the Financial Review (Business Review Weekly). After going through the lists, 261 potential firms were identified. After further investigation against the criteria, 68 firms were identified as meeting the designated standards. For each case study, the CEO/founder was selected as an appropriate interviewee. Because the firms studied are small with few employees the founder provides a strong strategic direction for the firm and represents a critical element that is present from the firms inception to its post entry stage. Potential founders were initially contacted via email or direct message through the founders personal LinkedIn account. If either an email or LinkedIn direct message failed to yield a response potential firm founders were contacted via a phone call. Upon initial contact the CEO/founder was informed of the purpose and aim of the study and was requested to suggest a time for interview. After initial screening six firms were investigated but after purposeful case study selection, two case studies were removed as they did not meet the criteria for the study. To avoid bias and misunderstanding while improving the reliability of the study, each CEO/founder was interviewed at least two times. Other potential interviewees were initially considered but after preliminary interviews were not considered appropriate as their employment was on a short-term basis, and their roles were not strategic in nature. Founders were relied upon to provide a rich data set throughout the firms existence, as other employees could not have provided appropriate information for the study.

3.5 Sources of information

Table 1 Overview of interview

No.	Pseudonym	Employment description	Date	Duration (Mins)	Location
1	Brian	CEO/Founder	22/4/18	46	Face-to-face
2	Brian	CEO/Founder	6/6/18	48	Face-to-face
3	Steve	CEO/Founder	31/5/18	52	Face-to-face
4	Steve	CEO/Founder	2/7/18	50	Phone
5	Anna	CEO/Founder	9/7/18	58	Phone
6	Carla	CEO	14/7/18	45	Face-to-face
7	Carla	CEO	31/7/18	49	Phone
8	Carla	CEO	30/10/18	48	Phone

The interviews were conducted with the CEO/founders of four firms (see Table 1). The focus of interviews was on: the initial drivers of internationalisation, the initial market selections and initial market entry followed by the drivers of internationalisation, market selections and market entry after three years since the foundation of the firm. The CEO/founders were selected because they were the main leaders and drivers of the firm since its foundation, and interviewing them helped get the answers to questions relating to internationalisation of the firms.

For the convenience of interviewees, the interviews were organised either at the CEO/founder's office or via the phone. For all interviews two recording devices were used, one for recording and another for backup. The shortest interview was 45 minutes, while the longest one took 52 minutes.

The interviews were in-depth and semi-structured and served as the primary means of data collection. The interview questions were divided into three lines of inquiry: 'what are the drivers of internationalisations, why the firm choose a specific market and how the entity enter the foreign market' (See Appendix Four).

Interviewing with the founders helped me to have a better understanding of internationalisation strategy of the firm since they were the leading decision makers of the entity. Multiple sources were used to verify interview data both prior to and following the interview. To gain a better understanding of each firm, I studied each firm's financial and demographic information via the company website. Each interview was conducted in

English. The duration depended on the succinctness of responses and how much the interviewee allocated for the whole interview procedure.

For all four case studies, I did a follow-up interview by either telephone or email to verify information and cross-check the data obtained during the first interview. All four firms provided in-depth, comprehensive information for cross-case analysis.

There are limitations to the qualitative case study compared with other methods. Since the process of gathering information is conducted by one person, the method may create a bias. For reducing that effect, the triangulation of data during the investigation including the data selection and analysis is utilised (Yin, 2009). Creswell (2003, p. 196) defines the triangulation of data as ‘different data sources of information by examining evidence from the sources and using it to build a coherent justification for themes’. Klenke (2008) believes that triangulation of data improves the accuracy and depth of study. In this study, both primary and secondary data are used. The primary data are derived from the interviews with the CEOs/founders, and secondary data by going through journals, websites and LinkedIn accounts.

The steps for data collections are through semi-structured interviews, websites and documents, and creating a protocol for information recording (Yin, 2013). To have the advantages of both structured and unstructured interviews, I utilised the semi-structured format Eisenhardt (1989). This strategy helps to understand the perspective of people about the research question and explore the complexity of the topic in depth through open questions Flick (1992). The advantages of conducting interviews are that the interviewees can provide historical information and help the researcher to have control over the stages of questioning Creswell (2003, p. 196).

Table 2 Case studies profile

	Global Consulting	Digit Marketing	ABC RELATIONS	Construction International
Organisation	Consulting firm Doing knowledge transfer Export knowledge from developed country to developing countries	Management Consulting firm Marketing research agency	Physician practices	Project management
Established	2011	2008	2000	2003
Current number of employees	5	15	2	3
First international contract	Nigeria, 2012	England, 2011	2000, USA	2003, USA
The countries that the firm operated/operating	Nigeria, Kenya, South Africa, Ghana, Botswana, Senegal and Morocco	England Scotland Wales, Ireland, Germany, France, Russia, Italy, Norway, Sweden Switzerland, Netherland, Spain, Belgium, Portugal, Austria, New Zealand, USA, Malaysia Australia	USA, Colombia, Ecuador, Brazil, Argentina, Singapore, Hong Kong, Spain, Qatar, South Africa, Peru, Netherlands	Malaysia, US Philippines, Qatar, Indonesia

3.6. Data Analysis

Each interview was transcribed and analysed using both manual and software analysis to help avoid possible interpretation errors (Flick, 2008). Initially, each interview transcript was manually coded by the researcher. NVivo software was adopted to help determine and categorise themes that emerged from the data. However, the researcher remained the key tool in the analysis and interpretation of data (Morse et al., 2008). It is critical for the qualitative researcher to consistently reflect upon their self and position, acknowledging biases, values, assumption or interests at the starting point of the study (Creswell 2013). Meyrick (2006) states that a researcher may form the findings on facets of a topic that exhibit resonance with

their own experience. This reflexivity should be acknowledged to support the objective of the research.

This study recognises that there are limitations in the qualitative case study approach. The subjective nature of the qualitative approach produces a bias by the same investigator involved in the selection process, and the analysis of the information. To reduce this effect, triangulation of data was implemented through the collection of secondary sources such as websites and brochures, in the process of obtaining information and analysing cases (Creswell 2013).

In the process of analysis, the investigator is consistently mindful of potential threats to quality, such as bias in interpretation, the over emphasis on positive cases, and the discounting of negative cases. After all interviews were transcribed, manually coded and then digitally coded, the investigator reviewed each transcription again by listening to the recording, and comparing with the transcripts to avoid any possible interpretation errors.

3.7. Conclusion

For the richer understanding of the internationalisation process of rapidly internationalising PSFs, a qualitative multiple case study is implemented (Stake, 2013). To have better analyse for each case study firm and cross-case analysis in the following chapter, the interviews conducted with CEO of each case study firm.

Chapter 4: Findings

4.1 Introduction

This chapter presents the results of the individual case studies. All four case studies (Global Consulting, Digit Marketing, ABC RELATIONS and Construction International) are introduced individually with a brief background of their inception. Each case section includes and discusses three phases: internationalisation, deceleration and de-internationalisation; these are followed by answering why and how each case study implemented each phase. Therefore, the aim of this chapter is to provide a summary of the main findings within the international business framework. The individual case study analysis provided in this section will form the basis of the cross case analysis presented in Chapter 5.

4.2 Global Consulting

4.2.1 Background

Global Consulting was registered in 2011 as a consulting service firm. The firm conducts market research for its clients. The firm specialises in measuring the capacity of the local player, estimating the local market reaction to its client product and to recognise unique selling points for its clients' products.

Global Consulting began with its founder and currently employs five workers on a full-time basis. The firm's first international entrance was Nigeria in 2012, followed by Kenya, South Africa, Ghana, Botswana, Senegal and Morocco. Within three years of establishment the firm received 90% of its total revenue from international markets. Currently, the firm has reduced its international presence by reducing international revenue to 20% with no further plans for international expansion.

4.2.2 Rapid internationalisation phase

Global Consulting was established in 2011 when its founder realised an opportunity in the African market via networks. The founder had a strong international vision for the firm

and recognising the opportunity, wanted to provide services to Nigeria and neighbouring countries. The founder is originally Nigerian and immigrated to Australia fifteen years ago. Through the initial networks of its founder, who were friends of him in school, Global Consulting was able to capitalise on the knowledge gap in infrastructure and technology within African markets. Six months after its inception Global Consulting entered Nigeria via the support of the founder's established network, which then helped the firm to rapidly move to Kenya, South Africa, Ghana, Botswana, Senegal and Morocco in the first three years. The founder says:

When we started we didn't know what we can get when you are trying to do something, you are trying to experiment with an idea... You don't know, whether people are going to accept what you are doing... I originally came from Nigeria. Nigeria is my home country. I know quite a lot of people I used to go to school with in Nigeria. They are in consulting as well. So it's easier to call on my friends, I've known for years, to do something for me... So my friends linked me to clients and I was able to research the market easier... So the core reason why we went overseas is to see if we can bridge the gap, especially knowledge gap, between developing nations and developed country like Australia... we started our first international trade with Nigeria six months after we registered the business.

There were potential economic gaps within digital marketing, waste management and agribusiness in Nigeria at the beginning, and that was what influenced the initial international expansion. In the first three years of internationalisation, finding more clients and expanding networks were the main drivers for the firm. The firm found opportunities through its networks in each local market. The local network also helped to provide more information about opportunities within regional markets and increase the pace of internationalisation. The firm entered Nigeria, Ghana, Kenya, South Africa, Botswana, Senegal and Morocco by exporting its expertise to their markets. The founder says:

as we started with Nigeria, through our local networks we realised that there are other opportunities in neighbouring countries like Ghana via our local networks within Africa... when I shifted to Nigeria, they accepted what we are offering, so we said, ok, let's break to South Africa, Senegal and Ghana. Suddenly, we got interest from nearly all of them... what we did was to expand our network... So we were looking

for market opportunities for the gaps, where we can fit in and bridge the gap, by exporting knowledge and expertise from Australia... by the help of local experts, we identified some of the consulting firms locally that are doing related business and close to our work, so we could dig into the local market... The advantage [of local network] was we use their network for our self as well. So that's how we generated our business in that market as well...

4.2.3 Deceleration phase

After entering Nigeria, South Africa, Ghana, Kenya, Botswana, Senegal and Morocco within three years of its establishment, in 2014 the organisation realised that it could not enter new markets while keeping the quality of its service high. Global Consulting suffered from having limited human resources. The firm was growing quickly by operating with more clients in more markets. By 2015, the firm's strategy of maintaining their current employees had meant that the company experts were unable to provide a high level of service quality. Global Consulting received negative feedback from customers and the firm gradually started to lose its reputation with network members and clients. Instead of expanding into new markets, Global Consulting focused more on leveraging its services in its existing markets and to improve its reputation within those markets. Since 2015 the drivers of the firm have changed, from finding opportunities and expanding the network, to maintaining high-quality service to customers, to gain an excellent reputation in the foreign market. The founder outlines:

We saw negative feedbacks from our clients... because we couldn't cope with the high number of project. We were a small business and didn't have enough experts... We moved to many countries at the same time, but then we realised that we didn't have enough capacity to do that... we went to Nigeria, South Africa, we went to Ghana, we went to Senegal, Kenya, Botswana and Morocco so quickly, then we faced a kind of critical situation... it put us on a lot of pressure. So we had to survive. So we said we are not going to do this everywhere we go. Because we knew, people are interested in what we are offering... For me, it's not about expanding across different countries. We know our capacity. That's the reason why we stop expansion because we don't have the capacity to stay with the same quality...

To leverage the reputation within the foreign markets, Global Consulting started to improve its control over its delivering services by requiring monthly feedback from its networks between 2015 and 2016. The company realised that with a low number of employees it could not keep growing within the foreign market and so shifted its strategy from international expansion. The firm stopped moving into new markets, and did not look for new clients within international markets. Meanwhile, Global Consulting began to focus more on the Australian market via its domestic networks. The founder says:

After 2014, gradually we lost our reputation among our customers and received fewer contracts... we said now let's manage our growth. And we can give our clients the optimal service. Like quality service... We are trying to keep the need of locals that we have. That's the main part of our business model... we don't want to just get everybody... because we don't have the capacity to do that... So asked local contacts of each market to give us feedback report from their markets monthly, to recognise our weaknesses... We stopped moving to a new market so that we can focus more on existing markets... our contacts helped us to find projects within the Australian market. We could do the project with less cost, labour cost ... we focused on the Australian market and tried to get some local projects, while tried to keep our existing international clients...

4.2.4 De-internationalisation phase

From 2017 Global Consulting focused on gaining more clients in Australian markets. Because of the low number of employees and reputation concerns, Global Consulting could not enter new markets and keep growing in the international market. However, over the years, it could build a good reputation within the Australian market and get bigger projects. The shift from international to local markets was started by the deceleration phase, when the firm lost its reputation within its existing markets; with the support of its local network it improved reputation within its Australian market. These changes were reflected in the firm's overall international revenues, which dropped from 90% to 20% over the rapid internationalisation phase to de-internationalisation phase. The founder states:

the capacity and being able to supply the demand of the customer in the market is our main concern... We know our limit. That's the reason why we stop expansion

within the foreign market because we don't have the capacity to stay with the same quality. You can't satisfy the need of everybody at the same time. So we are more in service quality. As long as you have the capacity, you can move into the new markets... we lost our reputation within our foreign markets... Currently working with our few existing clients in the international market... We have the capacity to manage the needs of locals that we are in... Another reason for less international contracts is Australian clients... Australian businesses know us and happy about the final results of our service. We have better reputation in this market... and get better projects.

De-internationalisation was the consequence of quickly eroding a strong international network base leading to declining reputation. It was started by limited human resources and the inability of the firm to supply premium service quality to international clients. Consequently, Global Consulting lost reputation within those foreign markets. To grow, gradually the entity found new projects within the Australian market and could improve its image within the home market. The support of the business network and an improved reputation motivated the firm to shift dramatically and take large scale projects in Australia and de-internationalise. The founder says:

At the initial, we move to many countries at the same time, but then we released that we didn't have enough capacity to do that. We had to keep the control and lower our internationalisation down... So we are not expanding now, we are actually cutting down to keep and manage... from Last year [2017] we could get bigger contracts in Australia than international one... our Australia contacts and reputation helped us. That's why our income from overseas is much less now.

4.3 Digit Marketing

4.3.1 Background

Digit Marketing was registered in 2008 as a market research agency. The company runs the consultancy for quantitative research and provides data simulations for clients. Digit Marketing helps businesses in market research and strategic planning. The organisation has

focused on three pillars, people, experience and culture. The firm supports businesses to find out more about their target market, how the target market makes decisions and provides exploratory insight information about a market.

The firm started with its founder and currently has eleven full-time employees. The firm's first international entrance was England; shortly after it expanded to other parts of Europe including Germany, France, Wales and Ireland. Digit Marketing received 25% of its total revenue from international markets within the first three years of its establishment. But, currently, the firm has lowered its international presence by reducing international revenue to less than 10% and by only operating in two other countries, Malaysia and New Zealand.

4.3.2 Rapid internationalisation phase

For the first two years after the foundation of the firm, Digit Marketing took multiple local projects to expand its network within the Australian market. The Australian clients helped the firm to have a better understanding of the industry, the needs of the client, and improved the firm's capital resources. In 2010, as the consequence of Digit Marketing's good reputation among its clients, the firm was recommended to conduct a project in England by its Australian clients. Shortly after finalising the English project in 2010, other big Australian customers of Digit Marketing suggested the firm open an office in London. Both Australian customers implemented multiple projects in Australia and England and could operate successfully. The founder did market research and looked for opportunities in European countries with the support of a business network in England and Australia. The result was that an office was opened in London by 2011. The founder stated:

We thought that we could extend the business that way [to open an office in London... we had a good reputation with our customers in Australia... we conducted a project for an Australian client, and they suggested to open an office in London. We used their network, and by their support, we could open an office there. The goal was to get as many projects as we can... As long as, there was an opportunity, we went there.

Through the support of clients, Digit Marketing gained a local network in England and the firm rapidly exported its employees and specialist expertise to four new countries,

Germany, France, Wales and Ireland. The international revenue of the firm increased to 25% of its total revenues. The founder said:

in the beginning, we picked up any opportunities that were available. We wanted to take as much as we can to increase our resources and to know the big players in the industry. For us, the location of the customer was not important... in the beginning, the strategy to enter the market was to open up an international office in London. We assumed that opening an office can help us to have better connections with the client in Europe ... we couldn't stay in Australia and expect to receive the project from a European client... The London office helped us quickly entered Wales, Ireland, France and Germany in 2011.

4.3.3 Deceleration phase

From the beginning of 2012 the firm faced a gradual reduction in the number of international projects over the next four years. Even though Digit Marketing was entering new countries, it could not maintain the high level of service quality that it initially offered. Digit Marketing had limited human resources with which to service clients and did not have enough experts to deliver its service both within a short time frame and of high quality to international clients. Low service quality affected the reputation of the firm with European network and customer, and consequently Digit Marketing received smaller projects. Alongside the limited human resources, the European crisis made the business environment harder for Digit Marketing harder.

While Digit Marketing was finding difficulty with international expansion, the income from the Australian market started to grow. Digit Marketing still had a high reputation with its domestic client base and was still being referred by its contacts to implement large projects. Projects offered by Australian clients were larger in scale and offered greater profitability than international projects. The founder believed that the side effects of the Global Financial Crisis were continuing in Europe and it influenced their international income. She said:

It [the branch] was just a small part of the business. It has lot smaller contribution to business than Sydney, the local market... Europe was a different

market... And it was much harder to land new business in for example UK. It takes a while to get clients on board and so forth... we couldn't reach the same reputation in Europe... So we had a bit of struggle. It was more than we thought... within the European market, we had to compete with other international competitors... the nature of our business is service... we were small and couldn't take on board more experts... we didn't expect the effects of European crisis on our business. It lowered the number of number of our contracts over the years

The consequence of deduction in international income encouraged the firm to enter ten new countries from 2012 to 2016, but loss of reputation for delivering service prevented the foreign income from growing back. The clients could not trust Digit Marketing to provide premium quality as before. The market entrance of the firm was the same as the rapid internationalisation phase and Digit Marketing exported its specialist product from the London office to the new market. The entity entered Russia, Norway and Finland in 2012, Scotland in 2013, Spain and Portugal in 2014, Poland in 2015 and Romania in 2016. Although by 2016 the firm was operating in fifteen different countries the foreign income of the firm fell to 20%. Digit Marketing could not compete with its international competitors within the European market and could only take small size projects.

Between 2012 and 2016 we entered ten new countries. We hope it could increase our international income. We used the same strategy [exporting specialist, for example, Marketer] to enter those markets... however, clients trusted big corporation than us ... we couldn't build a strong reputation within the European market... by 2016, our income from foreign market decreased to 20%.

4.3.4 De-internationalisation phase

By the deceleration phase, Digit Marketing started to lose its reputation within the European market and received fewer projects than it had previously. The result was by the end of 2016, Digit Marketing decided to leave the European market and closed its office in London. Low reputation and the economic crisis in Europe made Digit Marketing receive smaller contracts than before. Alongside the opportunity cost and high cost of delivering the

service, the firm decided to leave the European market and closed the office in London in 2016. The founder stated:

we decided to consolidate to a single business model. So the decision was to get rid of the London office... the thing was the market. The market was crowded by GFC crisis. Much more in Europe than it was in here... It's very tricky, particularly with Brexit, so that's not on the card at the moment [to go back to countries that we left... we couldn't build trust with European clients and got small project... One of the issues is the opportunity cost... You know the same value piece of the work, it requires many hours to service when it's an international piece versus a local piece... It's a strategy to work locally. It's not as labour intensive; it's not as costly to do business. It's a lot easier to look up the local clients.

Digit Marketing during de-internationalisation phase received most of its income from home market projects. The only two other countries where it operates are Malaysia and New Zealand, with total international revenue falling from 20% within the first three years to 9% from these two markets. Digit Marketing can save both time and money by operating mainly in Australia. The grow and support of the Australian network, make the de-internationalisation feasible. The strategy to enter two new countries Malaysia and New Zealand is a joint venture with local businesses of these two countries. The firm found clients from these markets via word of mouth and its initial network in Australia. The reasons are that its less costly and the firm can do it in a shorter time than before.

And the decision was made to pull out the service in London. And just to service anything overseas from, within the Sydney office... some of them [current project] are just opportunistic, they just come to us via our other clients, rather than doing other things around. It's easy to work with South East Asia, we are talking within 3 hours time-zones business. You know tend to be 15 hours time-zone for us, and this time-zones made the communication harder, particularly if we've got a call back based in Spain and they want to get Europe involved and talk to Australia at the same time... So how we service overseas, so the strategy now is, we rely on inbound marketing. So overseas clients find us either through conduct in Australia and word of mouths or we partner up with overseas agencies who don't have Sydney office. Sometimes is

opportunistic and sometimes is a little bit more planned. Predominantly, we are in the Australian market and have few customers in New Zealand and Malaysia

4.4 ABC Relations

4.4.1 Background

ABC RELATIONS was registered in 2000 as a family business in psychotherapy practices and medicine. The company invented a methodology that helps its patients to improve their relationships. It facilitates the patient to quickly understand situations beyond their worlds, and discovers healthy alternatives for dealing with issues and achieving desired outcomes. The methodology is practical within three contexts: ‘Self-Help’, for individuals at work or at home dealing with relational issues; ‘Human Resource Management, Counselling and Education’ as a coaching method for professional use in team building as well as for interpersonal, student and marriage counselling; and ‘Corporate Training’ for human resource development, executive coaching, dealing with personnel concerns, team-building and conflict resolution.

The firm started with its founder, and after one year his daughter joined the business as the second director. The firm’s first international entry was into Argentina, by exporting the director to attend psychotherapy conference and hold classes for its clients. Shortly after, the firm entered USA, Colombia, Ecuador and Brazil. ABC RELATIONS received 90% of its total revenue from these international markets within the first three years, but now has reduced its international presence by dropping international revenue to 20%.

4.4.2 Rapid Internationalisation Phase

From the establishment of the firm, ABC RELATIONS had the mindset that their business model was networking and that they could grow via expanding their network. Prior to formation of the business (2000), the founder had significant networks across North and South America through previous psychology work. The founder had met with many psychologists to share his research and ideas at industry conferences. Conferences provided the founder with a platform to communicate his ideas to his niche market and other

psychologists. These meetings also provided the founder with the opportunity to gauge interest in his innovative method of psychotherapy. The founder of ABC RELATIONS had a strong vision for the company and recognised that the firm could leverage psychology conferences to expand the firm's networks and meet directly with potential customers. The CEO stated:

We believed that more and more people should know, more and more practitioners in the field so that we can help people. Ultimately, we wanted to spread as much as possible to help as many people as possible... he [the founder] already had very strong base links to other people from Latin America and USA, that's why we chose those markets... We started to go international because the founder had contacts that were interested in what he was doing... the founder had travelled a lot in the 70s, like in the 70s and 80s. He already had contacts internationally. So when he started his company, he thought it would be great to be able to get in touch with those contacts again. Show them what he is doing, and that's how he also thought to do conferences and spread the word of what we are doing.

The way that ABC RELATIONS started internationalisation was by going to conferences and presenting in conferences in Argentina, leveraging the founder's network. The founder is a psychotherapy practitioner and by presenting his innovative method at a psychotherapy conference could meet other practitioners and hold workshops and courses about methods for them. Gradually, ABC RELATIONS met new clients and was asked to present and hold new workshops about its unique method in the USA, Colombia, Ecuador and Brazil within the first three years of its establishment. The founder says:

We started presenting predominately the Americans at first in 2000. So we started straightaway with internationals... We started through suggested conferences by the founder's contacts... Argentina was our first market. The founder is from Argentina and had strong networks there... And from the conferences, people knew him and continued to ask him to present in different places... We've continued with the idea of conferences, because it's the best way for us, to show what we do. Because what we do is so innovative, so different out of the box. We liked to do conferences so that people can see it... because it tacks the right people that we are very interested in... There

have been ways that our company was very lucky and that it's word of mouth, so people hear of us. So we go where they hear of us.

4.4.3 Deceleration phase

After three years ABC RELATIONS continued to have the mindset of spreading their innovative psychotherapy practice to as many places as possible through networking. The firm grew so rapidly within its first three years that it could not keep the balance between supply and demand of their service. Maintaining the same speed of rapid internationalisation, required the firm to increase its number of experts. ABC RELATIONS did not have enough expert practitioners and it could not meet the demands of the foreign markets as before. ABC RELATIONS consequently, lost its reputation and position within the international market and its network weakened.

On the other hand, ABC RELATIONS had improved its network in the Australian market and could present a good image within this market. The network and reputation helped ABC RELATIONS to operate locally. The Australian market gave ABC RELATIONS more opportunities and helped it to grow. The director states:

The changes [deductions in the speed of internationalisation] were also happening alongside our changes in life... we did struggle to find people who are very good at marketing within the international market... we knew that we don't have enough financial resource to grow in the international market... and it influenced the picture of the company in the foreign market... we were low in number of staff... I think, it might be because of our unique and special methodology... So we didn't expand to more markets very fast. Because we felt we didn't need to... we just did few small project in Asian countries, Spain and South Africa... Through word of mouth and Australian clients, we could find new clients in the Australian market... it cost us less than the international contract to deliver the service and we could grow in Australian market

By 2004, ABC RELATIONS was trying to reduce its speed of internationalisation and focus more on existing customer and markets to improve its reputation. The challenge that ABC RELATIONS faced was limited human resources. Therefore, for a period of seven

years, although it entered five new countries, it took much smaller foreign projects than in the early rapid internationalisation phase. Alongside international operations, ABC RELATIONS received more local projects within the Australian market. These changes resulted in the reduction of offshore revenue from 90% to 60% across four years. The founder says:

Because we were unable to meet the demand... it was not easy for two of us to travel around the world and find new psychologists at new markets. Instead, we focused more on our existing markets... but we saw opportunities in Singapore, Hong Kong, Qatar, Spain and South Africa and sent the founder to attend those conferences... yes, we were internationalising but not at high speed as before... by 2004 we found new opportunities within Australia markets, and got quite a few customers locally through other Australian psychologists... we could build a good picture of the company in the Australian market... Our internationalisation is a mix of conferences, and referral... we could get better local projects and able to supply the local demand faster and quicker so took more local projects

4.4.4 De-internationalisation phase

By 2011, ABC RELATIONS local contacts and high reputation among Australian clients supported the entity to get more opportunities within the home market than overseas. Although the firm entered two new countries (Peru and Netherlands) between 2011 and 2018, the total international sales of the firm declined to 20%. The founder says:

The way that we see it in business is where is the biggest demand... for us strong network means strong demand... It's more where the demand is and who needs, who wants... there are enough opportunities for us within the Australian market... So we've realised that international conferences are no longer necessary for our courses. And that's when we were able to sell our products and establish it more through our networks and word of mouth in Australia. Because it's faster and easier for us to deal with Australian customer... and it costs us less than before to deliver our service

ABC RELATIONS is currently a member of psychologists and counsellors in Australia. This association helps the firm to be recognised by new clients who are interested in psycho-therapy methodology. The growth of a reputation for delivering high quality

service in the home market, helps the firm gain large corporate clients. ABC RELATIONS is still operating within foreign markets, but has no intention to enter new markets; instead it is focusing increasingly on the domestic market.

we do a lot of face to face training in Australia... The local networks help us improve our connections, finding new opportunities at new places locally and lowering extra cost... you know we are part of psychologists and counsellors' associations in Australia and we get the email about new opportunities... The good feedback that we received from clients and good reputation, helped us to find contracts with big corporations, like in Finance ABC Bank, in health U-Health insurance and southern cross and beyond Hospital... we are still in the international market and kept our existing contacts, but take less international projects and no intention to enter new markets. That's why our international revenue is much less than before... And now we are approaching conferences of Universities and approaching students of the profession of psychology within Australia... University students, because they are the future professionals.

4.5 Construction International

4.5.1 Background

Construction International was incorporated in 2003, as a project management firm. The organisation provides project management services in construction, defence, telecommunication and information technology industries. The firm focuses on large scale projects with a budget value of more than AU\$2 billion.

Construction International started with its founder, and currently has five full-time employees. The firm first internationalised into the USA in 2003 and it has since further internationalised into Hong Kong, Malaysia, Qatar and Indonesia. Although the firm rapidly moved into international markets after its inception with over 80% revenue from international clients, it now only operates locally with no offshore revenue.

4.5.2 Rapid Internationalisation phase

Construction International conducted several projects within the Australian market after its establishment. During the first year of 2003, Construction International was asked by one of its Australian clients to conduct a project in the USA. By operating a project in the USA for the biggest defence company, Construction International met other players within this industry and was asked to do new projects in Hong Kong and Malaysia. The founder states:

We were small and didn't have enough resources to go abroad very fast... The first international contract we got invited by the client which we had in Australia... through referral, we could enter three new countries within a short period of time... they were the USA, Hong and Malaysia... we worked for a client in Hong Kong, for example, others saw our job, and we could expand our contacts and be asked to do a new project at a new market, Malaysia for example...

The first customer of Construction International in the USA was one of the biggest players in the defence sector. The client and its project helped Construction International to be recognised in the industry and be asked to do a new project in Hong Kong in 2004 and Malaysia in 2005. By operating in three new countries, the international revenue of the firm reached 80% of its total revenue. The founder states:

We had a client in Australia. We did the work with them... and then they said ok, now can you go to the USA business. And that's how we started our first international project. We got invited and sent by this client to the USA... we did work for 'Protect X' in the USA. 'Lockheed Martin' is the biggest defence company in the world. 'Protect X' helped us for our fast growth and entering multiple markets within a short time... We could improve our reputation within the foreign market... we got referred by other colleague or other companies, that how we entered new places

4.5.3 Deceleration phase

By 2007, Construction International had found new opportunities within the Australian market in the mining sector. Construction International had done a few Australian projects during the rapid internationalisation phase and improved its reputation within the Australian

market. These projects helped the firm to increase its network and reputation and be asked to conduct mining projects in Australia.

Construction International was working in construction, mining and defence, but demand for projects in defence and construction had declined around the world. Therefore, Construction International took more projects locally in mining and had to leave the USA, Hong Kong and Malaysia. After finishing initial projects in the USA, Hong Kong and Malaysia, Construction International got much smaller projects in those markets and, in terms of opportunity cost, it was better for the firm to leave those markets and consider new markets. Meanwhile, Construction International recognised new opportunities in Qatar and Indonesia and entered them through referral. The founder says:

When there are only a few players, we have to follow. Otherwise, there will be no work... We are a very small business. It's only a few of us... There are only, five of us... we didn't have enough people to handle both overseas and local markets... There was not much opportunity in the USA. I did only two small jobs. So that's why I left the USA. Because the trend changed around the world and we didn't have enough employees to handle the demand of both international and domestic markets... By 2007, we found more construction project in Melbourne through our Australian clients. So we focused more on Australian markets... Australian clients saw our other international project and were happy with the results. So they asked us to do a project for them... That was bombing in construction in Melbourne. So we instantly switched to that market... it's all about the demand of the market... As I said, we go where is the work. We had clients in Indonesia we went there... we went to Qatar because we found big opportunities there.

Since the mindset of the founder was to find projects with the best opportunities since the organisation's establishment, Construction International had gradually taken more Australian projects. Over the years, by conducting domestic projects, it expanded its network and gained more business opportunities through this network, and improved its local base. Construction International left the USA market in 2008, followed by Hong Kong and Malaysia in 2012. The firm received smaller projects and operating within those markets required new staff. Consequently, the entity lost its reputation within the existing market and its network became weak. After recognition of new opportunities in Qatar, via its networks and contacts, the firm entered the market via a joint venture with a Qatari company in 2011.

The firm entered this joint venture, because it was a requirement of local government in order to take any local projects. Also, through the joint venture with a local company, Construction International could increase its reputation with local clients and take projects more quickly. The international movement continued by entering Indonesia in 2013. However, these international movements resulted in the foreign income dropping to 25%. The founder says:

We had to leave the USA, Hong Kong and Malaysia. Operating at those markets, required more people to send to... I told you before, we didn't have enough specialist to send to those countries and we lost our positions within those markets... our network became weak then, because we lost the reputation. So we focused more on Australian construction business... One of our contacts suggested entering Qatar... It's very busy over there. Qatar is one the biggest construction site in the world... Doha was different, in Qatar, there is a rule. To register a company, you must have a local partner... In Doha, it's not important what you know. It's important who you know. That's why we went with a joint venture... even though we entered two new countries, our international sales dropped. We could get better contracts in Australia. Our clients knew us, and we could build trust with them. So we could get better projects than foreign ones.

4.5.4 De-internationalisation phase

The projects that Construction International found with Australian clients made the firm focus more on Australia and leave all foreign markets. In 2015 Construction International left Indonesia and since then has not taken any further projects in Qatar. Operating in Qatar and Indonesia required higher expenses than the Australian market, including more staff to be in charge of these markets. The different business culture and opposing expectation of bureaucracy in Qatar, together with low availability of projects in Indonesia, encouraged Construction International to leave these markets. Easy access to local clients, lower costs for delivering the service and high demand made the firm focus predominately on the Australian market. During the deceleration phase, Construction International conducted multiple Australian projects and became well-known among within the domestic industry. The main reason for staying locally is the strong network and high

reputations that provide better projects for the firm in Australia than elsewhere. The founder says:

We had clients in South East Asia we went there... We had a period when we had 80% of income from overseas. But now, we have a zero from overseas. We don't do any overseas work now... we can find more opportunities within the local market with less cost than international one... In Doha, open a letterbox, two weeks, arranging any document for a signing of company registration, few weeks, going from A office to B office, to C office to D office... Bureaucratic hundred times bigger than in Australia... Currently, we have seen more opportunities in Australia and its better off for us to stay here... Australian clients know now us and they offer us better projects... so there is no need for us to go to the international market.

Since completion of the last international contract in Indonesia in 2014, the firm has operated locally and has not received any revenue from international clients. The firm is small, and by growing opportunities through its networks in Australia, it is more beneficial for the organisation to operate locally. The firm suffers from limited human resources and it costs less for the firm to operate locally than internationally. The founder says:

Now, we have zero income from overseas. We don't do any overseas work now... we went to Indonesia 5 years ago (2013). We worked for one year. And that was our last international project... Mining boom basically finished three years ago about 2015, approximately... and that was our last mining project in Indonesia. As soon as then, we didn't have any international project...now we are back to civil works. It's an industrial boom in Sydney. The government are building light rails; they are building trains, they're building road corridor and airport. All these are infrastructure project... we could build a good picture of Construction International within Australia and now we are receiving local projects from local government in Sydney... As I said earlier, we go by referral. In the current project, we do it by Australian referral... operating within foreign markets required us to hire more staff for those markets. We are a small firm and couldn't afford it.

Chapter 5: Discussion

5.1 Introduction

By exploring the internationalisation strategies of Australian professional service firms, this thesis addresses the following research question

‘How and why do rapidly internationalising professional service firms, choose and implement their post-entry strategy?’

The analysis of this study try to fill the need identified in international business literature for improving our understanding of the role of time in the internationalisation of firms (Casillas & Acedo, 2013; Chetty et al., 2014; Jones & Coviello, 2005; Meschi et al., 2017).

Chetty et al. (2014) state that the speed of internationalisation can be changed over time and is unlikely to be constant. Romanello and Chiarvesio (2017) and Gabriellsson et al. (2008) suggest that rapidly internationalising firms have more than just a single initial rapid phase of internationalisation. Instead, they have post internationalisation stages where their pace of internationalisation changes. The phases of internationalisation, the multidimensionality of international behaviour (Casillas and Acedo, 2013) which outlines the extent of internationalisation (proportion of foreign sales) and breadth of internationalisation (number of countries where the firm is operating) are all considered.

The internationalisation process of each case study firm is categorised into three different phases, the rapid internationalisation phase, the deceleration phase and the de-internationalisation phase. Within each phase, the duration, the countries that the firm operates in, the percentage of international revenue, the drivers of strategy and the market entry will be discussed. Overall this study is focussed on the process of rapid internationalisation for rapidly internationalising PSFs. The purpose of this study is to explore the motivations of PSFs and how and why the drivers of internationalisation shift regarding internationalisation phases.

5.2 Cross-case analysis

Tables 3.1, 3.2 and 3.3 present summaries of the four cases for this research. Each table shows one phase of firms (rapid internationalisation phase, deceleration phase and de-internationalisation phase) by considering five elements of each phase (duration, countries

entered, the percentage of international revenue, drivers and market entry). These tables help in achieving a cross-case analysis conclusion.

Table 3 Summary of key findings for rapid internationalisation phase

		Global Consulting	Digit Marketing	ABC RELATIONS	Construction International
Rapid Internationalisation	Duration	3 Years	3 Years	3 Years	3 Years
		From 2011 to 2014	From 2008 to 2011	From 2000 to 2003	From 2003 to 2006
	Countries entered	7 countries	5 countries	5 countries	3 countries
		Nigeria, Kenya, South Africa, Ghana, Botswana Senegal, Morocco	England, Germany, France, Wales, Ireland	Argentina, USA, Colombia, Ecuador, Brazil	USA, Hong Kong, Malaysia
	Percentage of international revenue	90%	25%	90%	Over 80%
	Drivers	Network of founder	Client followership Reputation	Network of founder Expand network Reputation	Client followership Reputation
	Market entry	Initial entry through networks of founder and export specialist to 'Nigeria'	Initial entry through client follow ship and export specialist to 'England'	Initial entry through networks of founder and Export the founder (Argentina)	Initial entry through client followership and export specialist to 'USA'
		Export from Australia to (Kenya, South Africa, Ghana, Botswana Senegal, Morocco)	Subsidiary (England), Export from England to Germany, France, Wales and Ireland)	Maintained entry mode in every market (USA, Colombia, Ecuador, Brazil)	Maintained entry mode in every market (Hong Kong and Malaysia)

5.3 Rapid internationalisation phase:

The initial phase of internationalisation is the rapid internationalisation phase. The phase refers to the firms first internationalisation and is based on common definitions of rapidly internationalising firms, where the firm moves into multiple international markets within three years of its establishment, and international sales generate 25% of the total income of the firm (Coviello et al., 2011; Knight & Cavusgil, 2004; Madsen, 2013; Oviatt & McDougall, 1994). All four case study firms entered multiple international markets within the first three years and registered international income of 25% or higher.

The drivers of rapid internationalisation of the firms have been studied by many authors in the last few years (Gerschewski et al., 2018; Ibeh et al., 2018; Sadeghi et al., 2018). Johanson and Vahlne (2009), Gerschewski et al., (2015) and Manolova et al., (2010) state that the network is the critical driver for the rapid internationalisation of the firms. Table 3 presents the drivers of rapid internationalisation of each firm. Here, the understanding is extended by demonstrating that the main drivers of rapid internationalisation for PSFs are the firms network and its reputation.

Becoming a member of the foreign network was critically important for all four case study firms in the development stage, when firms wanted to gain access to international market knowledge and be successful in the new foreign market (Forsgren, 2016; Johanson & Vahlne, 2009). Becoming a member of foreign network was via either the network of the founder (Global Consulting and ABC RELATIONS) or the client followership (Digit Marketing and Construction International). All four case study firms were small in size and did not have sufficient financial and human resources for rapid internationalisation. Through the network, the firms could recognise new opportunities within the foreign market. This supports the literature that state network development is the key driver of the internationalisation process of small firms (Chandra et al., 2012; Gerschewski et al., 2015; Johanson & Vahlne, 2009). This study is contributing to the literature by showing that network development is the key driver among rapidly internationalising PSFs. The founders of all four firms overcame the disadvantage of low resources by gaining information and opportunity of the foreign market via members of their network. This is in line with Chandra et al. (2012) and Johanson and Vahlne (2009) who believe that opportunity recognition is conducted via social capital. All four cases received information about new opportunities and demands of the market via their networks. The analyse of internationalisation of PSFs is

consistent with Loane and Bell (2006) who acknowledge that when the founder of a firm finds an opportunity in a foreign market he or she tries to leverage both knowledge and resources for rapid internationalisation to take advantage of the situation.

The network as the driver can be divided into two groups for the firms, client followership and the network of the founder. By following clients, firms can overcome cultural barriers and gain more knowledge about the international market (Freeman et al., 2012; Freeman & Sandwell, 2008; Weerawardena et al., 2007). Digit Marketing and Construction International could rapidly enter international markets with the support of their existing clients. By engaging in client followership, they could overcome the liability of newness in the new market (Contractor et al., 2003; Hitt et al., 2006). Although the founders had the mindset of moving into the international market, they were encouraged early by their clients for the international movement and that influenced their market selection and mode of entry.

Global Consulting and ABC RELATIONS relied on existing networks of their founder for rapid internationalisation. The founders had built their network prior to the firms' inception. Similar to Digit Marketing and Construction International, who relied on the network of existing clients, Global Consulting and ABC RELATIONS had access to market knowledge and overcame market barriers through this network. This study confirms that networking as a driver of internationalisation of rapidly internationalising PSFs and that network relationships of the founder are the main driver for these type of firms (Freeman & Cavusgil, 2007; Freeman et al., 2006; Gerschewski et al., 2015).

Reputation is another key driver for rapid internationalisation. Von Nordenflycht (2010) and Greenwood et al. (2005) emphasise the importance of reputation for PSFs and how it can help the entity to be recognised. This study extends the literature by outlining that reputation is the element for promoting rapid internationalisation. Two case study firms (Digit Marketing and Construction International), in addition to support of their network members, could go to the foreign market via their good reputation within the home market. Both firms built a good reputation within Australia and the reputation helped them to be recognised by the members of the network and be referred for better projects within the foreign market. This investigation has confirmed that the reputation and network ties are key drivers for the PSFs to rapidly internationalise.

During the rapid internationalisation phase, the PSF may change its entry mode by the support of its network members. The network members can show new opportunities for the entity (Coviello & H. Munro, 1997; Jin et al., 2018) and it motivates the PSF to implement an

entry mode that brings the highest opportunities and projects for the firm. Digit Marketing during its first phase changed its entry mode and opened an office in London as suggested by the business network. Digit Marketing network members suggested by opening a subsidiary and training new staff, that the firm could be recognised better by the industry players within Europe and able to respond to inquiries of its future customers more quickly. Overall, while the network members can show the new opportunities to the PSFs, they can also suggest the most appropriate entry mode. This network support can persuade the rapidly internationalising PSFs to take a big risk. For example, Digit Marketing first started with the exporting the staff to the foreign market which has the lowest amount of risk. However, at the suggestion and recommendations of its network, it took a bigger risk and opened an office in London.

Table 4 Summary of key findings for deceleration phase

		Global Consulting	Digit Marketing	ABC RELATIONS	Construction International
Deceleration	Duration	2 Years	4 Years	7 Years	8 Years
		From 2015 to 2016	From 2012 to 2016	From 2004 to 2010	From 2007 to 2014
	New Countries entered	0 countries	10 countries	5 countries	2 countries
		N/A	Russia, Norway, Sweden, Finland, Scotland, Italy, Spain, Portugal, Poland, Romania,	Hong Kong, Singapore, Spain, Qatar, South Africa	Qatar, Indonesia
	Countries the firm left	0 countries	0 countries	0 country	3 countries
		N/A	N/A	N/A	USA, Hong Kong, Malaysia
	Countries operating	5 countries	15 countries	10 countries	2 countries
		Nigeria, Kenya, South Africa, Ghana, Botswana, Senegal, Morocco	England, Germany, France, Wales, Ireland, Russia, Norway, Sweden, Finland, Scotland, Italy, Spain, Portugal, Poland, Romania,	Argentina, USA, Colombia, Ecuador, Brazil, Hong Kong, Singapore, Spain, Qatar, South Africa	Qatar, Indonesia
	Percentage of international revenue	70%	20%	60%	25%
	Drivers	Network Reputation Improve the quality of service Limited human resources	Network Reputation Limited human resources European crisis	Network Reputation Limited human resources	Network Reputation Referral Limited human resources
		Market entry	Did not enter new market	Export from England to Russia, Norway, Sweden, Finland, Scotland, Italy, Spain, Portugal, Poland, Romania,	Export the founder (Hong Kong, Singapore, Spain, Qatar, South Africa) Entry through client followership (Indonesia) Joint venture (Qatar)

5.4 Deceleration phase

Deceleration is the second phase of internationalisation. The phase is characterised by how the firm gradually decreases its international commitments or expansion. The process includes a reduction in the percentage of international sales and reducing the firm's presence across multiple countries. Table 4 presents an overview of the deceleration phase including; new countries entered, countries the firm left, countries the firm is currently operating in percentage of the international sales of each firm, the drivers of deceleration and the drivers of market entry in this phase.

After the first three years of rapid internationalisation, the percentage of foreign sales in all four case studies declined. Chetty (2014) outlines that firms who initially internationalise rapidly, maintain a much lower speed in their next phase of internationalisation. The percentage of foreign sales for all the case study firms declined during this phase. The case study firms wished to continue their expansion internationally, but had to reduce their international presence. Construction International left the three countries that it entered initially, but entered two new countries, Qatar and Indonesia. Global Consulting and ABC RELATIONS did not enter any new markets nor left their existing market. Digit Marketing entered ten new countries and did not leave any of its previous markets; however, its foreign sales dropped from 25% to 20% as a result of receiving less contracts from its international customers.

Romanello and Chiarvesio (2017) state that BGs during their post internationalisation stage lower their speed for the long-term growth of the entity. This is consistent with the finding of this study. All four case study firms wished to continue to grow and continued to pursue and receive contracts from foreign clients. What the current study did demonstrate was that, because of the low number of specialised employees, the firms could not deliver their service with the same quality. PSFs are knowledge-intensive firms and operate with a professionalised workforce (Von Nordenflycht, 2010). These characteristics made all four cases notable for hiring specialised and expert people in their field and faced low human resource concerns.

During the initial phase, the firms are motivated to grow rapidly and operate within the foreign market. The concern that the firms faced was the low number of experts and inability to supply the high volume of the demand and projects. As the table 4 shows, limited human resources were a driver of deceleration of all four case study firms. These limited human

resources resulted in service problems for firms, loss of reputation, and consequently the network of the firms became weaker. Global Consulting lost reputation among its networks and clients because of delivering a low quality of service. As a consequence of limited human resources and receiving a high number of contracts the firm could not maintain the same standard of service delivery. Therefore, it lowered the speed of the internationalisation and tried to keep the increase the quality of its service. The network ties had become weaker and not as supportive as before.

All four cases faced a challenge of balancing the supply and the demand of their service within the international market. Greenwood et al. (2005) highlight that failing to maintain the balance between delivery of service with its supply can lead to loss of reputation with clients and weakening ties.

Reputation helps the firm to be recognised within its network and get profitable projects (Greenwood et al., 2005; Von Nordenflycht, 2010). As a consequence of the loss of reputation among the network within the existing markets, all four firms had to find new opportunities elsewhere. All the case study firms found new opportunities within the home market either via earlier conducted projects and a good reputation within Australia or through strategic opportunities. Although the goal of all case study firms was to grow internationally, low reputation among the member of existing foreign markets made the entity decelerate internationalisation.

For two of the case study firms, Digit Marketing and Construction International, deceleration was because of network ties. Johanson and Vahlne (2009) and Jin et al. (2018) state that the network is the key driver for rapid internationalisation of the firm. Chandra et al. (2012) and Weerawardena et al. (2007) add that the network ties help the firm to exploit and gradually find new market opportunities and routes. The current study has demonstrated that the network ties can lead to the gradual deceleration of the PSFs. Digit Marketing and Construction International, before entering the foreign market, had built a good reputation that helped the firms to maintain a strong business network within the Australian market. These strong network ties in the home market helped the entity to find new opportunities that made a gradual deduction in international sales possible.

The business network and the support of members of the network emphasises how the business network can motivate the firm to leave a foreign market. Von Nordenflycht (2010) focuses on the importance of reputation for PSFs for creating new opportunities for the firm. Rialp-Criado et al. (2010) state that BGs implement the opportunity strategy for the growth of the business, and Jin et al. (2018) add that network members can support the rapidly

internationalising firms to exploit the new opportunities. New opportunities, as the consequence of good reputation and strong network ties, motivated Construction International to leave the existing market and conduct new projects within the home market. During the deceleration phase, although the main concern of Construction International was to grow into new international markets, the network members of the firm offered better projects than the foreign market and motivated the firm to conduct some local projects, so decelerating the international growth.

Table 5 Summary of key findings for de-internationalisation phase

		Global Consulting	Digit Marketing	ABC RELATIONS	Construction International
De-internationalisation	Duration	2 Years From 2017 to 2018	2 Years From 2017 to 2018	8 Years From 2011 to 2018	4 Years From 2015 to 2018
	Countries entered	0 countries N/A	2 countries New Zealand, Malaysia	2 countries Peru, Netherland	0 countries N/A
	Countries the firm left	0 country N/A	15 countries England, Germany, France, Wales, Ireland, Russia, Norway, Sweden, Finland, Scotland, Italy, Spain, Portugal, Poland, Romania,	0 country N/A	2 countries Qatar, Indonesia
	Countries operating	5 countries Nigeria, Kenya, South Africa, Ghana, Botswana Senegal, Morocco	2 countries New Zealand, Malaysia	12 countries Argentina, USA, Colombia, Ecuador, Brazil, Hong Kong, Singapore, Spain, Qatar, South Africa, Peru, Netherland	0 country Operates locally
	Percentage of international revenue	20%	9%	20%	0%
	Drivers	Network Reputation Limited resources (financial and human)	Network Strategic opportunity/changing business strategy Changes in international economy/ or economics situations Limited resources (financial and human) Reputation (with current foreign countries)	Network Strategic opportunity/changing business strategy Reputation Limited resources (financial and human)	Network Strategic opportunity/changing business strategy Reputation Limited resources (financial and human)
	Market Entry	N/A	Joint venture with international companies	Export the founder (for all countries)	Operates locally

5.4.2 De-internationalisation Phase:

The third phase of internationalisation is the de-internationalisation phase. This phase illustrates the rapid deceleration of the PSFs, where the firm leaves most of its current international markets and international sales decrease sharply. Table 5 shows the international sales of each case study drop to 20% or lower. At this stage, the mind-set of the firms changed from internationalisation to operating within the home market.

The literature argues that the rapidly internationalising firms, after entering the foreign market, keep their international movement with different paces (Chetty et al., 2014). Taylor and Jack (2013), Zou and Ghauri (2010), Johanson and Martín (2015) and Chandra et al. (2012) all agree that rapidly internationalising firms after the first entry, progress more gradually in the international market. Casillas and Acedo (2013) state that internationalisation is a dynamic process. Chetty et al. (2014) and Casillas and Acedo (2013) add that considering the long-term perspective in the speed of internationalisation of firms, the entity may need to decelerate its internationalisation or may need to operate within the home market to achieve certain goals. They continue to argue that during this phase, the firm does not necessarily have to leave the foreign market; after achieving immediate goals the entity may go back to internationalisation progress again. However, the findings of this study show that the PSFs ‘de-internationalised’ and moved back to the Australian market. All four case studies, while operating within the foreign market, found new opportunities within the Australian market via their business networks. ABC RELATIONS, for example, found new opportunities within the corporate sector via their clients and network members. This firm does not have any intention to stay within the foreign market; the strategic drivers had shifted from being international to primarily focusing on the domestic market. During de-internationalisation, the case study firms dramatically decelerate their internationalisation performance and move back to the home market. The de-internationalisation followed by leaving the existing markets and taking bigger projects in the home market. For example, based on Table 5, the international sales of Construction International and Digit Marketing dropped to 0% and 9% from over 80% and 25% respectively, between the rapid internationalisation phase and de-internationalisation phases.

Casillas and Acedo (2013) suggest that the speed of these processes is a multidimensional element and can influence the international behaviour of the firm. Chetty et al. (2014) state that it is necessary to consider the network within the internationalisation

process and how it can regulate the speed of internationalisation. The current study confirms that the network can influence the speed of internationalisation process, by making the PSFs decelerate and move back to the home market. The other distinct difference, between this phase and the deceleration phase, is that the firms are no longer interested in operating internationally and prefer to de-internationalise.

Reputation for PSFs is a way of signalling high quality of service. The intangibility of outputs of PSFs, makes choosing a supplier of service harder for the client. Greenwood et al. (2005); Lowendahl (2000) highlight that reputation is a way to distinguish a high quality of service of a firm from another competitor. All four case studies suffered from limited human resources. Insufficient experts influence the high quality of service that the firm can provide to clients. Low quality of service can decrease the reputation of the firm among its networks and clients. Reputation helps the firm to attract more clients with low marketing and investment (Greenwood et al., 2005; Von Nordenflycht, 2010). In all four case studies, operating within the Australian market requires less labour and costs, and helps the firms gain reputation and deliver a higher quality of service.

Reputation can influence the relationship of the firm with its network members. Khavul et al. (2010), Kiss and Danis (2008) and Musteen et al. (2010) concur that network members and their ties can cause the high speed of internationalisation. This research shows that among the PSFs, reputation can affect the network ties and motivate the PSFs to decelerate sharply and move back to their home markets. Strong network ties within the members that were created via strong reputation, provide more opportunities and projects for the case studies and motivated them to de-internationalise. Additionally, the relationship and network ties can cause the PSFs to leave the foreign market. Digit Marketing lost its reputation among the European clients and network members during the deceleration phase. The bad reputation damaged the firm's relationship with its network and it received less projects during the deceleration phase. Consequently, the loss of network ties within the European market and strong ties within the Australian market motivated Digit Marketing to leave all European markets. It now operates within the Australian market and is de-internationalised.

Almor et al. (2014), Efrat and Shoham (2012) suggest that rapidly internationalising firms, during post-internationalisation, implement different strategies to have long-term growth. Losing reputation within the foreign market and receiving less foreign contracts, made all four firms move back to the Australian market for growth. De-internationalisation can extend the Johanson and Vahlne (2009) Uppsala model. It is believed that the network ties can cause PSFs to rapidly decelerate, leave the foreign market and de-internationalise.

The network can influence the internationalisation of PSFs, in both directions by either rapidly internationalising or rapidly decelerating and de-internationalisation. The movement of the PSFs, in either way, depends on how strong the level of ties and business relationships of the firms are with networks. During the de-internationalisation phase, the network ties of the four case study firms are stronger with their home market network members and, it promotes the PSFs to de-internationalise.

Maintaining a good reputation among the members of the network and the business network caused all four cases to de-internationalise. The findings of this study are not consistent with earlier findings for post-internationalisation. Almor et al. (2014), Zou and Ghauri (2010) and Gabrielsson and Gabrielsson (2013) highlight that after initial rapid internationalisation of the firm, it still gradual progresses within the foreign market. However, the findings of this research illustrate that because of reputation and support of the business network, the PSF moves back to the home market.

Importantly, the findings of this study are consistent with Romanello and Chiarvesio (2017) and Chetty et al. (2014) who state that drivers of rapidly internationalising firms are changing over the different phase of their business. Table 3, 4 and 5 present different elements for the drivers of each firm. The case studies of this study entered the foreign market via the support of their networks. However, by going through different phases, control over providing a high quality of service is added to their drivers as a consequence of losing reputation. During rapid internationalisation, the main concern of the PSFs was to be internationalised. During the deceleration phase, although the firms had the mind-set of continuing in the foreign market, because of resource pressures had to decelerate. Lastly, during the de-internationalisation phase, the firm is not motivated to go international and prefers to operate locally, with the support of the business network in the home market.

Chapter 6: Conclusion and Implications

6.1 Introduction

First this chapter outlines and synthesises the key results and explains implications of the findings for academics and managers. Then, the limitations of the study and recommendation for future research will be discussed.

6.2 Main findings

Since research began on exploring the rapid internationalisation of firms, much of the literature has overlooked or ignored the importance of the internationalisation processes undertaken before firms have rapidly internationalised. Some studies discuss post-internationalisation of the rapidly internationalising firm; however, the focus is often on manufacturing firms (Gerschewski et al., 2018; Sadeghi et al., 2018). In contrast this study has investigated the processes of rapidly internationalising PSFs and tries to suggest priorities for future study of this topic (Ibeh et al., 2018). This research extends the empirical knowledge of performance of rapid internationalisation within PSFs and contributes to the literature by explaining that network and reputation are the key elements that can influence the internationalisation behaviour of these types of firms.

This study reveals that the internationalisation process of rapidly internationalising PSFs, contains three main phases: the initial rapid internationalisation phase, followed by the deceleration phase and then the de-internationalisation phase. The research has confirmed that rapidly internationalising firms move into multiple foreign markets within three years of their establishment. The current study updates the literature by demonstrating that network and reputation are the key drivers for rapid internationalisation of PSFs. This type of firm can quickly move into foreign markets, by support of client followership or the network of the founders. In either case, the network ties can support the PSFs to overcome the issues of low resources and achieve competitive advantages in the foreign market. Reputation also drives rapid internationalisation. PSFs can improve the image of the entity within the home market and enhance the firm's recognition, so they are asked by clients to act for a client within the international market. The strength of network ties can also influence the entry mode of the internationalisation. For example, members of the network can suggest the PSFs change the

entry mode in a way that brings the highest number of opportunities for the firm. This study extends the existing literature, which has focused on drivers of rapid internationalisation (Johanson & Vahlne, 2009), by integrating network that can influence the rapid internationalisation and market entry of PSFs.

Earlier in the literature, scholars focused on the performance of internationalisation and how different variables influenced the post-internationalisation performance and speed of the internationalisation within INVs and BGs (Ibeh et al., 2018; Sadeghi et al., 2018). Figure Three highlights the three phases of rapidly internationalising PSFs internationalisation process (rapid internationalisation, deceleration, and de-internationalisation) as well as the drivers for each phase, including the importance of network and reputation. This research demonstrates that the next phase after rapid internationalisation is deceleration. This phase includes reduction in the scope of internationalisation and foreign revenue. The case study firms indicate that during this phase, they may need to leave the foreign market. Reasons for this strategy include the loss of reputation within the foreign market and the need to increase support of the network within the home market. If the entity is unable to keep the balance between high demand and supply within the foreign market, a reduction in quality of service results, followed by loss of reputation within the foreign market. So although the firm has the intention to grow within the foreign market, it needs to consider other markets where the network ties are stronger and there are more opportunities. Network ties built by the entity before or during the rapid internationalisation phase, often enable the PSFs to recognise new opportunities within the home market. The combination of reputation and network, within the home market, results in the PSF taking more local projects and decelerating the internationalisation of the firm.

The last phase of internationalisation is de-internationalisation where the firm goes back to the home market, leaving the foreign market. This study recognises that, although earlier studies believed in incremental internationalisation (Chandra et al., 2012; Hashai & Almor, 2004; Johanson & Martín, 2015), all the case study firms moved back to the home market. The study extends the literature by showing that the network and reputation, within the network, can be the key reasons for the PSFs to de-internationalise. Both strong reputation and network ties within the home market, built over the years during both rapid internationalisation and deceleration phases, can motivate the entity to go back, and these ties gradually promote new opportunities for the PSF. This study outlines how the mindset of PSFs can shift from internationalisation to de-internationalisation by re-focusing on the home market. Firms may be forced to strategically emphasise the home market because of low

financial and human resources. The firms limited resources may make the firm unable to deliver high quality service to international clients decreasing the reputation of the firm within the international market.

By exploring the post-entry behaviour of rapidly internationalising firms, to understand the motivators of entity performance and the strategies implemented (Cavusgil & Knight, 2015; Sui & Baum, 2014), this study contributes to a deeper understanding of the post-entry performance of rapid internationalised PSFs, in terms of the roles of network and reputation in business strategy.

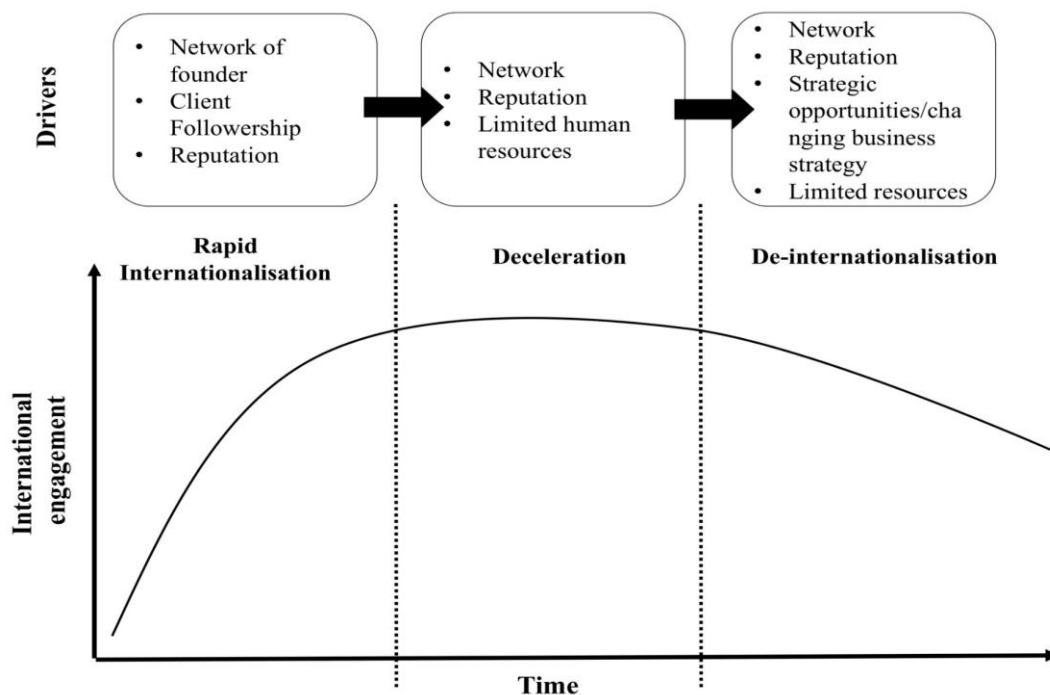


Figure 3 Summary flowchart of PSF internationalisation phases and post-entry strategies – with the drivers of each phase

6.3 Limitations and Future Research Directions

The current study is exploratory in nature. Consequently, although the results provide promising avenues for future research, several limitations exist. An important limitation of this study is the limited number of case studies from originate one market. The narrow scope of this study, four case studies from Australia, may limit the generalisation of results. Future studies may consider increasing the number of cases on PSFs from both emerging and developed countries and extending the geographical scope of the case study firms. Australia

is a very isolated country and choosing case study firms from different countries can help to compare the internationalisation processes of PSFs and how other elements, including economic and social situation, might affect them. The objective of the current study is to gain deeper knowledge and understanding of rapidly internationalisation PSFs internationalisation process, and it was not to achieve generalised results.

For future studies and better understanding, the context/country that the firms are internationalised should be considered. Firms that share more similar contexts could be studied to provide greater understanding behind the driving forces of their internationalisation decisions. For the current study, the chosen firms were small, from different industries internationalising into different markets. A more specific context studied e.g. firms from the same industry entering the same country, could provide more specific results, that may be more generalisable to their specific contexts.

The current study implements the qualitative methodology, and the personal bias of the investigator, although minimised, could be another limitation of this study. Van de Ven and Huber (1990); Yin (1994) state that different biases can be a key limitation of qualitative case study research. To prevent personal bias in this research, semi-structured interviews were conducted that permitted each interviewee to describe and tell his/her study using their own words.

The last limitation is related to the cross-sectional research design of this study. To explore firms' internationalisation process over the years and gain a deeper understanding of the internationalisation process it is best to adopt a longitudinal approach. Henry et al. (1994) state a longitudinal design can reduce the retrospective bias. Therefore, a longitudinal approach can be beneficial for a better understanding of post-internationalisation of the firms.

6.4 Implications for managers

Fast internationalisation can bring competitive advantage to the firms concerned — for example, first mover advantage. In a competitive and dynamic business world, PSF managers need to consider how they keep up with their competitors, while having control over the speed of internationalisation. Fast grow during the early stages of the firm does not guarantee future success. The managers of rapidly internationalisation firm should be aware of the complexities and variables that can influence business strategies. More specifically, the managers of small size firms should remember that they have resource constraints and that

network or reputation within network members can either promote rapid internationalisation or cause sharp deceleration and de-internationalisation.

Network and reputation are two elements that should be managed properly. The managers of rapidly internationalising PSFs should consider the business environment as a chess game. They should think ahead when implementing a strategy and consider how network and reputation can influence their strategic decision as well as how they can control other competitors in a way that leads to the success of the firm, in a dynamic environment.

This study suggests that the network and the reputation of rapidly internationalisation PSFs, are the key elements in enhancing the internationalisation behaviour of these types of firms. Managers should be aware of approaches for network construction that the firm implements because the network ties can influence the process of internationalisation. It is important in a dynamic business environment to build network ties with other competitors. A competitor of the firm in a foreign market can act as a local agent, and the entity may use its connections. Building network ties with other competitors also helps the PSFs to be aware of any changes that competitors make and so react to their strategies faster.

Alongside the network, reputation is an intangible asset of the firm. It can either promote network ties and bring new opportunities for the firm, or weaken the relationships and firm image among its members. A good reputation brings trust among the network members and helps longer-term business relationships for the firm. Consequently, both network and reputation can act as two sides of the knife. They can lead to either increase or decrease the international revenue and the performance of the firm.

References

- Almor, T., Tarba, S. Y., & Margalit, A. (2014). Maturing, technology-based, born-global companies: Surviving through mergers and acquisitions. *Management International Review*, 54(4), 421-444.
- Alvesson, M. (2000). Social identity and the problem of loyalty in knowledge-intensive companies. *Journal of Management Studies*, 37(8), 1101-1124.
- Anand, N., Gardner, H. K., & Morris, T. (2007). Knowledge-based innovation: Emergence and embedding of new practice areas in management consulting firms. *Academy of Management Journal*, 50(2), 406-428.
- Andersson, S., & Wictor, I. (2003). Innovative internationalisation in new firms: born globals—the Swedish case. *Journal of International Entrepreneurship*, 1(3), 249-275.
- Autio, E. (2017). Strategic entrepreneurial internationalization: A normative framework. *Strategic Entrepreneurship Journal*, 11(3), 211-227.
- Autio, E., Sapienza, H. J., & Almeida, J. G. (2000). Effects of age at entry, knowledge intensity, and imitability on international growth. *Academy of Management Journal*, 43(5), 909-924.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Baum, M., Schwens, C., & Kabst, R. (2013). International as opposed to domestic new venturing: The moderating role of perceived barriers to internationalization. *International Small Business Journal*, 31(5), 536-562.
- Beamish, P. W. (1990). The internationalization process for smaller Ontario firms: A research agenda. *Research in Global Business Management*, 1, 77-92.
- Blomstermo, A., Eriksson, K., Lindstrand, A., & Sharma, D. D. (2004). The perceived usefulness of network experiential knowledge in the internationalizing firm. *Journal of International Management*, 10(3), 355-373.
- Blomstermo, A., Eriksson, K., & Sharma, D. D. (2004). Domestic activity and knowledge development in the internationalization process of firms. *Journal of International Entrepreneurship*, 2(3), 239-258.
- Broschak, J. P. (2004). Managers' mobility and market interface: The effect of managers' career mobility on the dissolution of market ties. *Administrative Science Quarterly*, 49(4), 608-640.
- Bryman, A., & Bell, E. (2015). *Business research methods*: Oxford University Press, USA.
- Bryman, A., & Burgess, B. (2002). *Analyzing qualitative data*. USA: Routledge.
- Burrell, G., & Morgan, G. (1979). Two dimensions: Four paradigms. *Sociological Paradigms and Organizational Analysis*, 21-37.
- Casillas, J. C., & Acedo, F. J. (2013). Speed in the internationalization process of the firm. *International Journal of Management Reviews*, 15(1), 15-29.
- Cavusgil, S. T., & Knight, G. A. (2009). *Born global firms: A new international enterprise*. USA: Business Expert Press.
- Cavusgil, S. T., & Knight, G. A. (2015). The born global firm: An entrepreneurial and capabilities perspective on early and rapid internationalization. *Journal of International Business Studies*, 46(1), 3-16.
- Chandra, Y., Styles, C., & Wilkinson, I. F. (2012). An opportunity-based view of rapid internationalization. *Journal of International Marketing*, 20(1), 74-102.

- Chetty, S., Johanson, M., & Martín, O. M. (2014). Speed of internationalization: Conceptualization, measurement and validation. *Journal of World Business*, 49(4), 633-650.
- Combs, J. G., Russell Crook, T., & Shook, C. L. (2005). The dimensionality of organizational performance and its implications for strategic management research *Research methodology in strategy and management* (pp. 259-286): Emerald Group Publishing Limited.
- Contractor, F. J., Kundu, S. K., & Hsu, C.-C. (2003). A three-stage theory of international expansion: The link between multinationality and performance in the service sector. *Journal of International Business Studies*, 34(1), 5-18.
- Cooper, D. R., Schindler, P. S., & Sun, J. (2006). *Business research methods* (Vol. 9): McGraw-Hill Irwin New York.
- Coviello, & Munro, H. (1997). Network relationships and the internationalisation process of small software firms. *International business review*, 6(4), 361-386.
- Coviello, N. (2005). Integrating qualitative and quantitative techniques in network analysis. *Qualitative Market Research: An International Journal*, 8(1), 39-60.
- Coviello, N. (2006). The network dynamics of international new ventures. *Journal of International Business Studies*, 37(5), 713-731.
- Coviello, N. (2015). Re-thinking research on born globals. *Journal of International Business Studies*, 46(1), 17-26.
- Coviello, N., McDougall, P., & Oviatt, B. M. (2011). The emergence, advance and future of international entrepreneurship research—An introduction to the special forum. *Journal of Business Venturing*, 26(6), 625-631.
- Coviello, N., & Munro, H. (1995). Growing the entrepreneurial firm: networking for international market development. *European Journal of Marketing*, 29(7), 49-61.
- Coviello, N., & Munro, H. (1997). Network relationships and the internationalisation process of small software firms *International business review*, 6(4), 361 - 386.
- Cowley, P. (1988). Market structure and business performance: An evaluation of buyer/seller power in the PIMS database. *Strategic Management Journal*, 9(3), 271-278.
- Creswell, J. W. (2003). *Research design: Qualitative, quantitative, and mixed methods design*: Sage, London.
- Creswell, J. W. (2012). *Qualitative inquiry and research design: Choosing among five approaches*: Thousand Oaks, USA: Sage publications.
- Daniels, J. D., & Cannice, M. V. (2004). Interview studies in international business research. *Handbook of qualitative research methods for international business*, 185-206.
- Denscombe, M. (2003). *The good research guide* Maidenhead: Open University Press.
- Denzin, N. K., & Lincoln, Y. S. (2008). *The landscape of qualitative research* (Vol. 1): Sage.
- Efrat, K., & Shoham, A. (2012). Born global firms: The differences between their short-and long-term performance drivers. *Journal of World Business*, 47(4), 675-685.
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550.
- Empson, L. (2001). Fear of exploitation and fear of contamination: Impediments to knowledge transfer in mergers between professional service firms. *Human Relations*, 54(7), 839-862.
- Empson, L. (2007). Professional service firms. *International Encyclopedia of Organization Studies*, London: Sage.
- Fernhaber, S. A., & Li, D. (2013). International exposure through network relationships: Implications for new venture internationalization. *Journal of Business Venturing*, 28(2), 316-334.

- Fletcher, M., & Plakoyiannaki, E. (2011). Case selection in international business: key issues and common misconceptions *Rethinking the case study in international business and management research* (Vol. 171). UK: Edward Elgar Publishing Limited.
- Flick, U. (1992). Triangulation revisited: strategy of validation or alternative? *Journal for the Theory of Social Behaviour*, 22(2), 175-197.
- Forsgren, M. (2016). A note on the revisited Uppsala internationalization process model—the implications of business networks and entrepreneurship. *Journal of International Business Studies*, 47(9), 1135-1144.
- Freeman, S., & Cavusgil, S. T. (2007). Toward a typology of commitment states among managers of born-global firms: A study of accelerated internationalization. *Journal of International Marketing*, 15(4), 1-40.
- Freeman, S., Edwards, R., & Schroder, B. (2006). How smaller born-global firms use networks and alliances to overcome constraints to rapid internationalization. *Journal of International Marketing*, 14(3), 33-63.
- Freeman, S., Giroud, A., Kalfadellis, P., & Ghauri, P. (2012). Psychic distance and environment: impact on increased resource commitment. *European Business Review*, 24(4), 351-373.
- Freeman, S., Hutchings, K., Lazaris, M., & Zyngier, S. (2010). A model of rapid knowledge development: The smaller born-global firm. *International business review*, 19(1), 70-84.
- Freeman, S., & Sandwell, M. (2008). Professional service firms entering emerging markets: the role of network relationships. *Journal of Services Marketing*, 22(3), 198-212.
- Gabrielsson, M., Kirpalani, V. M., Dimitratos, P., Solberg, C. A., & Zucchella, A. (2008). Born globals: Propositions to help advance the theory. *International Business Review*, 17(4), 385-401.
- Gabrielsson, P., & Gabrielsson, M. (2013). A dynamic model of growth phases and survival in international business-to-business new ventures: The moderating effect of decision-making logic. *Industrial Marketing Management*, 42(8), 1357-1373.
- Gardner, H. K., Anand, N., & Morris, T. (2008). Chartering new territory: Diversification, legitimacy, and practice area creation in professional service firms. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 29(8), 1101-1121.
- Gerschewski, S., Lew, Y. K., Khan, Z., & Park, B. I. (2018). Post-entry performance of international new ventures: The mediating role of learning orientation. *International Small Business Journal*, 36(7), 807-828.
- Gerschewski, S., Rose, E. L., & Lindsay, V. J. (2015). Understanding the drivers of international performance for born global firms: An integrated perspective. *Journal of World Business*, 50(3), 558-575.
- Ghauri, P. (2004). Designing and conducting case studies in international business research. *Handbook of qualitative research methods for international business*, 109-124.
- Ghauri, P., Tasavori, M., & Zaefarian, R. (2014). Internationalisation of service firms through corporate social entrepreneurship and networking. *International Marketing Review*, 31(6), 576-600.
- Ghauri, P. N., & Firth, R. (2009). The formalization of case study research in international business. *Der Markt*, 48(1-2), 29-40.
- Gleason, K. C., & Wiggenghorn, J. (2007). Born globals, the choice of globalization strategy, and the market's perception of performance. *Journal of World Business*, 42(3), 322-335.

- Greenwood, R., Li, S. X., Prakash, R., & Deephouse, D. L. (2005). Reputation, diversification, and organizational explanations of performance in professional service firms. *Organization Science*, 16(6), 661-673.
- Greenwood, R., Suddaby, R., & McDougald, M. (2006). Professional service firms. *Research in the Sociology of Organizations*, 24(6), 283-306.
- Gummesson, E. (2000). *Qualitative methods in management research*. USA: Sage.
- Hadjikhani, A., Lee, J.-W., & Ghauri, P. N. (2008). Network view of MNCs' socio-political behavior. *Journal of Business Research*, 61(9), 912-924.
- Hakansson, H. (2014). *Corporate Technological Behaviour (Routledge Revivals): Co-opertation and Networks*. London: Routledge.
- Hannan, M. T. (1998). Rethinking age dependence in organizational mortality: Logical fromalizations. *American Journal of Sociology*, 104(1), 126-164.
- Hashai, N., & Almor, T. (2004). Gradually internationalizing 'born global' firms: an oxymoron? *International Business Review*, 13(4), 465-483.
- Henry, B., Moffitt, T. E., Caspi, A., Langley, J., & Silva, P. A. (1994). On the "remembrance of things past": A longitudinal evaluation of the retrospective method. *Psychological assessment*, 6(2), 92.
- Hinings, C., & Leblebici, H. (2003). Editorial introduction to the special issue: Knowledge and professional organizations: SAGE Publications London, Thousand Oaks, CA and New Delhi.
- Hitt, M. A., Bierman, L., Uhlenbruck, K., & Shimizu, K. (2006). The importance of resources in the internationalization of professional service firms: The good, the bad, and the ugly. *Academy of Management Journal*, 49(6), 1137-1157.
- Ibeh, K., Jones, M. V., & Kuivalainen, O. (2018). Consolidating and advancing knowledge on the post-entry performance of international new ventures. *International Small Business Journal*, 36(7), 741-757.
- Jensen, M., & Roy, A. (2008). Staging exchange partner choices: When do status and reputation matter? *Academy of Management Journal*, 51(3), 495-516.
- Jin, B., Chung, J.-E., Yang, H., & Jeong, S. W. (2018). Entry market choices and post-entry growth patterns among born globals in consumer goods sectors. *International Marketing Review*, 35(6), 958-980.
- Johanson, J., & Vahlne, J.-E. (1977). The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, 8(1), 23-32.
- Johanson, J., & Vahlne, J.-E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40(9), 1411-1431.
- Johanson, J., & Wiedersheim-Paul, F. (1975). The internationalization of the firm—four Swedish cases. *Journal of Management Studies*, 12(3), 305-323.
- Johanson, M., & Martín, O. M. (2015). The incremental expansion of Born Internationals: A comparison of new and old Born Internationals. *International Business Review*, 24(3), 476-496.
- Jones, M. V., Coviello, N., & Tang, Y. K. (2011). International entrepreneurship research (1989–2009): a domain ontology and thematic analysis. *Journal of Business Venturing*, 26(6), 632-659.
- Jones, M. V., & Coviello, N. E. (2005). Internationalisation: conceptualising an entrepreneurial process of behaviour in time. *Journal of International Business Studies*, 36(3), 284-303.

- Khavul, S., Pérez-Nordtvedt, L., & Wood, E. (2010). Organizational entrainment and international new ventures from emerging markets. *Journal of Business Venturing*, 25(1), 104-119.
- King, B. G., & Whetten, D. A. (2008). Rethinking the relationship between reputation and legitimacy: A social actor conceptualization. *Corporate Reputation Review*, 11(3), 192-207.
- Kiss, A. N., & Danis, W. M. (2008). Country institutional context, social networks, and new venture internationalization speed. *European Management Journal*, 26(6), 388-399.
- Klenke, K. (2008). *Qualitative research in the study of leadership*: Emerald group publishing, Bingley, UK.
- Knight, G. A. (1996). Born global. *Wiley International Encyclopedia of Marketing*.
- Knight, G. A., & Cavusgil, S. T. (2004). Innovation, organizational capabilities, and the born-global firm. *Journal of International Business Studies*, 35(2), 124-141.
- Knight, G. A., & Liesch, P. W. (2016). Internationalization: From incremental to born global. *Journal of World Business*, 51(1), 93-102.
- Kogut, B., & Zander, U. (2003). Knowledge of the firm and the evolutionary theory of the multinational corporation. *Journal of International Business Studies*, 34(6), 516-529.
- Kuivalainen, O., Sundqvist, S., Saarenketo, S., & McNaughton, R. (2012). Internationalization patterns of small and medium-sized enterprises. *International Marketing Review*, 29(5), 448-465.
- Kyläheiko, K., Jantunen, A., Puimalainen, K., Saarenketo, S., & Tuppurä, A. (2011). Innovation and internationalization as growth strategies: The role of technological capabilities and appropriability. *International Business Review*, 20(5), 508-520.
- Laverty, S. M. (2003). Hermeneutic phenomenology and phenomenology: A comparison of historical and methodological considerations. *International Journal of Qualitative Methods*, 2(3), 21-35.
- Leavy, B. (1994). The craft of case-based qualitative research. *Irish Journal of Management*, 15, 105.
- Lehtinen, U., & Penttinen, H. (1999). Definition of the internationalization of the firm. *Perspectives on Internationalization, Helsinki School of Economics and Business Administration, Helsinki*, 3-19.
- Leicht, K. T., & Lyman, E. C. (2006). Markets, institutions, and the crisis of professional practice *Professional service firms* (pp. 17-44): Emerald Group Publishing Limited.
- Levin, J., & Tadelis, S. (2005). Profit sharing and the role of professional partnerships. *The Quarterly Journal of Economics*, 120(1), 131-171.
- Li, Q. C., Mina, A., Tether, B. S., & Wennberg, K. (2011). Diversification and human capital as antecedents of internationalization amongst professional service firms: A study of UK based engineering consultants. *Imperial College Business School Working Paper*.
- Loane, S., & Bell, J. (2006). Rapid internationalisation among entrepreneurial firms in Australia, Canada, Ireland and New Zealand: An extension to the network approach. *International marketing review*, 23(5), 467-485.
- Lowendahl, B. (2000). The globalization of professional business service firms: fad or genuine source of competitive advantage? *Routledge Studies in International Business and the World Economy*, 19, 142-162.
- Løwendahl, B. (2005). *Strategic management of professional service firms*: Copenhagen Business School Press DK.
- Løwendahl, B. R., Revang, Ø., & Fosstenlökken, S. M. (2001). Knowledge and value creation in professional service firms: A framework for analysis. *Human relations*, 54(7), 911-931.

- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135-172.
- Madsen, T. K. (2013). Early and rapidly internationalizing ventures: Similarities and differences between classifications based on the original international new venture and born global literatures. *Journal of International Entrepreneurship*, 11(1), 65-79.
- Maister, D. H. (2012). *Managing the professional service firm*: Simon and Schuster.
- Malhotra, N., Morris, T., & Hinings, C. (2006). Variation in organizational form among professional service organizations *Professional service firms* (pp. 171-202): Emerald Group Publishing Limited.
- Manolova, T. S., Manev, I. M., & Gyoshev, B. S. (2010). In good company: The role of personal and inter-firm networks for new-venture internationalization in a transition economy. *Journal of World Business*, 45(3), 257-265.
- Mason, M. (2010). Sample size and saturation in PhD studies using qualitative interviews. *Forum qualitative Sozialforschung/Forum: qualitative social research*, 11(3).
- McCutcheon, D. M., & Meredith, J. R. (1993). Conducting case study research in operations management. *Journal of Operations Management*, 11(3), 239-256.
- McDougall, P., Shane, S., & Oviatt, B. M. (1994). Explaining the formation of international new ventures: The limits of theories from international business research. *Journal of Business Venturing*, 9(6), 469-487.
- McKinsey & Company. (1993). Emerging Exporters: Australia's High Value-Added Manufacturing Exporters. *Melbourne: Australian Manufacturing Council*.
- McQuillan, D., & Sharkey Scott, P. (2015). Models of Internationalization: a business model approach to professional service firm internationalization *Business models and modelling* (pp. 309-345): Emerald Group Publishing Limited.
- Merino, F., Monreal-Pérez, J., & Sánchez-Marín, G. (2015). Family SMEs' internationalization: disentangling the influence of familiness on Spanish firms' export activity. *Journal of Small Business Management*, 53(4), 1164-1184.
- Meschi, P.-X., Ricard, A., & Moore, E. T. (2017). Fast and furious or slow and cautious? The joint impact of age at internationalization, speed, and risk diversity on the survival of exporting firms. *Journal of International Management*, 23(3), 279-291.
- Meyrick, J. (2006). What is good qualitative research? A first step towards a comprehensive approach to judging rigour/quality. *Journal of health psychology*, 11(5), 799-808.
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29(7), 770-791.
- Moen, Ø., & Servais, P. (2002). Born global or gradual global? Examining the export behavior of small and medium-sized enterprises. *Journal of International Marketing*, 10(3), 49-72.
- Musteen, M., Francis, J., & Datta, D. K. (2010). The influence of international networks on internationalization speed and performance: A study of Czech SMEs. *Journal of World Business*, 45(3), 197-205.
- Muzio, D., & Faulconbridge, J. (2013). The global professional service firm: 'One firm' models versus (Italian) distant institutionalized practices. *Organization Studies*, 34(7), 897-925.
- Netland, T. H., & Alfnes, E. (2007). Internationalisation of professional services. *Collage of Service Operations*.
- Neuman, W. L. (2006). *Social research methods: Qualitative and quantitative approaches* (6th ed.): Allyn & Bacon, Boston.
- Oviatt, B. M., & McDougall, P. (1994). Toward a theory of international new ventures. *Journal of International Business Studies*, 25(1), 45-64.

- Oviatt, B. M., McDougall, P. P., & Loper, M. (1995). Global start-ups: entrepreneurs on a worldwide stage [and executive commentary]. *The Academy of Management Executive* (1993-2005), 9(2), 30-44.
- Pangarkar, N. (2008). Internationalization and performance of small-and medium-sized enterprises. *Journal of World Business*, 43(4), 475-485.
- Patton, M. Q. (2005). Qualitative research. *Encyclopedia of statistics in behavioral science*.
- Peiris, I. K., Akoorie, M. E., & Sinha, P. (2012). International entrepreneurship: A critical analysis of studies in the past two decades and future directions for research. *Journal of International Entrepreneurship*, 10(4), 279-324.
- Penrose, E. T. (2009). *The Theory of the Growth of the Firm*: Oxford University Press, USA
- Pfarrer, M. D., Pollock, T. G., & Rindova, V. P. (2010). A tale of two assets: The effects of firm reputation and celebrity on earnings surprises and investors' reactions. *Academy of Management Journal*, 53(5), 1131-1152.
- Piekkari, R., Welch, C., & Paavilainen, E. (2009). The case study as disciplinary convention: Evidence from international business journals. *Organizational Research Methods*, 12(3), 567-589.
- Prashantham, S., Kumar, K., Bhagavatula, S., & Sarasvathy, S. D. (2018). Effectuation, network-building and internationalisation speed. *International Small Business Journal*, 36(7), 1-19.
- Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice*, 33(3), 761-787.
- Rialp, A., Rialp, J., & Knight, G. A. (2005). The phenomenon of early internationalizing firms: what do we know after a decade (1993–2003) of scientific inquiry? *International Business Review*, 14(2), 147-166.
- Rialp-Criado, A., Galván-Sánchez, I., & Suárez-Ortega, S. M. (2010). A configuration-holistic approach to born-global firms' strategy formation process. *European Management Journal*, 28(2), 108-123.
- Romanello, R., & Chiarvesio, M. (2017). Turning point: when born globals enter post-entry stage. *Journal of International Entrepreneurship*, 15(2), 177-206.
- Sadeghi, A., Rose, E. L., & Chetty, S. (2018). Disentangling the effects of post-entry speed of internationalization on INVs' export performance. *International Small Business Journal*, 36(7) 780 - 806
- Sapienza, H. J., Autio, E., George, G., & Zahra, S. A. (2006). A capabilities perspective on the effects of early internationalization on firm survival and growth. *Academy of Management Review*, 31(4), 914-933.
- Schwens, C., & Kabst, R. (2009). Early internationalization: A transaction cost economics and structural embeddedness perspective. *Journal of International Entrepreneurship*, 7(4), 323-340.
- Scott-Kennel, J., & von Batenburg, Z. (2012). The role of knowledge and learning in the internationalisation of professional service firms. *The Service Industries Journal*, 32(10), 1667-1690.
- Shukla, A., & Dow, J. D. (2010). Post-entry advancement of international service firms in Australia: A longitudinal approach. *Scandinavian Journal of Management*, 26(3), 268-278.
- Sleuwaegen, L., & Onkelinx, J. (2014). International commitment, post-entry growth and survival of international new ventures. *Journal of Business Venturing*, 29(1), 106-120.
- Smith, J. A., & Osborn, M. (2003). *Interpretative phenomenological analysis. Qualitative psychology: a practical guide to research methods* (L. S. Smith JA. 2003 Ed.).
- Stake, R. E. (2013). *Multiple case study analysis*. USA: Guilford Press.

- Styles, C., & Genua, T. (2008). The rapid internationalization of high technology firms created through the commercialization of academic research. *Journal of World Business*, 43(2), 146-157.
- Sui, S., & Baum, M. (2014). Internationalization strategy, firm resources and the survival of SMEs in the export market. *Journal of International Business Studies*, 45(7), 821-841.
- Sullivan Mort, G., & Weerawardena, J. (2006). Networking capability and international entrepreneurship: How networks function in Australian born global firms. *International Marketing Review*, 23(5), 549-572.
- Tashakkori, A., & Teddlie, C. (2010). *Sage handbook of mixed methods in social & behavioral research*. USA: Sage.
- Taylor, M., & Jack, R. (2013). Understanding the pace, scale and pattern of firm internationalization: An extension of the 'born global' concept. *International Small Business Journal*, 31(6), 701-721.
- Teece, D. J. (2003). Expert talent and the design of (professional services) firms. *Industrial and Corporate Change*, 12(4), 895-916.
- Torres, D. (1991). What, if anything, is professionalism? Institutions and the problem of change. *Research in the Sociology of Organizations*, 8, 43-68.
- Trudgen, R., & Freeman, S. (2014). Measuring the performance of born-global firms throughout their development process: The roles of initial market selection and internationalisation speed. *Management International Review*, 54(4), 551-579.
- Tuppura, A., Saarenketo, S., Puumalainen, K., Jantunen, A., & Kyläheiko, K. (2008). Linking knowledge, entry timing and internationalization strategy. *International Business Review*, 17(4), 473-487.
- Vahlne, J.-E., & Johanson, J. (2002). New technology, new companies, new business environments and new internationalisation processes? In V. Havila, M. Forsgren, & H. Hakansson (Eds.), *Critical Perspectives on Internationalisation* (pp. 209-227). Amsterdam: Pergamon.
- Van de Ven, A. H., & Huber, G. P. (1990). Longitudinal field research methods for studying processes of organizational change. *Organization science*, 1(3), 213-219.
- Von Nordenflycht, A. (2010). What is a professional service firm? Toward a theory and taxonomy of knowledge-intensive firms. *Academy of Management Review*, 35(1), 155-174.
- Walsham, G. (1993). *Interpreting information systems in organizations*: John Wiley & Sons, Inc.
- Weerawardena, J., Mort, G. S., Liesch, P. W., & Knight, G. A. (2007). Conceptualizing accelerated internationalization in the born global firm: A dynamic capabilities perspective. *Journal of World Business*, 42(3), 294-306.
- Welch, C., Piekkari, R., Plakoyiannaki, E., & Paavilainen-Mäntymäki, E. (2011). Theorising from case studies: Towards a pluralist future for international business research. *Journal of International Business Studies*, 42(5), 740-762.
- Welch, L. S., & Luostarinen, R. (1988). Internationalization: Evolution of a concept. *Journal of General Management*, 14(2), 34-55.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171-180.
- Winch, G., & Schneider, E. (1993). Managing the knowledge-based organization: the case of architectural practice. *Journal of Management studies*, 30(6), 923-937.
- Wolcott, H. F. (1994). *Transforming qualitative data: Description, analysis, and interpretation* Sage.

- Yamakawa, Y., Peng, M. W., & Deeds, D. L. (2008). What drives new ventures to internationalize from emerging to developed economies? *Entrepreneurship Theory and Practice*, 32(1), 59-82.
- Yin, R. K. (1994). *Case study research: Design and methodology*. Beverly Hill: CA: Sage publishing.
- Yin, R. K. (2009). *Case study research: Design and Methods*. SAGE Publications. Thousand oaks.
- Yin, R. K. (2010). *Qualitative research from start to finish*: Guilford Publications.
- Yin, R. K. (2013). Validity and generalization in future case study evaluations. *Evaluation*, 19(3), 321-332.
- Yin, R. K. (2015). *Qualitative research from start to finish*. USA: Guilford Publications.
- Zahra, S. A. (2005). A theory of international new ventures: a decade of research. *Journal of International Business Studies*, 36(1), 20-28.
- Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. *Journal of Management Studies*, 43(4), 917-955.
- Zander, I., McDougall-Covin, P., & Rose, E. L. (2015). Born globals and international business: Evolution of a field of research. *Journal of International Business Studies*, 46(1), 27-35.
- Zou, H., & Ghauri, P. N. (2010). Internationalizing by learning: the case of Chinese high-tech new ventures. *International Marketing Review*, 27(2), 223-244.

Appendix One – Introductory Email

Dear -----,

My name is Amir Chiti Zadeh, and I'm a research student at the University of Macquarie, Faculty of Business and Economics. Your firm has an outstanding reputation in the field of business and management and it is recognised as one of the fastest growing companies in Australia.

My area of research is based around rapidly internationalising firms. I am specifically interested in the international business strategy of firms that enter foreign markets shortly after their establishment. I would appreciate the opportunity to meet and interview you about your firm, your strategic decisions and practices. My study investigates a small number of firms and any insights or contribution you have for my research would be greatly appreciated.

The duration of the interview will be between 30 – 60 minutes. For your information, I have attached a formal explanatory statement further detailing the research project as well as providing contact details for myself and my research supervisor.

I hope you are willing to be part of my research.

Best Regards,

Amir Chiti Zadeh

School of Management and Marketing
Faculty of Business and Economics
Macquarie University
Email: amir.chitizadeh@hdr.mq.edu.au
Mobile: 0433 333 727

Appendix Two – Explanatory Statement

EXPLANATORY STATEMENT

Project Title:

Enhancing our understanding of rapid internationalised firms' post entry strategies

My name is Amir Chiti Zadeh and I am a Master of Philosophy candidate at Macquarie University. Under the supervision of Dr. Murray Taylor, I am seeking to meet the requirements of a Master of Philosophy research project.

The aim of the research is to investigate how rapidly internationalising firm's make post-entry internationalisation decisions. The research will make a contribution to internationalisation theory by generating a better understanding of the manner in which firms have internationalised.

The research adopts a case study approach in which a number of key individuals will be interviewed. Our research requires specific information about implemented strategies of firms. As a member of the organisation, you have been identified for participation in the research. We would like to conduct an interview with you and if necessary we may ask for a follow-up interview. The follow-up interview is not a requirement and is only if you are willing to participate further and it is convenient for you.

The research requires voluntary participants to answer questions about the background of the company and the development and the evolution pattern of firms during their post-entry stage. With your permission, an audio recording will be used and notes will be taken during the interview process. The meeting will last about an hour.

Your privacy and confidentiality will be strictly enforced except as required by law. Access to written records and audio recordings will be available only to the Chief Investigator and Co-Investigators. Although the material will not be used for commercial purposes, de-identified and aggregated information about the results of the project may be presented at relevant conferences and seminars. It is intended that the findings will also be submitted for publication in relevant academic journals. Identification of the firm will remain anonymous.

Results will be saved as electronic files (e.g. world files) and will be printed out in hard copies. The written reports of the data will be stored for at least five years as prescribed by university regulations.

Should you agree to participate you can withdraw from the study at any time without consequences. You may decline to provide us any information simply by informing us. You will not be required to give a reason not to participate in interviews. You may decline to provide us any information simply by informing us. If you have any queries please contact us (details below).

If you do decide to participate in this research, please review and complete the attached informed consent form. You will be given a copy of your signed consent form for your records.

Thank you for your cooperation.

Dr. Murray Taylor

Lecturer
Department of Marketing & Management
Faculty of Business and Economics
Room 512, Building E4A
Macquarie University NSW 2109

Phone: +61 (0) 2 98504883
Email: murray.taylor@mq.edu.au

Mr. Amir Chiti Zadeh

Master of Philosophy Candidate
Department of Marketing & Management
Faculty of Business and Economics
Macquarie University NSW 2109

Phone: +61 (0) 433 333 727
Email: amir.chitizadeh@hdr.mq.edu.au

Appendix Three – Informed Consent Form

Informed Consent Form

Project Title:

Enhancing our understanding of rapid internationalised firms' post entry strategies

I agree to take part in the above Macquarie University research project. I have had the project explained to me, and I have read the Explanatory Statement, which I will keep for my records. I understand that agreeing to take part means that I am willing to:

- Be interviewed by the researcher for approximately one hour
- Allow the interview to be audio recorded
- Make myself available for a future interview should that be required

Please tick the appropriate boxes:

- ☐ I understand that any information I provide is confidential, and that no information that could lead to the identification of any individual will be disclosed in any reports on the project, or to any other party.
- ☐ I understand that my participation is voluntary, that I can choose not to participate in part or all of the project, and that I can withdraw at any stage of the project without being penalised or disadvantaged in any way.
- ☐ The information I provide can be used in future research projects which have ethics approval as long as my name and contact information is removed before it is given to them.
- ☐ The information I provide cannot be used by other researchers without asking me first.
- ☐ The information I provide cannot be used except for this project.

I (the participant) have read (or, where appropriate, have had read to me) and understand the information above, and any questions I have asked have been answered to my satisfaction. I agree to participate in this research, knowing that I can withdraw at any time. I have been given a copy of this form to keep.

Participant's Name: _____ (block letters)

Participant's Signature: _____ Date: _____

Co-investigator's Name: **Mr. AMIR CHITI ZADEH** _____

Co-investigator's Signature: _____ Date: _____

The ethical aspects of this study have been approved by the Macquarie University Human Research Ethics Committee. If you have any complaint or reservation about any ethical aspect of your participation in this research, you may contact the Committee through the Director, Research Ethics (telephone [02] 9850 7854, fax [02] 9850 8799, email: ethics@mq.edu.au). Any complaint you make will be treated in confidence and investigated, and you will be informed of the outcome.

Kind Regards,

Dr. Murray Taylor

Lecturer
Department of Management & Marketing
Faculty of Business and Economics
Room 512, Building E4A
Macquarie University NSW 2109

Phone: +61(0) 2 9850 4883
Email: murray.taylor@mq.edu.au

Mr. Amir Chiti Zadeh

Master of Philosophy Candidate
Department of Management & Marketing
Faculty of Business and Economics
Macquarie University NSW 2109

Mobile: +61 433 333 727
Email: amir.chitizadeh@hdr.mq.edu.au

Appendix Four – Discussion Guidelines

Discussion Guidelines Chief Executive Officer/Managing Director

GENERAL

1. Please give details about the company itself, starting with its historical development in the Australian market
2. Please answer the following questions about your firm to the best of your ability:
 - a. Total number of employees
 - b. Total sales domestic and abroad for the first three years
 - c. Year company was established
 - d. Year company first internationalised
3. What would you describe your industry sector to be?
4. How many countries are you in presently?

STRATEGIC DEVELOPMENT AFTER ENTERING THE FOREIGN MARKET

1. What was your strategy after entering the foreign market?
2. Did you change your strategy after entering foreign market compare with before internationalising? What was your goal to achieve by changing the strategy?
3. What were the main reasons behind your choice of strategy?
4. How did you implement the strategy?

PATTERNS OF INTERNATIONALISATION AFTER ENTERING THE FOREIGN MARKET

1. Did you continue to internationalise into multiple markets, including the domestic market? What markets were they?
2. Why did you choose these markets? Why did you ignore other markets?
3. What were the main reasons behind your choice of markets to enter?

Appendix Five – Ethics Approval Application

Email

Dear Dr Taylor

Re application entitled: Enhancing our understanding of rapid internationalised firms' post entry strategies

Reference number: 5201800140.

The above application was reviewed by the Faculty of Business & Economics Human Research Ethics Sub Committee. Approval of the above application is granted, effective "21/03/2018". This email constitutes ethical approval only.

This research meets the requirements of the National Statement on Ethical Conduct in Human Research (2007). The National Statement is available at the following web site:

<https://www.nhmrc.gov.au/guidelines-publications/e72>

The following personnel are authorised to conduct this research:

Dr Murray Taylor

Mr Amir Chiti Zadeh

NB. STUDENTS: IT IS YOUR RESPONSIBILITY TO KEEP A COPY OF THIS APPROVAL EMAIL TO SUBMIT WITH YOUR THESIS.

Please note the following standard requirements of approval:

1. The approval of this project is conditional upon your continuing compliance with the National Statement on Ethical Conduct in Human Research (2007).
2. Approval will be for a period of five (5) years subject to the provision of annual reports.

Progress Report 1 Due: 21 March 2019

Progress Report 2 Due: 21 March 2020

Progress Report 3 Due: 21 March 2021

Progress Report 4 Due: 21 March 2022

Final Report Due: 2 March 2023

NB. If you complete the work earlier than you had planned, you must submit a Final Report as soon as the work is completed. If the project has been discontinued or not commenced for any reason, you are also required to submit a Final Report for the project.

Progress reports and Final Reports are available at the following website:

<https://staff.mq.edu.au/research/integrity-ethics-and-approvals/human-ethics/resources-research-office>

3. If the project has run for more than five (5) years you cannot renew approval for the project. You will need to complete and submit a Final Report and submit a new application for the project. (The five-year limit on renewal of approvals allows the Committee to fully re-review research in an environment where legislation, guidelines and requirements are continually changing, for example, new child protection and privacy laws).

4. All amendments to the project must be reviewed and approved by the Committee before implementation. Please complete and submit a Request for Amendment Form available at the following website:

<https://staff.mq.edu.au/research/integrity-ethics-and-approvals/human-ethics/resources-research-office>

5. Please notify the Committee immediately in the event of any adverse effects on participants or of any unforeseen events that affect the continued ethical acceptability of the project.

6. At all times you are responsible for the ethical conduct of your research in accordance with the guidelines established by the University. This information is available at the following websites:

<https://www.mq.edu.au/research/ethics-integrity-and-policies/ethics/human-ethics>

<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/human-research-ethics#policy>

If you will be applying for or have applied for internal or external funding for the above project it is your responsibility to provide the Macquarie University's Research Grants Management Assistant with a copy of this email as soon as possible. Internal and External funding agencies will not be informed that you have approval for your project and funds will not be released until the Research Grants Management Assistant has received a copy of this email.

If you need to provide a hard copy letter of approval to an external organisation as evidence that you have approval, please do not hesitate to contact the FBE Ethics Committee Secretariat, via fbe-ethics@mq.edu.au or 9850 4826.

Please retain a copy of this email as this is your official notification of ethics approval.

Yours sincerely,

Dr. Nikola Balnave
Chair, Faculty of Business and Economics Ethics Sub-Committee

Faculty of Business and Economics
Level 5, E4A Building
Macquarie University
NSW 2109 Australia
T: +61 2 9850 4826
F: +61 2 9850 6140
Email: fbe-ethics@mq.edu.au
www.businessand economics.mq.edu.au/