



GÖTEBORGS UNIVERSITET HANDELSHÖGSKOLAN

GM0127 International Entrepreneurship

A Case Analysis of the Internationalisation of SMEs
in the Manufacturing Industry

Authors:

Samuel Ivarsson

Erik Norrsell

William Sandahl

Nicoline Weichselberger

Badde Liyanage Malshani Dilhara Peiris

Linda Farzan

Afrin Jahan

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1. Executive Summary

The purpose of this report is to examine and develop an understanding of critical challenges and opportunities SMEs are encountering during internationalization and key aspects that determine their growth and provide insights into how managers and their networks can collaborate to maintain sustainable growth. By the end of the report, the reader shall be able to answer the following questions: (1) *What are the critical challenges and key determinants of the SMEs internationalization process?* (2) *What characterises a sustainable international growth strategy for internationally growth aspiring SMEs?* and (3) *How can actors in the innovation system support the internationalization of SMEs, and which support activities are critical when designing internationalization support programs for SMEs?*

The findings in this report demonstrate that the international expansion of manufacturing SMEs is not a clear linear path or established in advance; instead, it consists of continuous learning, experimentation, uncertainties, adaptation, and resource constraints. Enterprises seldom commit to a rigid strategy at the start; they enter new markets through informal connections with distributors, clients, and pilot orders. Once the companies are experienced and gained knowledge, their internationalization process moves from flexibility towards a more strategically planned approach. The individual cases display that connections are a key component in driving internationalization, whether it is through indirect or direct networks. It is the connections that provide the firms with knowledge, credibility, market information, and generates entry opportunities, indicating that having access to an exhaustive network is more efficient than obtaining a contrived strategy.

Additionally, SMEs balancing between strategic planning and improvisation is another key finding. Firms could potentially follow a predetermined plan; however, the process is rarely static. Firms constantly adapt to market conditions and adjust their business models in order to subdue obstacles or explore unforeseen opportunities. Many firms had to modify production and services to meet clients' demands of the target market, for example, through resellers, distributors, technological integration, licensing, or by reforming products towards more sustainable solutions. Although there was a difference between the firms and their speed of internationalization, that was not what caused their success. What determined the firm's internationalization pace was how it could learn and obtain information, the strengths of networks, and the institutional stability in the market. Thus, it is crucial for companies to expand at a reasonable pace that matches their capacity.

Altogether, the case proves that internationalization is not a single action but a dynamic process that consistently needs learning, flexibility and networking. The findings confirm that a successful

internationalization occurs when SMEs can obtain information effectively to reduce knowledge gaps and establish strong connections that are relevant to the firm but also adjust to demands in different markets along with maintaining affordable losses.

Ultimately, the suggested recommendations based on these reports are that managers should be cautious and align their entry mode with the uncertainty level of the markets, take advantage of external actors for stronger market knowledge, and avoid entrenched commitment in early stages. Managers should restrict their losses and not risk what they can afford in the beginning, being amenable to experimenting and reshaping business models during expansion. For supporting actors, they should prioritize assisting SMEs in building legitimacy and credibility for long-term success, rather than encouraging rapid export growth. Hence, supporting actors could help SMEs with reliable partnerships abroad, mentoring, training programs, and support participation in collaborative projects. Moreover, by providing guidance on certifications, standards, innovations, digitalisation and automation, and sustainability projects, policy actors can help SMEs achieve a resilient and sustainable internationalization.

2. Method

2.1 Selection of industries and case companies

This report was conducted by a group of seven students with the joint goal to analyze how small and medium-sized enterprises (SMEs) approach their internationalization process. Each member of the group was responsible for selecting and interviewing SMEs in the manufacturing sector that met the criteria of the assignment. The manufacturing sector was chosen since companies in this sector often engage in international activities, and internationalization is usually important for growth. Moreover, manufacturing firms often face challenges related to internationalization, for instance, market entry, production and logistics.

2.2 Operationalization of theoretical constructs

The theoretical constructs followed in this paper were based on those outlined in the assignments instructions and included the firm's internationalization process, speed of internationalization, planning versus improvisation, networks and social capital and international opportunities. Each part was translated into open-ended interview questions that encouraged the respondent to describe concrete examples from their company and to reflect on their firm's experiences. These constructs also served as analytical themes when organizing and interpreting the interview data.

2.3 The interviews and data handling

A semi-structured approach was used to collect and analyze qualitative data. The guide listed key themes and gave interviewees freedom in how to answer the order of questions could change and the interview could take the form of a conversation. The aim was to discover the subject and there were no fixed answer options or single true answer. Open themes and preparation supported descriptions of both common and exceptional aspects and views could change within or across interviews (Patel & Davidsson, 2019). This flexibility made the method suitable for analysing firms' internationalization processes through interaction and discussion, while allowing unexpected topics to be discussed.

Interviews were carried out both in person and online depending on access and location. Formats included Microsoft Teams, Zoom, phone and WhatsApp. Sessions typically lasted about 30 to 60 minutes with one longer conversation of about one hour and 45 minutes. A shared semi-structured guide covered the same core themes to support comparison across cases while still leaving room for open answers, and three sessions were recorded or transcribed to check accuracy.

2.4 Additional literature

Additional literature was added to complement the research of the paper based on the course's recommended readings. The purpose was to strengthen the theoretical foundation of the analysis and to broaden the understanding by incorporating insights from related articles.

The article written by Prashantham et al. (2018) was included to strengthen the connection between how entrepreneurs make decisions and the speed of internationalization. While the course literature explains what drives SMEs internationalization through learning and networks, this article adds how entrepreneurs' approach to building networks influence the pace of international expansion. Child, Karmowska and Shenkar (2022) is relevant because it shows how the internationalization of SMEs is shaped by their context. By linking macro-level and meso-level factors to firm-level processes, they explain when SMEs are able to build relationships, learn, and commit to foreign expansion. In this way, the article helps clarify how and under what conditions SMEs become international. Johanson and Oliveira (2020) contribute to the theoretical construct since it gives perspective on how different decision makers during internationalization can use predictable and non-predictable strategies to enhance internationalization and the importance of adapting the strategy depending on if institutions in the host country are stable or not. The article by Safari and Chetty (2019) contributes with further perspectives on the concept of social networks. This includes the role of psychic distance in the pre- and post market entry phase of a SME. The study done by Lindstrand and Melén Hånell (2017) was included to complement prior studies by providing a deeper understanding of how SMEs are affected by different types of social capital. Social capital was divided into two forms: international and market-specific social capital; which offered thorough insight of how firms interact with these forms in the process of internationalization. It was relevant for this study because social capital is often viewed as a static, single asset. Karami et al. (2023) examines the relationship between networking capability, effectual decision making and successful international performance in SMEs. Further, this study examines the reasons behind the superior international performance of certain firms over others. We included Gabrielsson et al. (2025) because it links entrepreneurs' mindsets to business-model choices and, through that, to the international opportunities SMEs pursue and how fast they expand. It strengthens our analysis by clarifying when firms follow accelerated (AIF) vs gradual (GIF) paths.

2.5 The use of artificial intelligence

AI tools were used in this report as complementary support to improve structure, consistency, clarity, formatting, language refinement and locating additional academic literature. All analytical interpretations and conclusions were made by the group members. Therefore, AI tools functioned as a useful and complementary tool that enhanced the efficiency of the traditional research methods.

3. Individual Case Description

3.1 Case 1 - Gapwaves - Erik Norrsell

Method

To collect the empirical material for this study, a semi-structured interview was conducted to gain a deeper understanding of Gapwaves' internationalization process. The interview took place on 9 October 2025 at 12:30 and was conducted digitally via Microsoft Teams with André Spangenberg, Business Development Director at Gapwaves. Spangenberg can be contacted via email at andre.spangenberg@gapwaves.com.

The semi-structured interview guide was developed jointly by all members of Group 5 to ensure that all parts of the assignment were covered. The interview was recorded to allow accurate reporting and lasted about 30 minutes. The information from the interview forms the basis for the description of Gapwaves' internationalization and is used as empirical material in this report.

Gapwaves: history, business model, and offering

Gapwaves was founded in 2011 and has its roots in research at Chalmers University of Technology in Gothenburg. Professor Per-Simon Kildal brought forward research results in antenna technology, and his innovations and patents formed the foundation of the company. In 2016, Gapwaves was listed on Nasdaq First North and has been publicly listed since then. Today, the firm has about 38 employees and continues to grow.

As a technology-driven manufacturing SME, the company develops advanced antenna technology and is today active mainly in the automotive industry. Gapwaves' antenna solutions are used in radar sensors integrated into modern vehicles. These sensors make it possible for cars to brake automatically, detect oncoming traffic, and identify vehicles ahead. Such functions are central to today's safety and driver-assistance systems.

Beyond the automotive sector, Gapwaves also operates in telecommunications. The company collaborates with, among others, Ericsson and actors that develop traffic-management solutions. These collaborations include radar systems for traffic monitoring at intersections and in other infrastructure.

Gapwaves' business model is to deliver antenna technology to suppliers in the automotive value chain. The company mainly acts as a Tier-2 supplier, which means it delivers antenna solutions to firms that then supply complete systems directly to car makers. For example, Gapwaves delivers to

Hella, which uses Gapwaves' antenna technology in radar sensors later sold to Mercedes-Benz. Other customers include leading system suppliers such as Bosch, Valeo, and Magna.

Recently, Mercedes-Benz began to implement Gapwaves' technology in its vehicles. This marked an important step in the company's commercialization. Further collaborations with other car makers are expected to become public as new models reach the market.

The business model has developed over time and rests on several revenue streams. At the founding, the main focus was patent solutions and the development of ideas. This later moved toward license sales and product development. Today, Gapwaves performs a larger share of production in-house, which means a growing share of revenue comes from product sales. At the same time, the company offers engineering and development services. If a customer needs an antenna solution with specific features, Gapwaves leads a development project to create that solution. In such cases, revenue can come as a one-time payment for development costs or as payments when the finished product is delivered. The choice depends on the customer's preferences and market conditions.

The development of internationalization and market entry

Gapwaves' international expansion began in practice from the very start. Early on, the company engaged with firms in the United States, several European countries, and Asia, especially in Korea, Japan, and China. This early internationalization can be explained by the global nature of the automotive industry, where suppliers rarely operate only in one market or region. A partial exception is Japan, where many suppliers work closely with domestic car makers, are more local in focus, and use English to a lesser extent. However, for a Swedish technology company, it was necessary to act globally from the beginning to reach customers.

From a process perspective, the development can be described in three steps. First, Gapwaves focused on patent solutions and idea development in antenna design, including for international customers. Next, the company moved toward product development in parallel with license sales. Finally, the company shifted to become a product supplier. By producing the products itself, the company has built relationships with international suppliers, for example through material purchases from China. Expansion and internationalization have thus taken place through the product itself and the move from idea to in-house production.

Market entry and ways of working vary by segment and region. The company sells some standard products through partners, for example in Korea and Japan. These are manufactured in Sweden and then shipped to distributors in each country. These deals are relatively small compared to the

automotive business. In China, which is a priority market due to investments in modern and more autonomous vehicles, Gapwaves has a local salesperson who speaks Chinese and works closely with customers on site. The next step may be to establish a local company for direct sales or to deepen cooperation with a local partner, since the current salesperson is employed by a partner company rather than by the Swedish organization.

While its international reach continues to expand, the company's operational core remains in Sweden, with R&D and production located in Gothenburg. The local production line enables prototype development and testing, and there is also capacity for mass production.

Networks and social capital in internationalization

Gapwaves' internationalization has largely been enabled by networks and the social capital that is built through relationships. Connections with global actors, such as Bosch, have resulted in close dialogue with German engineers, which has helped build social capital through trust and ongoing collaboration, while simultaneously giving the product global reach. Material sourcing and product sales on international markets have also strengthened Gapwaves' network and created new connections with both suppliers and customers.

External networks are also used actively within the organization. For example, Gapwaves collaborates with Business Sweden to receive support when entering new markets. Business Sweden organizes events in countries such as Japan, where Gapwaves and other Swedish companies have the opportunity to present their products and establish relationships with local actors. Beyond exposure and networking, these activities help create trust, recommendations, and informal market knowledge, forms of social capital that both reduce search costs and increase credibility among local partners. Business Sweden can also assist with recruiting local personnel, for instance by helping to find a part-time sales representative, which strengthens the company's market presence without requiring a full-scale establishment. Participation in international trade fairs, such as the CES technology fair in Las Vegas, is also important for building social capital. There, Gapwaves builds relationships with U.S. actors that may later develop into strategic partnerships.

The board's network and social capital have had limited direct influence on Gapwaves' internationalization. Instead, the board functions as a strategic and guiding part of the organization, focusing on creating stability, clear direction, and long-term continuity. Through regular dialogue and joint decision-making regarding market entries and investments, the cooperation between the board and management has become stronger, helping the company stay aligned and move forward together in its international expansion.

Tempo of Internationalization

Internationalization at Gapwaves progressed quickly. The firm began international sales more or less immediately after it was founded in 2011. Since the automotive industry is global, most early customers were outside Sweden. As a result, the company did not experience a slow, step-by-step internationalization.

This fast pace brought challenges, especially the need to understand customers' different cultures and ways of communicating. Differences between Sweden, Germany, and Italy, as well as between the United States, China, Japan, and Korea, are clear. For example, communication can be more direct and confrontational in Germany and Italy, which differs from Swedish business culture.

The rapid internationalization also had concrete organizational and operational consequences. The high tempo made it necessary to act fast to handle practical issues linked to logistics, supply chains, and customer proximity. As business has grown across regions, the need for local presence has increased to improve cooperation and reduce delivery risks. Discussions have emerged about moving parts of production closer to certain markets, especially the United States, with American trade tariffs being an important reason for this.

Planning versus improvisation

Gapwaves' internationalization reflects a balance between structured business planning and situational improvisation. Planning is mainly the responsibility of the management team and the board. Together they guide overall strategy and decide which markets and market segments the company should engage in. The company does not have a dominant investor with a steering role, so outside ownership has a relatively small influence. Instead, strategic direction comes from the board, which acts as a guiding and decision-making body.

The board is not active in day-to-day operations, but it plays an important role in major decisions that affect internationalization. The board works closely with the CEO and offers guidance on business planning, market strategy, and investment decisions. Regular board meetings are held to review business areas, plans, status, and future priorities. Major decisions, such as investments in new equipment, larger purchases, or market entry, go through the board. The board also takes part in deciding which markets Gapwaves should enter and which segments the company should engage in. A current example is the discussion about whether the company should engage in the defence sector.

At the same time, there are elements of improvisation. The company adapts to changes in the market and to new opportunities. The goal is to be present quickly when a chance appears. This can include acting on developments in autonomous vehicles, where U.S. regulations allow testing of vehicles with

software that is not yet final. This has created a reason for Gapwaves to increase its engagement in the U.S. market. As mentioned earlier, it can also involve presence in China, where the market has invested heavily in modern vehicles and radar sensors.

Taken together, Gapwaves' internationalization rests on a balance between planning and flexibility. Formal governance, led by the board and the management team, creates structure and a long-term view. Improvisation makes it possible to use short windows of opportunity in a global market that changes quickly.

Market opportunities and business model implications

Gapwaves' international opportunities arise in a globally integrated automotive industry where customers and projects are often multinational from the start. Regulatory windows in the United States (testing of autonomous vehicles) and technology-driven initiatives in China (greater autonomy) create demand for antenna and radar solutions. In Japan and Korea, standard products are handled through partners and distributors. Further opportunities are initiated through networks such as Business Sweden and the CES trade fair.

These opportunities form a pattern of entry paths into markets. Standard products go through partners and distributors where suitable. A local sales resource is used where customer dialogue requires proximity. In some markets, a study phase comes first, and the United States is a clear example of this approach. Gapwaves is working to set up an independent company that maps the market, builds relationships, and prepares decision material. If and when the study leads to concrete projects and later to production and deliveries, the next step may be a local establishment on site. Trade policy has also shaped expansion decisions, particularly regarding U.S. tariffs. Discussions about local production in the United States are driven by tariffs, lead times, and customer proximity. Material procurement from China creates relationships in the supply chain that can lead to business in the same market.

International opportunities have clearly shaped the business model. The company began with patents and licenses, but as in-house production increased, revenue has shifted toward sales of antennas. As the company grows and volumes rise, product sales become a more important share of turnover. At the same time, international operations require a flexible model. Customers and markets work in different ways, so Gapwaves varies its payment model between one-time development fees and revenue upon delivery. Since customers are global, local sales or production is sometimes needed to manage tariffs, logistics, and delivery times in an effective way.

Summary

Gapwaves' journey shows how a research-based innovation can become a global actor through a combination of technical development, strong networks, and strategic leadership. From its start at Chalmers University of Technology, the company has built its business around advanced antenna technology that now plays a central role in the automotive sector's push for safety and autonomy. Internationalization has had a global focus from the beginning. In a sector with international customers and suppliers, the company has had to act globally from day one. Through collaborations with established system suppliers in Europe, a growing presence in Asia and North America and a continued R&D base in Gothenburg, Gapwaves has combined global expansion with technical stability.

Networks have been essential for growth and international reach. Partnerships with Tier-1 suppliers, support from organizations such as Business Sweden, and active presence at international trade fairs have opened new markets and built trust. At the same time, the fast pace has required cultural understanding and quick decisions on logistics, production, and customer proximity. The balance between planning and improvisation has become central, with the board and management setting strategic frames while the organization acts quickly when new opportunities arise. This mix of long-term guidance and operational flexibility makes Gapwaves adaptable.

International opportunities have also shaped the business model. Moving from a focus on patents and licenses to product sales and customized solutions, the company now faces rising demands on efficient production, logistics, and local presence as volumes grow. Taken together, Gapwaves exemplifies how a technology-driven manufacturing SME can translate research-based innovation into global reach.

Key insights

- Gapwaves is a Swedish technology and manufacturing company that develops and makes advanced antenna technology for car radar sensors and driver-assistance systems.
- Gapwaves has been international from the start in the U.S., Europe, and Asia, moving from patents and ideas to development, licensing, and in-house production.
- Gapwaves' global growth is driven by networks and partnerships. Work with Business Sweden and international trade fairs built relations, credibility, and market knowledge.
- Gapwaves expanded globally soon after it was founded, but rapid growth created cultural and operational challenges, demanding quick adaptation in customer relations and local presence.
- Gapwaves' global expansion mixes long-term planning with flexibility: the board and management set strategy and market focus, while the company adapts to new opportunities and changing global conditions.

- Gapwaves' international opportunities come from the global car industry, where projects are multinational from day one. U.S. regulations allow autonomous vehicle testing and China's tech growth increases demand for their product.

3.2 Case 2 - Company x - Samuel Ivarsson

Methodology

A semi-structured, face-to-face interview was conducted with the CEO of the case firm (here anonymized as *Company X*). The interview took place on 15 October 2025 at 09:00 at the company's office (Kaserntorget 1). The respondent was ***** (CEO) and his/her answers are presented anonymously in the case. The interview followed a semi-structured guide aligned with questions to those of the course requirements. The interview was audio recorded with consent and transcribed to ensure transparency. The audio recording was transcribed verbatim. These steps enhance the credibility of the findings (Saunders et al., 2016). The transcript was then checked against the audio for accuracy and the respondent was offered the opportunity to review the transcript (member check). To comply with GDPR and protect personal information, identifying information has been removed from the published case. Finally, the audio file and transcript were stored safely and were only accessible to the researcher.

Sampling was purposive to select the CEO of the companies because of His/Her's central role in strategic decision-making and direct experience of the firm's internationalization. Purposive sampling is commonly used in qualitative research to identify respondents who can give relevant and in depth insight into the studied phenomenon (Ahmad & Wilkins, 2025).

Introduction to the Firm, It's history, Business Model and Main Products

Company X is a small Swedish manufacturing firm that produces plastic components for the construction industry. The company was founded in 2010 and emerged when its founders decided to re-establish local production after the financial crisis in 2008-2009 led their previous employer to relocate operations abroad. One of the reasons for starting the firm was to "bring production back home". Today, the company has 5 employees and is very family-oriented. The firm manufactures their products locally (Mölndal) and has grown to have customers mostly in the Nordics and Europe but also in North America.

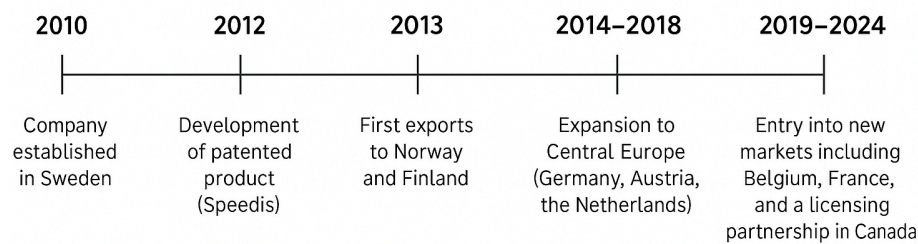
The early years were described to be challenging and the company was close to bankruptcy after two years. However, through innovation and persistence, the company was kept alive. Around 2012, the founders developed a new type of reinforcement spacer, called *Speedis* which simplified installation and reduced work time severely. The CEO and inventor of the product described it as a way to "troll away working hours and body strain". Recognizing its market potential and they patented the design in several countries which later laid the foundation for international growth.

The company's business model focuses on selling plastic components to distributors and wholesalers rather than end users. According to the CEO, this allows the small team to maintain efficiency and minimise operational costs. As the CEO further explained, “If we are only five people, we can't go directly to every construction firm”. Through distributor partnerships, products reach the national market through large construction retailers spread out in Europe. However, the company also has a licensing agreement with a Canadian manufacturer that allows local production and distribution of the patented products. The firm's competitive edge, according to the CEO, lies in unique products protected by patents, which combine durability, practicality and cost efficiency. As the CEO noted their products are “not the most glamorous, but essential”. This creates a niche in the market that few competitors pay attention to, contributing to the firm's advantage.

Overview of the internationalization process

The firm's internalization was driven by the potential in the company's products rather than an initial strategy. Once the patented product proved successful domestically, it attracted attention from distributors abroad. The CEO recalled “ We didn't steer it ourself, instead, the customers came to us”:

Key milestones of Company X internationalizing process:



The first international orders came from Nordic distributors who had seen the product in Sweden. This pattern repeated throughout time, as interest mainly emerged through customers networks rather than marketing. The CEO described it as a chain reaction: once one distributor began selling, their counterparts abroad often became interested. The CEO further explained how the product marketed itself through its uniqueness, rather than through traditional marketing methods.

The international expansion has been cautious, taking small steps at a time. It has also been self-financed as the company has avoided external investors to maintain independence. The founder acknowledged that this choice hindered progress and expansion, but it did ensure stability and control for the firm: “It has taken almost ten years, and we are still not fully established, but we've chosen to grow organically and not speed up the process through external capital”.

The role of Networks and Social Capital (Including the Board)

Networks have played a severe but subtle role in the firm's international growth. Market entries in the early phases were possible due to relationships between distributors where word-of-mouth spread awareness of the product *Speedis*. Through this, there has also been a spillover-effect to the company's other products. Over time, unexpected connections have emerged as numerous companies have contacted the firm. For example, a Dutch distributor found the company's patent while researching online and later became one of the firm's largest partners.

These examples could suggest that the firm's internationalization has been network-driven but unplanned, where the firm has relied on informal ties rather than structured partnerships. Trust and credibility built through previous collaborations and word-of-mouth has proven valuable for the firm, as letting partners see and experience the product in use often spoke louder than any advertising. As the CEO noted, “When customers see and try the product, they say they can pay almost anything for it”. The company's board is internal and family based, consisting of the founder and co-owner responsible for finance. It does not include external advisors or investors. The CEO argues that this provides agility but also limits external strategic input. One strength of this governance structure is that decisions about international opportunities are able to be made quickly, often within hours. “If we get a question in the morning, we can decide in the afternoon, ” the CEO explained.

The Role and Consequences of Speed in the Internationalization Process

As touched upon previously, the pace of internationalization has been deliberately slow. The CEO derived it as a necessary trade-off: “We could have grown faster with external capital, but we wanted to build this ourselves”. This highlights that the company prioritised long-term sustainability and a learning-by doing approach instead of expanding rapidly. One could argue that this cautious speed also allowed the firm to adapt to diverse markets, learn about pricing structures and maintain production quality. It may have also minimised financial risks, especially during the firm's early years. However, this also may have limited how quickly the firm could capitalize on global demand for its products. Looking back, the CEO admitted that a faster expansion through external capital might “have been the way to go”. However, the gradual expansion built a strong foundation, even if it may have hindered potential growth.

The Role of Planning and Improvisation (and Involved Actors)

The company's approach combines long-term goals with short-term improvisation. The founders established clear objectives, such as reaching 20 million sek in revenue by 2032 with 15-20% annual growth. However, much of their international success has come from capturing spontaneous opportunities. The CEO noted that they have a formal strategy, but “it's spontaneous things that have given results”. For example, many of the firm's most successful international relationships began by change, like distributors contacting them after discovering their patented products. Since the company is small, it enables them to act quickly on such opportunities. The decision-making regarding international business is concentrated within the founding team and no external partners affect decision-making. One could argue this allows the firm to be flexible and adapt quickly to adjustments.

Characteristics of International Opportunities And Their Impact on the Business Model

International opportunities for Company x have been driven by innovation. Most notably, the patented *Speedis* product created a competitive edge that attracted interest from foreign distributors. The uniqueness of the company's products like the Speedis, which offer up to 95% faster installation and improved ergonomics, made them appealing across markets. Patents and intellectual property rights are notably central to the firm's international business model. Protecting innovation provides legitimacy and acts as a “door opener” according to the founder. It has also enabled new forms of collaboration, such as the licensing agreement in Canada, which reduces shipping costs and allows local production while maintaining royalty income. However, these opportunities have gradually shifted the company's business model from being a local manufacturer that exports their products domestically, to an international niche supplier and technology licensor.

When identifying and evaluating international opportunities, the company pays close attention to wider technological changes more than anything. According to the CEO, these changes are the ones which could affect the firm's operations most greatly. As the CEO noted “If we look at the world around us that governs us, it is probably automation to a large extent”. Because of this, the company keeps an eye on developments in automation and production technology to ensure its products remain relevant and competitive across different markets.

Summarising bulletpoints

- Company x is a small Swedish manufacturer of plastic components for the construction industry
- The firm's internationalization began organically, driven by foreign distributors discovering its innovative products after success in Sweden.

- The company's expansion followed a network-driven path and relies on informal ties and word-of-mouth rather than formalized partnerships or external investors.
- Its family-based governance structure enables quick and flexible decisionmaking which allows the company to act quickly on opportunities.
- The company has pursued a cautious, self-financed growth strategy and prioritise independence, learning and risk reduction over rapid expansion.
- Innovation and patents, especially through the product *Speedis*, have been central to international growth in addition to licensing agreements.

3.3 Case 3 - Weland Solutions AB - William Sandahl

1. Interview Method

A semi-structured interview was conducted with Alexander Ljungberg, the export manager of Weland Solutions AB, on Wednesday 17th October at 09:30 am. The interview took place digitally through Microsoft Teams and lasted for approximately 60 minutes. The Interview was recorded with Ljungbers consent and gave permission to use both Weland Solutions AB and his name in the report. The interview was transcribed using Klang.ai and controlled and corrected manually word by word.

2. About Weland Solutions AB

Weland Solutions AB is a Swedish SME that was founded in 1999 in Smålandsstenar under the name Compact Logistic System AB, the same year as they developed both the Compact Lift and Compact Twin. In 2001 Weland AB became a shareholder and two years later the manufacturing facility was relocated to Gislavet where the production is stationed to this day. In 2006 they changed name to Weland Lagersystem AB and later in 2018 they changed name again to Weland Solutions AB with the motivation to have a brand and a collective name that works internationally.

What came to be Weland Solutions AB was founded by a Swede, a Norwegian and a Dane. At some point, differences in vision led to a split in the original company that divided it into two separate entities. One of these eventually came under the ownership of SSI Schäfer, which is now one of Weland Solutions AB's main competitors.

Weland Solutions AB is a manufacturer of Vertical Lift Modules (VLM) under their Compact Lift brand name and offers a warehouse automation software, with the core mission to help companies optimize space, efficiency, and safety. Their business model is a combination of centralized in-house production in Gislaved in Sweden and offering complete solutions including installation, software integration, training of third party aftermarket service and quality control. Internationally, the firm operates through a network of independent resellers supported by a digital configurator tool, allowing scalable sales and decentralized aftermarket service with minimal internal costs. This structure enables the company to capture value globally while maintaining production quality and control at home.

The company has been active for 26 years and operates in 41 markets. Some of their customers are for example Volkswagen spareparts logistics in Nykvarn with 57 machines, where all the spare parts for Volkswagen, Skoda, Seat, Audi and Porsche are kept. John Deere's production facility in Mannheim where they put their heavy parts in the compact lifts. Rolls-Royce aircraft engines in the UK, has 23

machines, which still stores drawings on paper, where each tray in the compact lift manages around 1,500 kilos.

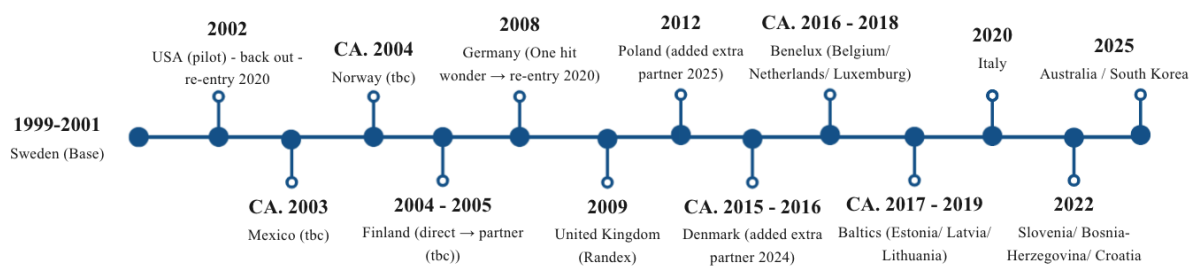
3. Internationalization Process

In the initial stages of the internationalization process Weland Solutions AB internationalized in a gradual and unstructured way, with only a few machines sold abroad to individual customers. The exports were poorly coordinated and lacked long-term strategy, aftermarket service, and quality control. Over time, under new leadership, the company began to build a reseller network. Initially they accepted almost any partners that showed interest in selling their products which later evolved into a more deliberate and strategic expansion approach.

In 2018, the firm rebranded from Weland Lagersystem AB to Weland Solutions AB to strengthen its international identity and launched a comprehensive European expansion strategy. Since then, exports have grown from around 50 to over 300 machines annually.

Due to the scattered sales abroad in the beginning it is difficult to construct an exact timeline of when markets were entered. Ljungberg however mentioned that Norway was their first market followed closely by the rest of the Nordic countries and Europe. The international growth has closely followed the strength of the network of resellers and reference projects.

Figure 1. *Timeline and markets entered*



In order to accomplish this they have focused on locally self-owned resellers in the countries they chose to enter, due to its fast nature to cover new markets and cost efficiency, such as, Randex in UK, Nordic Logistics in Poland, Incaricotech in Italy, and VertiFlex in Czech Republic. In the early stages, they focused on pure resellers who exclusively sold their products, however, over time they have gradually shifted towards using bigger reselling brands that have a larger inventory of products, for example forklifts and similar products, to utilize their large network of customers. They have previously focused on one reseller per market but have in recent years started to introduce competition on the markets that are underperforming. They introduced a second reseller in both Denmark and

Poland and in a short period of time managed to almost double the sales in those markets. According to Ljungberg, the strategy has proven highly successful and will be continued in markets that underperform. He describes it as follows:

“Since the resellers are self-owned there is almost no sales overheads at all and that means that we can capture market shares heavily, basically all over the world, as long as we choose the right mix of resellers. Historically, we’ve only had exclusive resellers. And since I got full responsibility for it, I’ve also started introducing competition in markets where they’re underperforming. Most recently Denmark, and a month ago Poland, we’ll do the same in a number of other countries as well.”

Weland Solutions AB has built a tool called Weland Wengine Configurator which is used by all resellers. The configurator contains education and training, pricing, products questions and answers as well as an integrated AI chatbot that answers all the frequently asked questions. Resellers can use the configurator to one-stop-shop and calculate everything from idea to quote to purchased product in one single tool. This tool allows Weland Solutions AB to have scalable sales and marketing with almost to none extra costs. Additionally they have built an aftermarket network where they utilize trained third party contractors that travel around the world taking care of their customers needs after a sale is complete. Ljungberg explains it in the following way:

“We’ve simply chosen to become specialists at producing a really good product and we created a digital tool that makes sales reproducible and easy. We’ve removed the costs of growth in the aftermarket, where we haven’t had the money or will to invest everything ourselves. So we’ve basically trained other actors who can make money on the model, putting service, support, warranty, and maintenance on a third party. So our growth costs are basically nonexistent.”

This strategy has made it possible for Weland Solutions AB to only have an Export manager and one assistant, which according to Ljungberg works very well. Today, Weland Solutions AB operates in 41 markets, with particularly strong positions in the United Kingdom, Czech Republic, Poland, and Denmark, and an expanding presence in Italy, North and South America, Asia, and Australia. Over the years of active business in an international market Ljungbergs defines three key learnings, such as the value of specialization, and how they at Weland Solutions custom fit their compact lifts for their customers needs, while competitors generalize. Another learning was the importance of establishing order and maintaining peace in the market when the firm has multiple resellers in the same market. Lastly, how market validation can save tons of time and money by doing research or having someone researching a market before entering.

4. Role of Network, Social Capital, and the Board

Ljungberg emphasizes the importance of networks and how they have been crucial for the first sales and references in a market and due to the size of the industry. The industry is relatively small which Ljungberg exemplifies by the following statement:

“Our reseller in Italy is also the man who founded the brand Modula. His sales director was previously the sales director at Kardex. Our Eastern European reseller, Vertiflex, was previously the Eastern European manager at Kardex and his local CEO for the Czech company was previously the IT manager at Kardex. The guy who’s taken over in Poland at the new reseller was previously the country manager in Poland at Kardex. Our German reseller was previously the training manager at Hänel, which is the third largest in the world. So yes, networks are important.”

Additionally Weland Solutions AB utilize Business Sweden and their local people to work up local connections, partner mapping, government and regulatory questions, where a recent example is in Brazil where they through the help of Business Sweden have broadened their network and smoothed the process of market entry. Besides Business Sweden they utilize the Chamber of Commerce, a German logistics organization called BFAL, and a number of these organizations that are similar such as IMHX or equivalent.

The board brings a lot to the table and is an important factor in the internationalization process and decision making. Internationalization operations are followed closely by the board, especially the deputy CEO who is appointed by the board to accompany trips abroad, some recent examples are to the U.S., Czech Republic and soon to South America. The board is thorough and they want to see that it works, not every detail, but definitely the broader strokes of the operations and they provide the mandate to make necessary decisions and resource allocation. Ljungberg continues by explaining the importance of having Weland Group’s support:

“They’ve been running a lot of companies, the parent company was founded in 1947. We currently have, in the group, around 34 factories and 89 limited companies. The numbers vary, but I mean, they know their stuff. There is an enormous bank of knowledge and networks there that we can make great use of.”

5. The Role and Consequences of Speed in the Internationalization

Weland Solutions has benefited from both gradual and rapid modes of internationalization, however, the focus must change and adapt depending on the mode. Fast internationalization can be beneficial

since it creates a lot of mindshare, and through this, it is also possible to receive new connections and customers and expand further in that market. However, Ljungberg mentions that it is really important to have a well functioning aftermarket when internationalizing fast and focus on quality control to avoid confusion or unsatisfied customers. Slow internationalization on the other hand usually results in a better partnerfit since better preparations and training can be done, which in turn tends to require less aftermarket services. The downside however is the risk of losing momentum.

Consequently the internal effects in Weland Solutions is that there need to be a scalable aftermarket, a clear division of roles in sales and technology and focus need to be on quality control, quality control, and quality control. Ljungberg explains it as an important insight the firm has learned from its early operations when the aftermarket and quality control was disregarded:

“Our CEO at the time was extremely charming and skilled at sales, but as soon as the products were sold, they were just left there. I’m still cleaning up after that. (...) if you don’t have quality with you, it’s almost dangerous to grow.”

Fast internationalization is easier in the Nordic countries and in Europe, mainly due to the geographical distance, with shorter travel and shipping time, but also the language barrier, regulatory closeness and changes in the geopolitical environment globally. Ljungberg mentioned that they can get a machine up and running in Denmark in less than 10 weeks, and that they recently got an order from an Italian customer that wants eight machines before Christmas, something that would have been impossible in the U.S. or Brazil due to the shipping distance and tariffs. He illustrated what it would look like ordering from Australia in the following way:

“If you’re running a facility in Australia, it’s several months slower compared to northern Germany, that’s just how it is. There’s not much to be done about it, so you’re a quarter behind immediately, and usually half a year, since the next deal is also a quarter later. It’s only once you reach a steady state, after several years with customers, that things calm down there.”

6. The Role of Business Planning and Improvisation

Weland Solutions internationalization strategy combines structured long and short term business planning with strategic improvisation, within the framework, when tactical decisions are required. In the short term, the firm focuses on capturing projects where its technological advantages, such as the Compact Twin and Compact Double models, provide clear competitive benefits. Here the focus is to “call and talk to everyone” as Ljungberg puts it, be open, honest, and curious. Their long-term plan is outlined in four main parts. Firstly its portfolio strategy, where the focus lies in diversifying over

multiple markets, products, and sales and aftermarket automatisations. Secondly the channel selection, where they focus on thorough research before partnering with new resellers to make sure that they have the right portfolio and type of customers. Thirdly system integration, which refers to the Configurator and AI chatbot that is used by the resellers and prospective customers. Lastly brand positioning, through developing and positioning the business towards international markets and as an international brand. Ljungberg describes an example of when they had to improvise and entered Asia, earlier than expected, through a country they did not expect:

“Korea, we hadn’t planned to take it, we had kind of written off Korea. Then a competitor’s reseller had identified us as their biggest threat at the international sales meeting. He was frustrated and angry since they had increased the amount of resellers in Korea and he’d lost his livelihood. He then called me up and came for a visit, and bought a machine on the spot at dinner at Strandbaden. He’s now coming here for training and will operate the start and the market immediately. Just switching customers, simply. This is an example of improvisation within the framework, we’re going into the region, but we had chosen to push it one or two years.”

The board plays an important role in deciding the direction of the firm. However, it is a collective collaboration between the decision makers, such as the board of directors, management team and local partners that together evaluate and analyse the business environment to plan the future direction of the firm in both local markets and global operations. The board of directors ensures that the expansion efforts align with the company's long-term objective, financial stability, and decision making even on individual projects when necessary. The management team translates the board’s strategic direction into concrete market actions and reports back on board meetings. External actors such as Business Sweden, and local resellers contribute to both planning and improvisation. Business Sweden assists with initial market research and introductions, while local partners provide on the ground knowledge that enables flexible responses to market changes.

7. International Opportunities and Implications for the Business Model

Weland Solutions identifies international opportunities through a combination of structured market analysis methods. They conduct desk research and expert interviews to screen potential partners and evaluate around 10 to 20 candidate companies per market, scoring them based on geography, portfolio fit, customer base, size and regulatory conditions in the market. Regulatory frameworks that can enhance competitiveness are particularly of interest, such as the ex-tarifário system in Brazil, which lowers import costs, and as a result strengthens price positioning and channel strategy. Another example is the changing trade climate in the U.S. opening up for opportunities if one manages to

bypass the trade barriers and therefore reduce logistics cost while maintaining control. Ljungberg gave an example of how they saw an opportunity during covid and seized it:

“Covid was fantastic for us. Everyone else locked themselves in and stopped working and I find those kinds of challenges really fun. So instead we got papers that allowed us to travel and we started sneaking across borders and went around and sold. And even if it may have created a small dip in the turnover, we gained market shares everywhere.”

The implications that the combination of careful development of international opportunities and entrepreneurial mindset have had on Weland Solutions business model is undeniably significant. Through this they have developed from scattered sales here and there to a large reseller network with minimal growth costs, production remains centralized, all at the same time as sales, service and aftermarket are decentralized through trained third party contractors and independent resellers.

8. Key Insights:

- Weland Solutions AB was founded in 1999 in Smålandsstenar and is a vertical lift manufacturer with digital integration to provide space saving, time saving, and safer work environment in warehouses.
- Internationalisation process: Started out with scattered unstructured sales then gradually changed towards a more structured approach with independent resellers, third party aftermarket contractors and developed the Weland configurator, a tool for customers and resellers to go from idea to receiving quota in the same tool, making sales easy and scalable.
- Networks and Social Capital: For Weland Solutions networks have been very important for initial stages of internationalisation, they use Business Sweden, Chamber of Commerce and other trade organizations to gain knowledge and connections in a market before entering. The board oversees the process and gives necessary mandate for decisions abroad.
- Speed of internationalisation: Weland Solutions utilize both fast and slow internationalisation, when internationalisation is fast it results in mindshare and reference projects but need more aftermarket attention, and slow internationalisation leads to better partnerfit and usually less aftermarket attention, but they risk losing momentum.
- Planning and Improvisation: Combines a structured short- and long-term strategy, short-term is projects where their products provide clear advantage, and long-term focus on four main parts: portfolio strategy, channel selection, system integration and brand positioning. They improvise when opportunities arise and the board oversees the process and gives necessary mandate for decisions abroad.
- Opportunities: Weland Solutions identifies international opportunities through desk research and expert interviews and evaluates 10-20 candidate companies per market they are interested

in entering. The firm also utilizes opportunities arising from geopolitical and business environmental changes. The business model has changed towards a more structured strategy.

3.4 Case 4 - DISAB Vacuum Technology AB - Nicoline Weichselberger

1. Method

Since the purpose was to gain a deeper understanding of a phenomenon, the study was based on a qualitative research approach (Patel & Davidson, 2019). This was done by interviewing a manager at the firm DISAB Vacuum Technology AB. The firm was selected based on its industry and international presence. Additionally, it also met the criteria to be classified as an SME, with less than 250 employees and a turnover of less than 50 million euro. Furthermore, the interviewee is a manager at the firm responsible for international sales and strategic consulting. The person was selected because of his direct involvement in the firm's international operations.

The material was conducted through a semistructured interview held the 10th of October, which was characterized by predetermined questions, while still allowing the respondent the freedom to speak openly and elaborate on their answers (Patel & Davidson, 2019). In this way, it was ensured that relevant aspects related to the purpose were discussed. The interview was held over the phone and took approximately one hour.

1. Introduction

The purpose of this case study is to explore and gain insights about a small and medium-sized enterprise (SME) with international sales within the manufacturing industry. DISAB Vacuum Technology AB was selected as the focus of the study.

DISAB Vacuum Technology AB is a manufacturing firm founded in Eslöv in Sweden in the year of 1991. Today, the firm is a part of Ferrata Group, after being acquired in 2016. However, in practice DISAB operates autonomously in their daily activities. The firm has around 60 employees that primarily work within one of its four main divisions. It includes research and development, production, service and administration. The idea was born when four entrepreneurs recognized a need for equipment regarding industrial cleaning. They developed their first machine and delivered it to the industry. The success of this first machine showed the potential for further developments and was the starting point for the firm.

The firm's business model emphasizes providing high qualitative and sustainable solutions, complemented by a strong focus on fostering long-term relationships with clients and partners. Their vision is to be the leading and most reliable partner to entrepreneurs, industry-customers and actors within the public sector in need of effective, high-performance and user-friendly vacuum solutions. The firm develops, manufactures and markets vacuum loaders with powerful vacuum technology that can manage large amounts of dust, spills and hazardous material in demanding environments. The

main products concern industrial vacuum and suction systems that could be both mobile or stationary. In addition to this, the firm offers installation as well as service of their machines. The firm's customers mainly operate within heavy industries such as the cement, steel, mining and energy industries. These clients range in size from small-scaled to large firms.

3. Market entry approaches

The general way of working has been to enter new markets through agents. Thereafter, if the firm finds the market strategically important, they sometimes expand through a subsidiary. Agents constitute a middle hand between the firm and the customers. The agents represent the firm in the local market where it has networks and local knowledge. Gathering information about the market, finding potential customers and demonstrating the products are parts included in the work of the agent. Moreover, the agent does not take ownership of any products and earns provisions for this work. The firm writes a Letter of Intent (LoI) with the agent, agreeing on terms such as rules of the cooperation, budget, marketing strategy, sales quantity and time span of follow-up. This agreement is later followed up by the person responsible for the agreement according to the time span that was determined. The interviewee explains that working with agents has advantages such as low risk as well as gain of local market knowledge. However, he also states that it comes with challenges. Agents often represent a number of suppliers at the same time, and because the DISABs lead times from sale to delivery can be long, it is crucial that the agent has a strong commitment to this type of technology to ensure the customer's interest remains high throughout the process. According to the interviewee, it is challenging to find and ensure that agents are engaged and resilient across all stages. Doing thorough research before entering an agreement, offering product and technical training and having frequent follow-ups are some steps the firm takes to enhance agent engagement.

In addition to this, another way for the firm to establish a presence abroad is to expand through subsidiaries. The firm has a number of subsidiaries, primarily in markets that are strategically important for the company. In these markets they want to have full control of aspects such as sales, production and direct customer contact, to ensure quality. The interviewee states that the reason for expanding through agents rather than subsidiaries is due to the lower risk and cost connected with using agents.

4. Time line of expansion

The interviewee points out that the firm's market selection for internationalization primarily has been driven by existing demand and established personal relationships. In addition to this, he explains that a part of the expansion has been driven by word of mouth where pleased customers or partners have spread their knowledge about the firm. This has in turn led to new business opportunities in other markets.



Figure 1: Timeline of the international expansion

First of all, the firm started to expand within Sweden with the aim to create a strong foundation on the homemarket. In the year 1997, the firm acquired Tella AB, based in Vallentuna. Eventually, they expanded internationally in 1999. According to the interviewee, one of the reasons for wanting to expand internationally was the discovered demand for vacuum technology abroad. The firm started their international expansion in 1999 to the Scandinavian countries Denmark and Norway through agents. The expansion to these countries happened for natural reasons such as geographical proximity, similar industrial needs as well as cultural similarities. After establishing a presence in the Scandinavian market, the firm expanded to the United Kingdom in 2005 through agents. Later in 2008 they started a subsidiary in Surrey, UK. This expansion was based on a high demand of cleaning and vacuum technologies, as many industries faced issues concerning dirt and dust. Thereafter, about two years later in 2010, they expanded to the European countries Germany and Poland. The expansion that far was a success, which led to a journey of expanding through agents once again, to almost all European countries during the years 2010-2018. The next big expansion step for the firm was in 2019 when they decided to expand to the Middle-East and North Africa (MENA). In this area, the main focus is on Saudi Arabia, Qatar, United Arab Emirates, Egypt and Oman. In 2021 the company started a subsidiary in Finland. As of today the firm is in constant discussions with agents all over the world, paving the path for further expansions keeping the strategy of using agents to get to know the markets they enter.

Moreover, the interviewee states that expanding internationally have brought both advantages as challenges. He points out that the ongoing international growth is a factor that makes the firm more attractive to new partners and customers. The international expansion has also led to a wider range of

competencies and knowledge within the firm. At the same time, aspects such as local regulations and restrictions constitute a significant challenge to manage. The interviewee states:

“An example of this is how there is a difference in emission- and cleanliness standards for motors in different markets. In Europe, the standards are higher than in for instance Oman. As a result, the motors used in Sweden can not be imported and used in Oman, which requires the firm to be flexible and able to adapt the production to these new conditions”

Furthermore, expanding internationally also has brought challenges concerning how business operations are conducted in different markets. For employees within the firm it can be hard to navigate through cultural differences, business ethics and negotiation practices, especially as the firm operates in markets with large differences. The interviewee states that it is important to be observant on how they operate on markets abroad and not directly assume that it is the same way as in Sweden. In addition to this, he highlights market research and internal training as key aspects for the firm to manage this challenge. The ability to adapt is vital for the firm to be able to build strong and lasting business relationships.

5. The role of speed

Generally, the firm's international expansion has kept a steady pace since its initial expansion. The interviewee highlights the importance to be determinant and patient because international expansion takes time. Before entering a new market, the firm takes its time to understand the market thoroughly. There have been differences in the speed of expansion to different markets, depending on a number of factors. First, a market research is carried out to gain knowledge concerning the population, local market conditions, industrial capacity, regulations and GDP. Thereafter, the firm needs to find a suitable agent to partner with. In addition to this, external factors such as trade barriers and sanctions need to be taken into consideration. These factors can have a large impact on the speed of the expansion and are depending on the market. For instance, the expansion to Germany was faster compared to Saudi Arabia. This was mainly due to geographic proximity and similarities, allowing faster market research. Additionally, existing relationships played a crucial role. As expressed by the interviewee:

“If we don't see progress within three to five years, we have either made the wrong decisions or entered the wrong market”

This line implies that the firm is expecting expansion to take time, about 3-5 years before seeing clear results. Expanding at a steady and moderate pace allows the firm to build reliable relationships, adapt to local conditions and avoid mistakes due to rushed decisions.

6. The role of social capital

The role of networks and social capital has played a central role in the internationalization process where the firm is leveraging social networks to identify opportunities. The interviewee explains that their expansion strategy is very relationship-based, where trust and established relationships is vital for the process. This makes it essential that the firm's business model focuses on long-term relationships and reliable service, to maintain its social capital and support further growth. In many cases, personal relationships have influenced which market to enter. For instance, the firm's engagement in the Middle East has mainly evolved through existing relationships in the United Kingdom that have had close links to the market. These connections lowers uncertainty and the barrier to entry by providing the firm with local market knowledge. In addition to this, these personal relationships also have identified potential agents for the firm to partner with, which is a large help due to the challenge of finding the right agents. As a result, the firm has been able to expand in a more efficient and confident way.

Another aspect of social networks that has played an important role for the expansion concerns word of mouth, where satisfied customers or partners spread the word to others. Recommendations from existing customers or partners often serve as a signal of reliability as well as quality for potential customers, which also have impacted which market the firm has entered. For this reason, to have the reputation as reliable and trustworthy is vital for the firm. For instance, the firm has a policy to always assist a customer facing issues with its products. This commitment serves as a key factor in maintaining trust and credibility among customers and partners. A challenge regarding having a relationship-based strategy is that the firm becomes very reliant on the employees within the firm. Often, relationships with external parts are tied to individual employees rather than the firm as a whole. These connections are highly valuable. However, it also makes the firm dependent on these individuals staying within the firm.

Regarding the board, it is not directly involved in the daily operations or market expansion decisions. Instead, responsibility for international operations primarily lies on the management team and employees. This structure allows the firm to be flexible, as decisions are made by those who possess the direct knowledge about relationships and markets.

7. Business planning and improvisation

The internationalization process is characterized by a balanced combination of formal planning and improvisation. In the process, some parts have always been a target of planning, while other parts have been managed through improvisation. For instance, market research and finding an agent are usually aspects that are being planned. These decisions are discussed by the management team in

regular sales meetings, where the execution and timeline are determined. In contrast, the board has a non-operational role in this process. Furthermore, some parts of the process are subject to improvisation. The interviewee states that over time, many discussions and decisions were made informally between employees, sometimes referred to as “coffee table decisions”. These discussions were not characterized by formal planning. Instead, it relied heavily on the judgement, relationships and experience of those engaging in the discussion. These could be decisions regarding how to adapt to a specific market. This approach is very flexible and enables fast decision-making within the firm. However, the lack of standardized procedures and planning could lead to varying quality and inconsistency in execution. Therefore, the firm has started to incorporate more business planning into its operations.

8. Summary

Over the years, DISAB Vacuum Technology AB has developed from operating in the homemarket to expanding to several international markets. Initially, the expansion targeted geographically close markets, gradually expanding into more distant regions. This was mainly done through partnering with agents and through subsidiaries, depending on the market. During the expansion process, aspects such as geographical proximity, market research and relationships have impacted the speed of internationalization. Furthermore, social capital and networks are aspects that have had a vital role in the internationalization process, providing the firm with valuable local knowledge and connections. This characterizes how the firm develops opportunities, which increases the importance of emphasizing long-term relationships and trust in the business model. This has facilitated market entries, making them more efficient and easier to manage. The process in whole is characterized by a balance between planning and improvisation.

- DISAB Vacuum Technology AB is a Swedish manufacturing firm that offers a wide range of vacuum solutions. In addition to this, the firm also offers installation and service on the machines.
- DISAB Vacuum Technology ABs internationalization process started with the countries Denmark and Norway. Thereafter, the internationalization progressed to the United Kingdom, Europe and the Middle-East and North Africa.
- DISAB Vacuum Technology ABs expansion strategy has been relationship driven, where the firm leverages social capital to gain international opportunities. Aspects such as long-term relationships, trust and reliability are vital. Furthermore, word of mouth is important and influences the internationalization process.
- DISAB Vacuum Technology ABs international expansion has developed at a steady pace, where factors such as relationships, market research and geographical proximity determine the speed for entering different markets.

- DISAB Vacuum Technology ABs internationalization process is characterized by a balance between planning and improvisation. Earlier, improvisation had a larger role. In recent years however, the firm has started to incorporate more planning into the process.
- DISAB Vacuum Technology AB develops international opportunities through leveraging their social capital such as relationships. These connections are built on trust and provide the firm with access to local market knowledge and contacts.

3.5 Case 5 - St. Regis Packaging - Badde Liyanage Malshani Dilhara Peiris

1. Method

The data for this case study were gathered mainly using a primary qualitative method which was a semi-structured interview with Mr. Wageesha who is the factory manager of St. Regis packaging in Sri Lanka. The interview took place on October 16, 2025 at 11:00 AM (at 14:30 in Sri Lankan time) through an online platform (WhatsApp). The discussion lasted around an hour and forty-five minutes. The questions of the interview were aimed to explore six major aspects of the internationalization process of the company including the company background and the business model, the internationalization process and its timeline, the role of networks, social capital and board influence, speed of the internationalization, business planning and improvisation and the international opportunities and implications for the business model.

Interviewee information is listed below;

Name of the company: St. Regis Packaging (Pvt) Limited, Sri Lanka.

Name of the interviewee: Wageesha Karunasena (Factory Manager)

Date of the interview: 16th October 2025

Email address: wageesha@stregispackaging.com

2. Overview of St. Regis packaging company

The St. Regis packaging company was founded in 1996 in Sri Lanka by Mr. Michael Carderamanpulle and he was its first chairman. He was a visionary entrepreneur and he saw a significant issue in the tea industry in Sri Lanka with the heavy and costly wooden tea boxes used for transporting loose tea. According to Mr. Wageesha (the interviewee), *“Michael identified that the packaging technique had remained static for decades and aimed to develop an innovative, affordable and a sustainable product”*. The company started operations with approximately 10 employees in a small factory and manufactured limited volumes of paper-based tea sacks for the domestic market. In the initial stages of the company produced the container pack which was an innovative product influenced by the simple form of a matchbox. This increasingly attracted interest due to the smaller weight, low cost and its environmental sustainability compared to the traditional wooden boxes. In 1999 St. Regis launched the enhanced Rigid T-sack which became its signature invention. Initially, the company faced challenges such as limited space, financial limitations and issues importing paper reels but the commitment and the entrepreneurial passion of the founder allowed the growth of the company. Throughout his leadership and thereafter under the leadership of his son (Mr. Rajive

Caderamanpulle), the company increased the production capacity, boosted its workforce and implemented the automation to satisfy the increasing market demand in Sri Lanka. Company mission is to be the leading global manufacturer of the paper sacks with economical innovation and performance enhancement. The vision of the company is to establish itself as the leading paper-sack solution provider for the worldwide tea business while promoting the environmental sustainability. This was further confirmed by Mr. Wageesha stating, *“we aim to protect the quality of Ceylon Tea while minimizing the environmental impact”*.

The company manufactures two main products including the Rigid-T-Sack which is designed for large-leaf teas and the Multiwall paper sack which is suitable for small-leaf or granular teas. The company also produces laminated and valve-type sacks for the cement industry in Sri Lanka. In 1996, the company supplied mainly to the domestic tea market by supplying packaging to the local manufacturers and the Sri Lankan exporters. Additionally, it made its first direct export attempt to Vietnam in the same year. But that was unsuccessful due to the lack of international experience, high logistics expenses and the insufficient international brand recognition. The company operates on a business-to-business (B2B) basis and generates revenue from the customized packaging solutions while ensuring the quality with ISO 22000, HACCP and SLS certifications. The company currently employs 230 people, mainly exports to Kenya, China, Vietnam, India and Indonesia and produces sacks with the automated methods. In 2024, the company became as the first packaging company in Sri Lanka to obtain ZeroCarbon product certification highlighting its commitment to innovation and the sustainability.

3. Internationalization process of the company

The internationalization process of the company illustrates how a Sri Lankan SME gradually expanded its reach outside the national boundaries through learning, patience and innovation. The company was established in 1996 and started its first exports to the Vietnam in the same year. The effort was not that much successful due to the limited networks, high freight expenses and product standards that failed to satisfy the expectations of the buyer. Therefore, between 1996 and 2004 the company concentrated on the growing in its domestic market. Also, the St Regis packaging provided tea sacks to the major tea estates and the tea exporters in Sri Lanka. In this period, the company implemented automation in 1999 and acquired food-grade and SLS certifications for their products. Gradually, the company established the technological and the operational capabilities necessary for the global markets. St. Regis additionally identified export pathways from its Sri Lankan customers to find the locations with similar packaging requirements. The significant advancement happened in 2005 when the company entered the Kenyan market with the increasing exports to the Vietnam market. The market in Kenya had similarities to the Sri Lankan tea culture and the auction system.

Further, the company used reliable exporter contacts and a distributor in Nairobi to launch their Rigid T- Sack that succeeded in the humid conditions in Kenya. *“Kenya accepted us as insiders by establishing the reliability and new opportunities showed up for them.”*

Over the time, St. Regis gradually expanded to China, India, Rwanda and Indonesia between the years from 2008 - 2015. These markets required particular adaptations. Also, the company preferred working with agents and distributors to reduce the financial risk while maintaining the centralized design and quality control in Sri Lanka. After 2020, company’s revenue progressively shifted from the domestic orders to long-term export agreements with the international market. *“Every market gave a new lesson,”* Mr. Wageesha noted. In 2025, St. Regis packaging employs 230 individuals, uses automated production lines and exports tea sacks to approximately 6 international markets, integrating innovation, sustainability and the reliability to protect the global reputation of Ceylon Tea.

4. The role of networks, social capital and board

The international expansion of the St. Regis packaging has been mainly affected by its social capital, relational networks and the governance at the board level. The first platform for internationalization came from its strong domestic connections with Sri Lankan tea exporters. The tea exporters (domestic clients) in Sri Lanka became strong partners when the company started exploring the international markets. Mr. Wageesha stated, *“Our first introductions were not a result of marketing and they achieved from clients who already had trust with the company output in the domestic market.”* This emphasizes the companies depend on established relationships to mitigate uncertainty and overcome the outsider disadvantages in the new markets.

Institutional actors in Sri Lanka further increased the international legitimacy of the company. The Sri Lanka Export Development Board and the Sri Lanka Tea Board significantly contributed to the export processes, international buyer interactions and many more things. Additionally, the logistics partners and the freight forwarders contributed to the company’s success in the international market by recommending St. Regis packaging to the international buyers and providing guidance on the internationalization process information. The company used the distributor-driven entry approach to successfully manage the international market coordination. Also, the local agents managed samples, buyer interactions and the after sales feedback. However, St. Regis maintained their control over the product manufacturing, design standards and quality control. This helped with the responsiveness to the market specific demands with no effect on the major production capabilities of the company.

On the other hand, the influence of the board has been important in developing the international strategy. The visionary leadership of the first Chairman, Mr. Michael Caderamanpulle assisted with a strategic focus. Also, it was directed towards innovation, industry education and protecting the

intellectual property related to the paper-based tea packaging. After his retirement the leadership was transferred to his son, Mr. Rajive Caderamanulle and he currently holds the positions of Chairman and the Chief Executive Officer of St. Regis packaging. With the leadership of Mr. Rajive the board has focused on enhancing automation, maintaining certifications and exploring more international markets to mitigate unnecessary risk. Mr. Ajith Fernando is the director of the company and in his capacity as the Director he is driving marketing strategy and assisting with the partner selection. According to Mr. Wageesha, *“the board of the company ensures that each international project conforms with our capacity and the strategic vision.”*

Additionally, the board has established strong contacts with the domestic banks and the insurance companies to get trade finance, credit facilities and shipment protection. Furthermore, the connection with suppliers in international paper mills, the technical collaborations with machinery manufacturers and the academic institutions in Sri Lanka have provided the company with early access to innovative materials, technologies and skill development programs. Importantly, the international expansion of the company has been achieved not through direct marketing but by the network of trust-based connections. Therefore, it can be concluded that the company has mitigated the liability of foreignness and establishes a strong position in the global tea packaging supply chain through the combination of institutional support, distributor networks, supplier relationships and the strategic leadership.

5. Speed of the internationalization process of the firm

The speed of internationalization for the company shows a planned, capacity-oriented strategy rather than a speedy growth. The initial export effort to the Vietnam in 1996 showed the risks of the premature market entry of the St. Regis company. That effort failed due to the insufficient market expertise and the lack of international relationships. This experience highlighted the concept that the international speed should align with the internal awareness. Moreover, Mr. Wageesha stated that, *“speed movement is useless when the basis lacks sufficient power to support it.”* From 1996 to 2004 the company focused on the development of the domestic market. This stage provided a good time for the firm to acquire experiential knowledge and establish processes that could be transferred to the international markets. This aligns with the principles of the Uppsala model which highlights the sequential learning before the market expansion.

The exports after 1996 with Vietnam this company started their international expansion with increased confidence in Kenya in 2005 and continued exports with the Vietnam market. After 2008, the company succeeded in China, India, Rwanda and Indonesia. Each of the international expansions was planned according to the networks, opportunities and the operational capacity of the company. All the international market expansions were not targeted at once, rather the St. Regis packaging company

gained knowledge from one market and entered to the next market. According to Mr. Wageesha, this strategy reduced strategic and the financial imbalances while maintaining their product quality across various regions. The advantages of the sequential speed were important for the company. Among them, the internal capabilities expanded in parallel with the external obligations, enhancing the supplier connections and the employee skills. The company overcame the time compression diseconomies with the gradual learning about the international market. However, the slow speed also caused some drawbacks. With that the competitors periodically entered into the markets quicker and the St. Regis packaging sometimes showed the insufficient global brand visibility.

The company maintains the capital-light model. For instance, the company is dependent on the distributors instead of the subsidiaries. This decision reduced the resource constraint of the expansion of the company and allowed the firm to adapt quickly in the event of market underperformance. The manager, Mr. Wageesha stated, "*our objective was not to expand fast but to maintain the existence in every location we enter.*" This highlights that the internationalization speed of the company is a strategic choice that prioritizes long term presence over the speed of entry.

6. Business planning and improvisation

The internationalization of the St. Regis packaging company in Sri Lanka shows the balance relationship between the systematic planning and the improvisation. Before entering into a new market, the company performs formal evaluations of the customer requirements, logistical expenses, legal requirements and some other considerations. For this the integrated teams of the company assess these findings through a review of the plan by the board of directors for the strategic alignment and the financial viability. This systematic method emphasises the growth of the competencies of the company and strategic objectives. When the market entrance confirmed the St. Regis employs a pilot-based implementation plan. That evaluates the product with a selected group of customers. This minimizes the doubt and improves the fast learning. These tests in Vietnam, Kenya, China and India proceeded to the similar pattern with some modifications to the sack specifications and moisture barriers. Also, this methodology includes the aspects of the adaptive capabilities where the companies identify, take advantage and reorganize their resources in reaction to the market conditions. However, at some point the improvisation is needed throughout the business operations. Because of the external shocks such as vessel delays, unexpected climatic circumstances or the material shortages need immediate and the situational reactions. Mr. Wageesha stated that "*no international plan remains unchanged and the flexibility protects the shipment.*" As he mentioned, during an order delay to Kenya the operations team divided products and restructured the manufacturing schedules to maintain the customer timeframes. Moreover, for the exports of China, the company had to reformulate the material due to some specific requirements during production. This shows the prevention from the disruptions and showing the technical adaptability of the company.

And also, the COVID-19 pandemic significantly enhanced the improvisational capacity of the company as mentioned by Mr. Wageesha. The travel limitations resulted in the virtual audits, remote documentation and the digital customer meetings. Then these improvisations grew into the conventional processes decreasing the operational processing times and increasing the transparency. And the decision-making structure of the company supports this flexibility. The board provides the direction and establishes new targets while the managers and the other cross functional teams oversee the operational responses. Additionally, the company has weekly performance meetings to identify the bottlenecks. while monthly strategy reviews of the company assess the international market conditions. All the information from each study is recorded and reported into an expanding internal knowledge repository and transforms the improvisation into the organizational learning. The planning process gives the direction to the St. Regis and the improvisation provides the adaptability for the company. This equilibrium has helped the company to expand into the international market.

These experiences of St. Regis packaging demonstrate that planned strategy and the improvisation are not the opposing forces but rather beneficial forces that help with the sustainable international performance.

7. International opportunities and implications for the business model

As stated by the manager, St. Regis packaging is focused on the close industry observation and the collaborative design with the customers rather than on the predictive decision-making. The company checks the production locations of tea, the transportation methods and the points to identify the quality loss that occurs along the value chain. Mr. Wageesha stated as, *“opportunities emerged whenever exporters faced challenges and we committed ourselves to resolving those.”* This practical and the needs-oriented strategy influenced the most significant international opportunity in Kenya in 2005. The Kenyan exporters faced the difficulties due to the heavy wooden boxes and the climate related quality concerns. Then the St. Regis launched the Rigid-T-Sack collaboratively designed with the Kenyan distributors and tea producers. That sack reduced the packaging weight, improved moisture protection and decreased overall handling and shipping expenses. This achievement confirmed the ability of the company to compete with the global competitors and established a framework for recognizing potential in the new markets such as China, India and Indonesia.

Each market demand resulted in design and process modifications. When complying with those demands, the adaptive innovations maintained the relevance of the company products across many marketplaces. Each new opportunity redefined the business model of the company. The company's revenue expanded from the domestic sales to the regular export agreements. Moreover, sustainability is now recognized as a fundamental value proposition. The company's introduction of ZeroCarbon

certified bags in 2024 attracted to the environmentally conscious customers and differentiated the company brand from others. Technological and the regulatory changes are consistently noticed by the company to predict the changes in food safety standards, customs protocols and the environmental regulations. This attention lets the company to turn possible risks into the drivers for their innovations. Through this opportunity-oriented learning St. Regis packaging has enhanced its global value proposition with sustainable and high-performance tea packaging solutions.

8. Summary

- St. Regis Packaging is an eco-friendly paper sack manufacturer in Sri Lanka and the company produces for targeting the tea and cement industry.
- St. Regis Packaging expanded its tea sacks for the international market in a slow phase with a learning based process and after early failure in Vietnam, the firm strengthened in the home market, then entered Kenya, China, India, Rwanda and Indonesia with trusted distributors.
- The global growth of the company depends on the trusted networks, institutional support and strategic board leadership that help the company to build legitimacy and manage gradual and relationship based expansion.
- St. Regis Packaging uses a slow and learning based internationalization path as they expand from Vietnam to Kenya and beyond, and balance speed with internal capacity to ensure sustainable growth.
- St. Regis Packaging uses a balanced structure between planning and improvisation. Company uses formal market evaluations and pilot projects to guide market entry and the company handles sudden disruptions with improvisations, turns challenges into learning for sustainable international growth.
- St. Regis Packaging identifies international opportunities from customer collaborations and changes its business model to become sustainable and innovative as a response to market needs and risks in the international market.

3.6 Case 6 - Tulika Eco Ltd - Afrin Jahan

1. Method Section

This precise case examine is based totally on a semi-established interview with Ms. Esrat Jahan Chowdhury, Founder and Managing Director of Eco Limited. The interview changed into performed through Zoom on October 17, 2025 and lasted approximately 33 minutes. The questions had been guided with the aid of a syllabi semi-based interview guide on business enterprise background, internationalization process, networks, momentum, making plans and possibility identity. A lot of information turned into taken from the employer's website and product catalog for actual verification.

2. Company Overview and Business Model

Esrat Jahan Chowdhury commenced her profession operating at a bank. Later, in 2017, she determined to depart her job and founded First Tulika. She was the primary in Bangladesh to take such an initiative on a small scale empowering rural girls and promoting sustainability through locally crafted products.

With the participation of neighborhood ladies, Esrat Jahan Chowdhury started generating eco-friendly, handmade gadgets stimulated by way of Bangladeshi way of life.

Within just one year of its status quo, First time Tulika Eco Ltd acquired its first global order and fast won a reputation in the media, marking the start of its worldwide adventure.

The middle challenge of First time Tulika Eco Ltd has constantly been clear to exhibit Bangladeshi craftsmanship to the worldwide market whilst empowering neighborhood ladies and assisting sustainable development.

She wants anybody at Tulika Eco Ltd to earn enough cash to be financially secure due to the fact she believes everybody deserve that. Tulika Eco Ltd is all about promoting cool, handmade stuff globally that needs a variety of care and talent to make.

The employer emphasizes the use of herbal materials, in particular jute, to make sure that its products are sustainable and environmentally pleasant. It also encourages the local artisans to strengthen of their paintings and develop of their careers.

The employer guarantees that artisans get hold of truthful wages, work in secure conditions and feature get right of entry to ordinary training packages.

Esrat Jahan Chowdhury and Tulika Eco Ltd strive to make a tangible distinction in the international by means of being inclusive, equitable and sustainable.

Tulika Eco Ltd broadly speaking makes a specialty of jute-based totally products, such as shopping bags, tote bags, macrame crafts and domestic décor items like table runners, mats and cushion covers. Their major customers are overseas retailers, wholesalers, and importers largely from European nations like Italy, Ireland, and Germany where the demand for green products continues to grow.

The organization creates value via producing quality merchandise, environmentally pleasant and ethically made via professional rural craftsmen. It emphasizes sustainability in raw material sourcing and maintaining strict global exceptional standards. Tulika Eco Ltd generates sales broadly speaking from export orders and wholesale orders, with custom or premium orders as additional assets of revenue. The employer's cognizance on authenticity, fine and honest trade presents lengthy-time period relationships with its global commercial enterprise partners.

Tulika Eco Ltd had begun operations with a small manufacturing facility but later extended to two ordinary factories to satisfy the call for from abroad. As the commercial enterprise grew, it varied its product variety, delivered new classes inclusive of macramé and participated in overseas fairs. The business version modified from serving home markets to turning into an across the world recognized exporter, adopting professional control requirements and export compliance systems to ensure increase.

3. Internationalization Process

Tulika Eco Ltd's internationalization has become increasingly targeted. Initially, the company served neighborhood customers, but constantly built a version that included green and custom design for foreign buyers. According to Chowdhury, the company remains extraordinary from different competitors by using keeping a balance between heritage and sustainability and therefore making Bangladeshi handicrafts globally useful.

The agency started exporting in 2018 to Ireland and Italy as its first foreign markets. These have been motivated by developing European demand for sustainable and handmade products. Tulika Eco Ltd used oblique access methods together with distributors, wholesale customers and participation in galas, instead of setting up overseas workplaces. This allowed cost-effective internationalization, even by nurturing non-public relations with buyers.

Some of the most important demanding situations have been keeping the product looking good amidst rising raw material prices and logistical problems. International exhibitions contributed significantly to increasing the agency's visibility. Patience, openness and effective patronage were the most necessary training Chowdhury found out of the joy.

4. Networks, Social Capital, and Board Influence

Personal and professional networks have been critical to the international success of Tulika Eco Ltd. Ms. Chowdhury drew on contacts during her previous banking work as well as guidance from friends and local partners to establish the business. Word-of-mouth and word-of-referral as customer gratifications spread, and the business acquired an international reputation, especially among European economies.

While Tulika Eco Ltd is not officially partnered with incubators or universities, it actively engages in entrepreneurship networks and sustainability forums. Such platforms helped connect the company's values to global movements in green consumption and providing informal learning opportunities.

The firm is not managed with a board of directors of corporate nature. Instead, Ms. Chowdhury draws counsel from an advisory circle that consists of business mentors and export consultants who provide strategic counsel. Their counsel has been priceless in developing production and steering trade procedure on the global front.

Tulika Eco Ltd's international strategy is supported by both formal and informal networks. Formal partnership with European distributors and buyers provides structured access to global markets, and informal contacts with artisan groups, NGOs, and environmental groups provide authenticity and social value. Both sets of networks together form a hybrid support system for the firm's mission and global outreach.

5. Speed of internationalization

The internationalization adventure of Tulika Eco Limited from status quo to securing its first export order took approximately 1-2 years. This particularly quick length demonstrates how the corporation's early basis laid the foundation for speedy and green market entry. Activities which include constructing nearby artisan networks, identifying reliable suppliers, and sourcing sustainable uncooked materials earlier enabled the company to go into the global marketplace effortlessly and confidently.

The segment of speedy expansion supplied both possibilities and challenges. On the possibility side, Tulika Eco Limited completed enormous reputation in a short time frame, multiplied its export volumes, and was capable of hire extra women from rural regions even as strengthening its social sustainability dedication. However, the company also confronted outstanding challenges arising from its rapid increase, along with the want to maintain production performance, make certain consistent product quality, and successfully manipulate financial sources below improved operating pressures.

To address these rising problems, Tulika Eco Limited reorganized its inner structure. Management recruited skilled grasp artisans to monitor the first-rate of manufacturing and educate the developing

artisan personnel. The firm also brought home production methods, permitting artisans to paintings regionally at the same time as maintaining excessive requirements through centralized supervision. Additionally, coordination among departments specifically manufacturing, logistics, and advertising and marketing turned into notably progressed, making sure better conversation and operational glide.

Strategic resource allocation is also redirected closer to enhancing logistics, ensuring stable supply of raw materials, and strengthening first-class management structures. Although rapid internationalization had an initial impact on the organization, in the long run it proved to be an important mastery method. This enabled Tulika Eco Limited to strengthen its internal controls, enhance system performance and build resilience. Over time, this fast-paced expansion became a strategic advantage that promoted the corporation's network-based enterprise version and long-term stability in international markets.

6. Business planning and improvisation

Tulika Eco Ltd's worldwide boom may be excellent defined as a balanced mixture of systematic planning and realistic improvisation. From the start, the agency accompanied a nicely-defined export method for its eco-friendly jute-based merchandise, focusing on focused global markets with clear export dreams and structured product development plans. This strategic technique helped the company keep path and coherence while setting up its worldwide presence.

At the same time, Tulika Eco Ltd established sturdy flexibility in its every day operations. Many of the organization's key operational decisions along with modifications in product design, changes in packaging, and periodic price revisions have been made spontaneously in reaction to patron remarks and shifting market needs. This potential to evolve speedy to outside conditions allowed the company to stay aggressive and responsive in speedy converting international markets.

To ensure harmony among long-term targets and short-term adaptability, Tulika Eco Ltd. Advanced a planning framework that encouraged open communication and collaborative choice making. Regular team conferences have been held to talk about new traits, evaluate dangers and prepare speedy responses to unexpected challenges. This participative control style helped the employer attain its annual export targets even as maintaining the ability to evolve to new marketplace situations.

Major strategic decisions had been taken collectively by the control committee, which protected representatives from manufacturing, advertising and marketing and export departments. A splendid example of powerful improvement happened whilst a behind schedule cargo jeopardized a vital export order. The control crew right now coordinated with providers and transport partners and resolved the

problem without compromising on quality or delivery time limits. This quick, coordinated reaction bolstered Tulika Eco Ltd's recognition for reliability and professionalism amongst its global clients.

7. International Opportunities and Business Model Implications

Tulika Eco Ltd. Identifies new marketplace possibilities by using constantly monitoring international sustainability trends, eco-legislation and customer opinion. The agency actively seeks out nations in which demand for natural and hand-crafted merchandise is developing, mainly Europe, wherein plastic prohibitions and green existence amplify the market. Participation in alternate festivals, consumers' feedback and Internet web sites also are used in deciding on the main option.

A turning factor came in 2018 when Tulika Eco Ltd. Visited a global trade exhibition in Italy. Exposure to European shoppers helped the company signal its first foremost export orders, turning its business round. In response to new demand, Tulika multiplied potential, mounted first-rate guarantee groups and evolved product lines for foreign places customers. This changed into a modern transformation from a small home manufacturing facility to a proper exporter with production gadgets.

When considering new markets, Tulika Eco Limited takes a relationship-driven technique. The company analyzes call for eco-friendly markets, import rules, buyer credibility and internal capacity. Trial exports are regularly hired for experimental feasibility before complete-scale entry. For Tulika Eco lengthy-term partnerships primarily based on accept as true with and mutual sustainability values are greater critical than immediate income, and this guarantees alignment with its social and moral objectives.

Summary

The case of Tulika Eco Limited indicates how a ladies-led, environmentally aware, SME of Bangladesh became a sustainable internationalist by using adaptive techniques and considerable networks. The case brings to the fore factors which include opportunity identification, community-primarily based, equitable tempo of improvement, potential constructing and social sustainability. The case of Tulika Eco Ltd shows that small businesses in developing countries can win in worldwide markets in the event that they integrate their moral values with strategic flexibility and innovation.

Key insights

Tulika Eco Ltd. is a women-led Bangladeshi SME producing eco-friendly jute crafts that reflect local heritage and sustainability values.

- The company began exporting within two years of founding, targeting European markets such as Italy and Ireland through indirect entry modes like distributors and trade fairs.
- Tulika's international growth was powered by personal networks, word-of-mouth referrals, and participation in sustainability forums, rather than formal incubators or university partnerships.
- Rapid expansion created operational challenges including rising raw material costs, logistics issues, and the need for quality control, which were addressed through artisan training and decentralized production.
- Tulika's global strategy blends structured export planning with flexible improvisation, allowing quick responses to customer feedback and shifting market demands.
- Strategic decisions are made collaboratively across departments, with advisory input from export consultants and business mentors rather than a formal board.
- The company identifies new international opportunities by monitoring eco-trends, legislation, and consumer preferences, prioritizing long-term ethical partnerships over short-term profits.
- Tulika Eco Ltd. demonstrates how small, values-driven firms from developing countries can succeed globally by combining social impact with strategic agility.

3.7 Case 7 - OptiFuse - Linda Farzan

Introduction to OPTIFUSE

OptiFuse is a US-based manufacturer and marketer of circuit protection and overcurrent devices. The company is positioned in El Cajon, California, but maintains a satellite office in Taipei, Taiwan. They are known for their prolific market expansion into Canada, Mexico, and other parts of the world.

OptiFuse's mission is to achieve a well-established position in the market and contribute to a safe global environment. Its expertise lies in the design and distribution of components that protect electronic systems from voltage damage. However, manufacturing is only a fragment of the company's purpose; loyalty, quality, and collaborations are all key components in the firm. After years of growth, the company received acclaim for ten consecutive years on *the Inc. 5000 Fastest-Growing Privately Held Companies in America*. In 2017, OptiFuse was also ranked among the *25 Best Small Companies in America*.

The origin of OptiFuse goes back to the early 90s, when Basic Power Engineering and Manufacturing, founded by Jim Kalb and other associates, manufactured and designed products for large brands such as Bussmann, Littelfuse, and Ferraz-Shawmut. In the late 1990s, a shift in the distribution landscape happened. Bussmann and Littelfuse decided to reconstruct their distribution strategy and only sell to large global distributors. They eliminated 2500 automotive and electronic distributors. This created a gap in the market where smaller and local distributors became vulnerable without a reliable supplier. The Kalb brothers saw this as an opportunity and thereby founded OptiFuse in 2000, offering an alternative to larger brands and assisting in serving the neglected distributors. By doing so, the company was laying the foundation for long-term growth. Approximately a year after its creation, OptiFuse merged with Basic Power and became a singular company. The unified company combined technical expertise, partnership and reliability, and exquisite circuit safeguard solutions. Today, they have a customer base disseminated all over the United States, about 99 % of their customers are domestic, but also have expanded into Canada and Mexico, and overseas.

What denotes OptiFuse as a manufacturer is the variability of products they provide; they have around 7000 distinct circuit protection solutions (SKUs) that have been dispersed across various industries such as automotive, industrial machinery, electronic manufacturing, telecom. Their main products are: **Automotive and electronic fuses, resettable PTC type fuses, industrial fuses, panel-mounted, inline, and PCH mounted fuse holders, fuse clips and blocks, Thermal circuit breakers for automotive and line voltage applications, Thermal temperature fuses, and varistors and gas-tube arrestors.** All of their products demonstrate strong operational safety and meet the global standard for full electronic performance. Many of the products are either UL certified or recognized by other known international safety agencies; moreover, the products are void of harmful materials like

mercury, lead, or cadmium, making them environmentally friendly and approved by the Restriction of Hazardous Substances (RoHS) directive.

OptiFuse's main clients are distributors, and their business model is business-to-business (B2B). The company sells their products only through their distribution network, meaning they primarily sell to their franchise distributors, which consists of around 500. The company does not sell directly to original equipment manufacturers (OEMs) or contract manufacturers domestically. Consequently, distributors can assert a close partnership with their clients and OptiFuse; in that way the company can generate a larger customer base rather than selling directly to the clients.

Internationalization process

OptiFuse became international shortly after sustaining a strong domestic presence. The first markets they expanded into were Canada and Mexico. The strategic expansion had several advantages due to being geographically convenient; for instance, logistics became easier, it was cost efficient, and OptiFuse could directly engage with foreign companies. By primarily focusing on close markets, OptiFuse could test their ability to operate outside their borders in a controlled manner at the same time minimizing the risks.

As previously mentioned, OptiFuse was solely focusing on selling through a franchised distributor network rather than directly selling it to OEMs for instance. However, this business model was modified once it expanded internationally. While it was important to protect the domestic distributors, the firm did not face the same limitations internationally, and could sell directly to any customers.

In the early days of the company, while it was very small, the founders used the distributors as an entry mode in order to accelerate their expansion. OptiFuse tried to work with manufacturers' representatives to facilitate and accelerate the expansion. The representatives were working as intermediaries and connected the company with distributors around the country, which was faster compared to if the founders had to travel around themselves. Internationally, the company was using direct sales as an entry mode. By combining representatives, distributors, and direct international sales, OptiFuse could effectively enter new markets. Additionally, the expansion of OptiFuse did not come without challenges. In the beginning, the founders were operating on limited resources, they had to travel from state to state to connect with distributors, which was demanding and stressful. One valuable lesson learned throughout the internationalization process was the value of freedom in sales, it allowed the company to work with a broad range of customers, highlighting the essentiality of adaptability and strategic partnership.

Networks, Social Capital & Board Influence

Social capital, specifically strategic partnerships with manufacturing partners abroad and networks have shaped OptiFuse's growth as an international company. In terms of partnership, the company has a manufacturing relationship with Taiwan, where the majority of its production occurs along with some production in China. These manufacturing partnerships have been essential for the international operation, ensuring delivery and constant product quality. Compared to many firms, OptiFuse did not have any outside investors and remained a family-business until 2019.

Furthermore, universities have for a long time been an important collaborator, providing companies with innovative ideas and fresh perspectives. As for OptiFuse, the close relationship with San Diego State University has played a pivotal role in the organizational growth and human capital development. The company's exposure to the university started in 2015 when the company decided to expand its sales team. The primary choice of San Diego State University stems from the founder Jim Kalb, being an alumnus. OptiFuse made a pledge of focus on recruiting locally, from this university in particular, with the requirement that graduates have a completed degree, reflecting Kalb's own educational values. Usually, recruitment occurs through job fair, sales competitions where company executives judge, and recruitment programs. In this way, OptiFuse generates social capital that indirectly bolster the internationalization through loyalty and outstanding talent that contribute to sustainable global growth.

Additionally, by integrating leadership that has been directly involved in global operations, the board of directors has been actively involved in the company's internationalization process. While the company had several international employees, during the following board transition, the company announced its marketing manager to the board of directors, who is now operational manager for the entire firm and operates abroad. By incorporating international operational experience into the board, OptiFuse demonstrates how its leadership has evolved in its strategic decisions, ensuring that strategic decisions align with real-world conditions and helping the company operate effectively in the global market.

Speed of Internationalization and Risks

The internationalization process for OptiFuse started early when the company was still very young, although they did not deliberately pursue foreign markets. Initially, the company had a couple of international accounts in Canada and Mexico and this relationship became an essential part of its customer base. This led to internationalization being a natural process rather than an active pursuit. Eventually, OptiFuse became more engaged in internationalization and approached international

operations in a more structured and risk-mitigated way. Today, the firm operates on a global scale, in Mexico, Canada, as well as other parts of Europe.

Internationalization is a process that comes with several challenges and risks. Although OptiFuse's transformation into the international market was a natural process, the company encountered several challenges once internationalization became a strategic focus. Several of these challenges included logistics and adapting to different customer preferences. Because each customer was unique in how they were doing business, it required the company to learn and adapt its operations. This is something OptiFuse has done efficiently. This adaptation could be, for instance, the drop shipping program that was introduced, which allows products that are being manufactured overseas to be delivered directly to customers. This operational improvement has reduced the impact of tariffs and served its global customers more effectively.

Business Planning & Improvisation

As previously mentioned, OptiFuse's internationalization did not emerge through detailed international strategy or market research. It was not part of their initial plan, instead it progressed reactively. OptiFuse has always been envisioned as an international company; however, the main focus was directed toward establishing a strong presence in the United States. So, when the international activities were something that simply came across, the firm seized the opportunity and integrated them into its strategy over time. Therefore, the firm neither improvised nor planned its international expansion; it was a natural response to a natural occurrence and flourished from there. Throughout its journey, as mentioned before, the firm has been highly adaptive to different circumstances and the drop shipping model is an example of it. This exhibits the firm's ability to adapt to new markets.

In balancing long-term goals to respond to changing conditions on the market, OptiFuse values transparency and fairness within its partnerships. The company communicates openly with its clients in regard to tariffs and price changes, instead of capitalizing on market volatility. They are also clear on giving the customers a choice to see the tariffs as a separate item or included in the total price. This approach has demonstrated OptiFuse's openness and flexibility while maintaining trust and managing uncertainties. As the internationalization of OptiFuse became more strategically planned, it required collaboration between the board and the management teams. This bond strengthened when managers directly involved in international operation became a part of the board, providing deeper insight into the global realities and plan their strategy accordingly.

International Opportunities & Business Model Implications

OptiFuse uses the same method for assessing domestic operations when identifying and evaluating international market opportunities. The firm accentuates the individuality of its partnerships with distributors and customers in each market, rather than solely relying on extensive market analysis or formalized frameworks. Prior to entering a market or region, the managers identify a distributor they want to work with and learn about their customer base, their industry, how OptiFuse products can be utilized and how they can bring value to their customers. By asking key questions, they gain a deep understanding of their clients and operations. In this way OptiFuse can tailor its operation and make sure that its products meet the specific market's demands, resulting in secure partnership.

Internationalization for OptiFuse has not only been about entering new markets but also reentering industries, for example, the telecommunication sector through a major Canadian client. While the telecom industry in the United States has diminished, international partnership has opened new opportunities for OptiFuse. Consequently, the firm renewed its production and inventory of telecom products and attained other clients abroad. This illustrates how internationalization has influenced the company's products and services, which is pivotal for international growth.

Moreover, when assessing international opportunities, regulations are also considered. Many of OptiFuse products are technical and industrial; therefore, most regulations are related to material and product certification. Examples of such certifications include UL approval in the United States, CSA approval in Canada, as well as European performance standards. Because these requirements are consistent on the international scope, the firm has not encountered strict trade barriers, allowing the company to focus on ensuring that its products perform safely and effectively in different markets.

OptiFuse has been coming a long way since its earlier days; it has not only established a robust domestic presence but also made its international presence well known. One thing that has been certain is that OptiFuse expansion has been worthwhile and crucial for future growth.

Method

The Method for conducting this paper followed several steps. The first step was to identify a company that aligned with my interest and still met the required criteria. The search for a perfect company took place on platforms such as LinkedIn and doing research on Google to confirm additional information about the company. The criteria that needed to be met was:

- Do not exceed the EU SME threshold.
- In existence for less than 30 years
- More than five years of international experience

- Operates in at least two international markets

Once the requirements were satisfied, the next step was to contact the company. The contact information was found on the company's website, and communication was either through phone calls or emails. Once the interview was scheduled, the next step was data collection. This section was divided into two parts, primarily data collection, which was the interview and secondary data collection, which was collecting general information about the company on their website or LinkedIn.

The interview was planned to be conducted via Team or Google Meets. However, due to technical complications it was held over the phone. Because of the time difference between Sweden and California, the interview was conducted at 12:18 am. Eastern European Time on October 16, 2025. The interview was 52 minutes with the co-founder of OptiFuse.

Key insights

- OptiFuse is an American manufacturing company that mainly produces fuses, fuse clips and blocks, and circuits for various industries. But also focuses on designing and distributing its products.
- OptiFuse became international shortly after being founded and expanded to Mexico and Canada by using direct sales and distributes as entry modes.
- OptiFuse has international manufacturing partnerships with Taiwan and China, which are central for their production. They also actively recruited specifically from San Diego State University and included internationally experienced members in their board.
- The process of internationalization started unplanned and OptiFuse reacted to the opening opportunity, it started slowly but gradually expanded. They faced challenges such as different clients' demands and tariffs, which they had to adapt to.
- OptiFuse takes on opportunities and focuses on remaining flexible and uses it as a lesson. They introduced dropshipping as a response to overcome challenges like tariffs and implement pricing models as their strategy to stay transparent.
- OptiFuse evaluates opportunities through the same way they evaluate the domestic market, by understanding their distributors and their customer base.

4. Key Theoretical Construct

4.1 Module 1: Internationalization theory

Johanson and Vahlne (1977) base the framework on the behavioral theory of the firm and assume uncertainty and limited rationality. They emphasize that commitment can increase or decrease depending on performance, and that the model describes patterns rather than prescribing rules. Lack of foreign market knowledge is a key obstacle at the start, and knowledge is mainly gained by operating abroad, which then feeds into new commitment decisions in a repeating cycle.

Johanson and Vahlne (2009) revisit the model and present the environment as business networks rather than independent markets. They argue that the main challenge is outsidership from the relevant network, and that being an insider enables learning, trust, commitment, and opportunity development. The paper emphasizes that relationships are where firms learn and build commitment and that existing ties shape which markets they enter and how they enter them. In the revision, the emphasis is on network position, outsidership versus insidership, as the process by which firms learn, build trust and make commitment decisions over time. The authors add that short psychic distance can make it easier to develop relationships, but learning and commitment building still take time, and commitment can rise or fall as relationships evolve.

Child, Karmowska, and Shenkar (2022) review 333 articles to examine how context shapes SME internationalization. They state that SMEs often face a liability of smallness, lacking finance and detailed foreign market information, and therefore frequently rely on networking and external support, especially from domestic institutions. At the macro level, institutions, economy, culture, politics and industry conditions influence how SMEs expand. At the meso level, organizational features such as ownership, technology, and networks affect access to resources and information and may require SMEs to accept institutional and cultural conditions as given parts of the context.

4.2 Module 2: Networks and social capital

Agndal et al. (2008) explores the role of social capital in early and late phases of foreign market entry (FME) of SMEs, which is divided in efficacy and serendipity roles and direct and indirect relationships. As social capital is dynamic by nature, its role can vary during the process. The efficacy role is explained as firms intentionally leveraging their social capital to gain international opportunities. The role of serendipity is defined by how social capital spontaneously and unintentionally can enable opportunities in FME. Furthermore, direct relationships occur when firms connect with external actors directly. Indirect relationships occur when firms connect with external actors through other firms. The findings show that the early stage is often associated with efficacious

and direct relationships, where firms leverage social capital through known relationships. Regarding the late stage, the FME is more likely to be characterized by serendipitous and indirect relationships because firms have had time to develop relationships through other firms.

Galkina and Chetty (2015) examine how networks shape SME internationalization under uncertainty. The study is based on an analysis combining the effectuation approach and the revised Uppsala model, which are connected through the concept of networks. Previous research has often referred to SMEs internationalization as characterized by strategic planning. However, the effectuation theory explains that entrepreneurs work with what they have, when making decisions under uncertainty. Entrepreneurs use effectual logic by connecting with whoever is interested and can gain access to a market spontaneously. The revised Uppsala model explains that firms gain international opportunities through relationships. Over time, firms learn from experience and gain trust with partners, which can lead to further international growth. Together these approaches emphasize that internationalization starts with relationships and grows through learning and trust rather than strategic planning.

Safari and Chetty (2019) explore the role of psychic distance in the pre- and post-entry phase of SMEs entering a foreign market. Findings show that in the pre-phase of a market entry, the market was chosen by the opportunities that the market offered. Therefore, it is of importance to know that there is a real demand for the firm's products in the target market, which can be conducted through market research or by connecting with a bridge-maker with local knowledge. Furthermore, in the post-entry of the target market, a bridge-maker must help the firm to decrease the psychic distance, through knowledge about the local market and business condition. This is necessary because the bridge-maker constitutes an insider on behalf of the firm in the new market. However, the psychic distance between the SME and the bridge-maker plays a vital role in the success of a new market entry. To decrease the psychic distance between these actors, trust and knowledge is essential for the collaboration.

To further build on Agndal et al. (2008) study that social capital is dynamic and evolving resource, Chetty and Angdal (2007) argue that, although earlier observations have always emphasized that all networks are beneficial, these relations can devalue. Especially if it does not align with the company's goal. Additionally, they also accentuate the balance between preserving independence and being entrenched in networks; in order for firms to remain flexible and maintain autonomy, the established connections may strengthen or discontinue depending on the company's needs or the phase of internationalization. Furthermore, SMEs can generate opportunities through direct and indirect ties, a process called network bridging. As operating in the international market can be challenging at start due to different culture and norms, these indirect ties such as working through intermediaries facility that process, elevate their credibility and access new markets.

To examine more closely on the importance of social capital, Lindstrand and Malén Hånell (2017) conducted an empirical study of 239 Swedish internationalized SMEs and how various types of social capital influence SME in their process of expansion. The study is distinguishing between two types of social capital: *international* social capital, which refers to previous international experience and large networks, and *market-specific* social capital, that are connections formed in a target market. The authors argue that while international social capital opens doors, it is not simply enough; but rather becomes effective when firms convert these connections and form a strong, local relation in the target markets. Without market specific social capital firms will not be able to reach their full potential. Enterprises need local connections for their knowledge, timing, and building trust. For that, SMEs often need intermediaries. However, moving international social capital between markets does not occur easily; there are many factors that need to be considered such as regulations, different cultures, rules, and each market has their own way in doing business (Lindstrand & Hånell, 2017).

4.3 Module 3: Effectuation theory

Sarasvathy (2001) identifies the effectuation theory, which differs from the conventional causation-based entrepreneurial theory. Causation explains that entrepreneurs begin with a defined goal and aim to achieve it using prediction and analysis. However, effectuation starts with the available means (who they are, what they know and whom they know) of the entrepreneur. Effectuation focuses on creating opportunities through experimentation, flexibility and partnerships. Therefore, entrepreneurs act first and adapt their goals as new opportunities become available. Moreover, effectual entrepreneurs make decisions on an acceptable loss rather than the expected benefits. Instead of maximizing their potential profits, entrepreneurs concentrate on risk reduction by investing only what they can afford to lose.

Sarasvathy et al., (2013) apply effectuation theory to international entrepreneurship (IE). They emphasize how the entrepreneurs can handle the cross-border uncertainty, limited resources and network dynamics through the non-predictive and the adaptive strategies. Furthermore, they discuss the five fundamental concepts of effectuation. First, the bird-in-hand principle encourages the entrepreneurs to start their opportunities using their existing identity, knowledge and the networks. Second is the affordable loss principle which moves the focus from maximizing profits to risk management by investing only what they can afford to lose. Third, the crazy quilt principle that highlights building partnerships with self-selected stakeholders to co-create the firm. The fourth principle is the lemonade principle that demonstrates the need of accepting surprises and transforming losses into opportunities. Finally, the pilot-in-the-plane principle emphasizes entrepreneurial agency in which entrepreneurs actively shape their outcomes rather than reacting to the external trends (Sarasvathy et al., 2013). Compared to the idea of the article by Sarasvathy in 2001 this paper adds

global significance by incorporating effectuation into IE research and introducing concepts such as exaptation which is repurposing resources creatively as a method for quick internationalization.

The study from Chetty et al. (2015) provides a deeper insight of internationalization for SMEs in uncertain conditions through effectuation theory. A lucrative effectuation relies on the entrepreneur's potential to use and engage with their networks; which can be hampered due to firms' want of social capital and unskilled workers. The study also showed entrepreneurs are not only reactive to uncertainties but actively shape their environment through early partnerships. *Bounded commitment* was a concept the study introduced, it refers to enterprises avoiding making large investments in early exposure. Instead they focus on remaining adjustable by using cost efficient, experimenting, and by-passing formal contracts. This became an efficient approach for entrepreneurs to try out new markets, learn through their actions and accommodate in unforeseeable conditions, instead of waiting for a proper plan (Chetty et al., 2015).

In an empirical study constructed by Chetty et al. (2015), four SMEs were analyzed retrospectively. What the four firms had in common was how they used effectuation when they internationalized. They took advantage of their own experience, networks, and knowledge rather than using long-term strategies or exhaustive market analysis. The first market entries occurred through auspicious and unplanned events, often through networking. However, the effectuation took effect in different forms; indicating that effectuation is not generic but modified depending on industry, past experiences, and knowledge about international markets. Other factors such as culture, norms and institutional context shape the practice of effectuation. Entrepreneurs rely on informal relationships to maintain adaptability in unknown environments and create trust and legitimacy: they make their decision based on control and focus on elements that can be directly influenced such as product development and build diminutive initial successes.

In the article by Karami et al. (2023) examine how the SMEs make effectual decisions to succeed in the uncertain international marketplaces. They argue that the networking capability with the ability to build, manage and adapt business relationships is the most important connection between the effectual thinking and excellent international performance. They use data from 153 New Zealand SMEs and their study finds that effective entrepreneurs don't rely on predictions of fixed plans but rather use partnership, resource sharing and trust to identify new opportunities and manage uncertainty. Therefore, networking acts as a facilitator to connect entrepreneurs' flexible and opportunity driven decisions with significant international growth and innovation. This paper highlights that, in global B2B settings, success is defined not only by what organizations know or own but also by who they connect with and how those connections expand over time (Karami et al., 2023).

4.4 Module 4: Born globals and speed of internationalization

Chetty and Campbell-Hunt (2004) refers to firms that internationalize rapidly and are international from conception, to so-called born globals. The author's main finding shows that firms which began expanding abroad slowly, can develop many of the same traits as born globals, once they grow and reach international markets. Moreover, the authors explore how SMEs internationalize and compare traditional gradual approaches to faster ones. They argue that internationalization should be seen as a learning and relationship-based process rather than a linear process. The authors expand further, describing that SMEs develop their international activities over time through connection with other firms, experience and experimentation. This perspective builds on the Uppsala Model (Johanson & Vahlne, 1977).

Hilmersson and Johanson (2016) explores the relationship between speed of internationalization and the performance of SMEs, how SMEs learn from internationalization, and how this learning reduces uncertainty in international markets. Their study also builds on the model by Johanson & Vahlne (1977), but in addition, it emphasises that learning is not only experiential, but that it can also occur through networks, relationships and sudden events. The authors argue that SMEs gain international knowledge through three main processes: network learning through interactions with partners, consequential learning that emerges from challenging or unexpected situations and experiential learning from direct market experience from critical situations related to SMEs. Hilmersson and Johanson (2016) further also notes that internationalization rarely is a smooth or linear process. A main topic in the article is that uncertainty drives the pace and direction of internationalization. Since SMEs face different kinds of uncertainty about for instance markets, their own capabilities and partners, learning becomes both the driver and the outcome of SMEs internationalization.

Prashantham et al. (2018) focus on two different ways of making decisions; effectuation and causation and how these shapes the process of building networks internationally. Effectual logic is described in how companies act on emerging opportunities and forming relationships as they appear, rather than following a strict plan. A casual logic, refers to a deliberate and goal-oriented decision making approach where firms plan their international activities in advance (Prashantham et al., 2018).

Prashantham et. al (2018) argues that an effectual approach to building networks tends to support a faster initial entry into international markets, but it can slow down the development of deep, long-term commitments abroad. In contrast, a causal approach is linked to a slower start but it promotes stronger and sustained commitments in foreign markets.

Hilmersson et al. (2017) found that the younger a firm is when they initiate their internationalization process, the higher the speed of internationalization they can have. This is due to the learning advantages of newness (LAN). Selling products to a first foreign market results in learnings that are

useful across foreign markets in general, and therefore simplifies the process of entering other markets. They can immediately in each foreign market utilize routines they already have established to tackle obstacles, attract customers, acquire distribution channels, and so forth, in the new market. Furthermore it was found that the LANS young internationalizing firms acquire, can be turned into advantages of oldness and as a result maintain a high speed of international expansion. The risk of a later internationalization is that the firm develops structures that only fit the domestic market.

Hilmersson & Johanson (2020) identify four strategies of knowledge acquisition for SME internationalization. Firstly they identified experiencers, who primarily acquire knowledge from generating their own experiences. The second identified group they referred to as grafters. This group combines the acquisition of own experiences and hiring new employees or acquiring firms with knowledge. Thirdly they have identified a group they refer to as networkers. These firms use a combination of generating own experiences with a substantial use of network partners to validate knowledge and as a result circumvent false and mistaken learning. Lastly they have identified firms that utilize a combination of these three previous strategies referred to as pragmatists. These firms are adaptable and use different sources of knowledge acquisition depending on the context.

Johanson and Oliveira (2024) show how SMEs make decisions during internationalization. The findings in the report show that SMEs can enhance their international performance both independently and with a mixture of predictive strategies such as, planning, analysis, goal setting, and non-predictive strategies such as, effectuation, improvisation and flexibility. An important factor found was that the effectiveness of a strategy depends on the type of institutional environment in the host country. Consequently, predictive strategies perform better under developed and stable institutions while non-predictive strategies can give an advantage in environments where institutions are not as stable.

4.5 Module 5: International Opportunities and Business model

Hilmersson et al (2021) provided two hypotheses to test the link between market entry strategy and serendipitous opportunities. Firstly they suggested that “rigid planning would lower the degree of serendipity in opportunity discovery” and secondly they suggested that “systematic search would lower the degree of serendipity in opportunity discovery”, where both hypotheses were supported by the study. In classic strategic planning models thorough planning and structured search are fundamental, which means that there is a high possibility to end up with a path-dependent process since firms tend to look at their prior knowledge when acting on opportunities and so the result is a low degree of serendipity in opportunity discovery. Additionally the authors argue that a reason for this are the costs and risks that are associated with acting on serendipitous opportunities, and even if they are discovered it might be rejected if it differs too much from the firm's networks, knowledge and resources it has acquired.

Mainela, Puhakka and Servais (2014) describe international opportunities as situations that span and combine elements from multiple countries where action and interaction can change economic activity. These chances often grow in relationships and networks because interaction gives access to localized knowledge and can turn unexpected events into new opportunities. Spanning many national, cultural and organizational borders is not a barrier but a source of new value creation. The article links these opportunities to how firms organize work. Some opportunities come from innovation which means new resource combinations. Others come from arbitrage which means matching supply and demand. Both influence “organizing methods” and choices in the value chain across borders. In practice firms develop routines for cross national coordination and may use hybrid organizing to realize opportunities while they learn quickly and manage risk (Mainela et al., 2014).

According to Teece (2010) a business model explains how a company creates, delivers and captures value. Additionally, a well designed business model clarifies customer needs, how to meet those needs, and how the firm can convert it into profit. For firms it is crucial to have an effective and clear business model since innovation and technology in isolation rarely ensures commercial success. It is of importance that firms align their product with the business model to translate their innovation and technology into commercial value. To ensure competitive advantage the business model needs to be differentiated and difficult to imitate as well as continuously adapted and updated to changes in technology, markets, and competition. Teece emphasizes that to design an effective business model it requires learning, creativity, and dynamic capabilities which relates to the ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments and as a result it enables firms to identify opportunities, seize them and allocate sufficient resources to benefit from them.

Landau, Karn, and Sellers (2016) examine how companies from developed economies adapt their business models when entering emerging markets. Using the example of German automobile manufacturers in India, this highlights opportunities such as growing middle class and rising consumer demand, and the challenges posed by weak institutions and diverse customer segments. The authors advise a four-level version of the business model: international expansion, local emergence, local extension and local consolidation. Through these stages, groups steadily modify their value creation, delivery and revenue structures to fit local conditions, while largely maintaining the same core value proposition. The authors findings show that successful adaptation requires balancing global consistency with local responsiveness.

Gabrielsson, Julkunen and Andersson (2025) study small, young firms. They find that the entrepreneur’s mindset works together with business-model (BM) practices to shape how fast a firm goes abroad. The paper describes two paths: accelerated firms go international early, enter many

countries quickly and grow foreign sales fast while gradual firms move step by step. The authors call these accelerated internationalizing firms (AIFs) and gradual internationalizing firms (GIFs). Mindset (global or regional) appears through innovativeness, proactiveness and risk taking. It guides key BM choices about the value proposition, how value is created and delivered and how revenue is captured. These choices help firms handle the liabilities of newness, outsidership, and smallness. Overall, the entrepreneur can be even more important than the business model, but it is their interaction that best explains internationalization speed.

5. Case Analysis

5.1 Table of analysis

Company	Firm introduction	Internationalization process	Network and social capital	Speed of internationalization	Business planning and improvisation	International opportunities
Gapwaves	Gapwaves is a Swedish technology and manufacturing company founded in 2011. The company has about 38 employees and develops and manufactures advanced antenna technology used in automotive radar sensors and driver-assistance systems.	Gapwaves was international from the start, operating in the U.S., Europe, and Asia. The company's development moved from patent and idea work to product development, licensing, and finally in-house production.	Gapwaves' internationalization has been driven by networks and social capital built through global partnerships and trust-based collaboration. Cooperation with Bosch, Business Sweden, and international fairs has strengthened relationships, credibility, and market knowledge.	Gapwaves' internationalization progressed fast, with global sales starting soon after its founding. The fast pace brought cultural and operational challenges, requiring quick adaptation in logistics, customer relations and increasing need for local presence in key markets.	Gapwaves' internationalization combines structured business planning with flexibility and improvisation. The board and management team guide long-term strategy and market choices, while the company stays flexible, adapting quickly to new opportunities and changing global market conditions.	Gapwaves' international opportunities come from the global automotive industry, where projects are multinational from the start. Regulatory openings in the U.S. enable testing of autonomous vehicles, while technological growth in China drives demand for advanced radar solutions and global expansion.
Company X	<i>Company X</i> is a small Swedish manufacturing firm that produces plastic components for the construction industry to distributors and wholesalers. The company was founded in 2010 and has 5 employees.	The firm's internationalization was driven by the potential in the company's products. After success in Sweden, distributors abroad began to discover the product. The first export went to Norway and Finland, followed by expansion to Germany, Austria, Netherland, Belgium, France and in 2025 the company signed a licensing agreement in Canada for local production.	The firm's international growth has largely been network-driven, relying on informal ties and word of mouth rather than planned partnerships. Key distributors discovered the company through personal or online connections. The internal, family-based board has enabled the firm to make fast decisions.	The firm adopted a cautious step by step internationalization strategy, prioritizing independence and self-financing over rapid growth. This slower pace enabled learning, adaptation to markets and reduced financial risks. However, it has also limited the firm's ability to seize early international opportunities.	The firm balances long-term strategic goals with short-term improvisation. Clear targets guide overall growth, but many international successes have come from spontaneous opportunities, such as distributors initiating contact. Decision-making is concentrated within the founding team which enables flexible and quick actions without external constraints.	Innovation has been the main driver of international opportunities through patented products. These products have attracted global distributors and strengthened the firm's competitive edge. Moreover, licensing agreements such as the one in Canada have shifted the company from a manufacturer to an international niche supplier and licensor. The firm also observes global automation trends to identify future global opportunities.

<p>Weland Solutions AB</p>	<p>Weland Solutions AB is a Swedish Vertical Lift Module (VLM) manufacturer for warehouses and production/manufacturing facilities. The company was founded in 1999.</p>	<p>Weland Solutions AB internationalization started in 2002. In the beginning it was unstructured but over time grew into using a strategic re-seller driven internationalization process. Resellers can use Weland Solutions digital tool called the configurator and take a project from idea to reality, making sales scalable. Additionally they utilize third party contractors that take care of all aftermarket services. The first markets were Norway/ Nordic countries, then further out in Europe and then South and North America and recently Asia and Australia.</p>	<p>Networks have been central in the initial stages of internationalization for Weland Solutions AB. They utilize institutions such as Business Sweden, Chamber of Commerce and trade organizations to use their network of local connections, knowledge, and other services before entering new markets. The board gives mandate to make necessary decisions and the parent company's long experience in business gives an extensive bank of knowledge and networks.</p>	<p>Weland Solutions AB utilises a combined/ adaptable speed of internationalization. When they use fast internationalization speed it results in a lot of mindshare and reference projects and new connections and contacts, while slower internationalisation results in a better partnerfit and less aftermarket service but risks losing momentum. Internally the firm needs to make sure to have a scalable aftermarket and focus on quality control.</p>	<p>Weland Solutions AB internationalization plan has been a combination of structured short- and long term business planning with strategic improvisation. The short-term is focused on capturing projects where their products can provide clear technological benefits. The long-term is focused on portfolio strategy, channel selection, system integration and brand positioning. The board/ decision-makers play an important role in deciding the direction of the firm. Other actors such as Business Sweden, local resellers contribute with information about markets.</p>	<p>Weland Solutions AB identifies international opportunities through desk research and expert interviews where they evaluate 10 to 20 candidate companies per market and score them based on different factors, where beneficial regulatory frameworks are of high interest. The firms also utilize opportunities arising from geopolitical changes and COVID. The business model changed from scattered sales to a structured reseller network, third party aftermarket contractors, and digital integration that makes growth costs almost non-existent and scalable.</p>
<p>DISAB Vacuum Technology AB (DISAB)</p>	<p>DISAB Vacuum Technology AB is a Swedish manufacturing firm founded in 1991. The firm manufactures and sells vacuum loaders. Furthermore, they offer installation and service on the machines.</p>	<p>The internationalization process was driven by demand and relationships. The expansion has mainly happened through agents. However, the firm has also in some cases expanded through subsidiaries. The expansion started in 1999 to Denmark and Norway, and then moved on to the United Kingdom. Thereafter came the expansion to Europe. In 2019 they entered the MENA. The latest expansion was to Finland in 2021.</p>	<p>The role of networks have had a vital role in the firm's internationalization process. In many cases, established relationships as well as the aspect of word of mouth have impacted which market the firm entered. Relationships provide the firm with local knowledge and market access, which lowers uncertainty when entering a new market. The board is not directly involved in the international process, leaving the decisions to the management team.</p>	<p>The firm's international expansion has kept a steady pace. The speed of expansion has been dependent on the market. This is due to aspects such as market research, finding, established relationships and finding a suitable agent, which can take different amounts of time depending on the market.</p>	<p>The internationalization process has been characterized by a balance between planning and improvisation. Some parts are always being planned, as other parts are left to improvisation. However, in recent years, the firm has moved towards incorporating more planning in the process to improve standardization and consistency.</p>	<p>The firm mainly develops their international opportunities through leveraging social capital such as relationships. Furthermore, new opportunities also develop through word of mouth, where satisfied customers and partners spread a good word about the firm to others. For this reason, it is of importance to focus on establishing long-term relationships built on trust and maintain a good reputation.</p>
<p>St. Regis Packaging</p>	<p>St. Regis Packaging was founded in Sri Lanka in 1996. The company makes eco-friendly paper sacks for the tea and the cement industries. Its Rigid-T-Sack was a big step forward and replaced heavy wooden tea boxes with a lighter and more eco-friendly option.</p>	<p>The company started exporting goods to Vietnam in 1996. But their first attempt was hard and didn't succeed because they didn't have much experience. Then the company focused on growing its business in the domestic market from 1996 to 2004. In 2005, they were able to re-enter Vietnam and the new market of Kenya. Thereafter, exports grew gradually since 2008 to China, India, Rwanda and Indonesia with learning and low-risk partnerships with the distributors and agents.</p>	<p>Sri Lankan tea exporters and organizations such as the tea board and the export development board helped the company to enter the global market. Also, the logistics partners and distributors help with local coordination. The board maintains strong relationships with parties who help the company succeed in the international market.</p>	<p>St. Regis was slow to grow. It took its time and learned as it went. They had some problems at the earlier stages and chose to enter new markets one at a time by gaining experience before moving on to new countries. This gradual speed cut down on financial risk and made it possible for long-term growth and a long-term presence in the important tea packaging markets.</p>	<p>The company manages its growth around the world with planning and improvisation. It evaluates necessary requirements before moving to a new market. And, the board reviews each plan. The company uses pilot projects to try out its new ideas. When things go wrong, the teams quickly adapt to that situation by taking timely actions. St. Regis uses what it learns from these experiences to make its future planning better and take improvisational decisions to face unexpected situations.</p>	<p>The company finds opportunities through providing innovative packaging solutions for the tea manufacturers. The company's most significant product, Rigid-T-Sack, replaced large wooden boxes. This innovation opens new markets and each growth enhances its products and business model. Also, the launch of ZeroCarbon bags in 2024 contributed to the company's image as a sustainable business and has attracted more customers who demand eco friendly products.</p>

Tulika Eco Limited	Tulika Eco Ltd is a small Bangladeshi manufacturing firm producing eco-friendly jute-based products for international retailers and wholesalers. Founded in 2017, the company employs rural artisans and operates two production units.	Tulika Eco Ltd began internationalizing within a year of its founding, starting with exports to Europe-particularly Ireland and Italy. The company evolved from local artisan production to structured export planning, participation in international trade fairs, and scaled in house manufacturing to meet growing global demand.	Tulika Eco Ltd's internationalization has been shaped by personal networks and social capital built through trust based relationships with European buyers, artisan communities, and sustainability forums. Engagement in international trade fairs and informal advisory circles has strengthened its credibility, global visibility, and market insight.	Tulika Eco Ltd's internationalization progressed rapidly, securing export orders within a year of founding. This fast growth brought operational challenges, prompting quick adaptation in production, logistics, and coordination to meet rising global demand.	Tulika Eco Ltd's combined structured export planning with flexible daily operations. While long-term goals guided its global strategy, quick improvisation-like adjusting designs and resolving shipping delays, helped the company stay responsive and reliable.	Tulika Eco Ltd's international opportunities stem from the global shift toward sustainability, where demand for eco-friendly products is rising across Europe. Regulatory bans on plastic and growing green consumerism enable market entry, while participation in trade fairs and online platforms drives expansion into new regions.
Optifuse	Optifuse is an US-based manufacturer, founded in 2000. The company mainly produces fuses, clips and circuit breakers, and designs products for several industries such as the automotive, industrial machinery, telecom, and electronic manufacturing.	Optifuse internationalization started a short time after establishing a strong domestic presence. While the exact timeline for internationalization was not given, the first market Optifuse entered was Canada and Mexico due to geographical proximity. The company had initially accounts in Mexico and Canada, and once the opportunity was given after having established a network of distributors, the company used direct sales to enter these markets.	Optifuse's internationalization has been driven by networks such as distributors and social capital such as manufacturing partnership in Taiwan and China for ensuring solid product quality and delivery. The board has also incorporated international experience by letting overseas managers to become a part of the board of directors. In that way Optifuse can make sure that strategic decisions align with real world conditions.	The internationalization for Optifuse started at a very early stage and the company did not actively pursue the international market. It was rather a natural development, it was no rapid process. But a process that took its time, and started in Mexico and Canada. Soon after Canada and Mexico were successful, Optifuse broadened its networks. The internationalization came with several challenges such as logistics and adapting to customers demand	Optifuse is a company that is highly responsive to its surroundings, while the internationalization was not either improvisation or strategic planning but a natural evolution. Today the company is balancing long term goals with adaptive responses to different conditions. The company however is quick with being flexible and adaptive, and coming up with different solutions such as dropshipping, transparency, and tailoring products after clients demands and fluctuating markets.	Optifuse assess international opportunities the same way as they did domestically, through distributors and customers in different markets, which has eventually also led them to reenter industries. Optifuse's products are either UL, CSA approved and meet European performance standards and do not meet any regulation barriers and enable market entries.

5.2 Internationalization Process

This section explains how the firms in the cases expand internationally and how this connects to internationalization theory. The analysis focuses on three main perspectives: (1) internationalization as a gradual learning process under uncertainty (Johanson & Vahlne, 1977), (2) internationalization as gaining a position inside business networks and overcoming outsidership (Johanson & Vahlne, 2009), and (3) how smaller firms handle limited resources and depend on partners and institutions when they go abroad (Child, Karmowska, & Shenkar, 2022).

Across the cases, the firms often begin with high uncertainty and little foreign market knowledge, start with low-commitment modes, and then increase or adjust commitment as they learn. This pattern is consistent with Johanson and Vahlne's (1977) view of internationalization as a gradual, experience-based process. This development is visible in DISAB. The firm first built a strong position in Sweden, then expanded to nearby Scandinavian markets, and only later moved into more distant regions. In each new country, DISAB often started by using local agents to understand rules,

customers, and service needs before investing more. When a market became important and stable, it sometimes created its own subsidiary. This follows “learn first, commit later,” as described by Johanson and Vahlne (1977). St. Regis shows something similar. The firm tried to export early but struggled with logistics costs, weak credibility, and limited experience. After that, it focused on improving production, certification, and reliability at home. Only later did it go abroad again, in a slower and more controlled way, often using distributors and partners. This supports two ideas in Johanson and Vahlne (1977): foreign market knowledge is a key barrier at the start, and commitment is adjusted over time.

Company X also expands step by step, but its growth is led by foreign distributors who approach the company. Instead of building its own offices abroad, Company X works through these distributors and has a licensing agreement with a company in Canada. This protects resources and lets the firm enter one market at a time. This reflects gradual commitment (Johanson & Vahlne, 1977) and also what Child et al. (2022) call the “liability of smallness,” meaning that small firms often lack finance, people, and detailed information and therefore must rely on others (Child et al., 2022). Optifuse shows a related pattern. The firm first built a strong domestic base and then expanded to nearby markets with lower risk. In the early stages, OptiFuse expanded through both distributors and direct sales. In the U.S. it worked via representatives who drove domestic growth and connected customers to its distributor network, while internationally it entered mainly through distributors but also sold directly to select clients, refining its sales model and partnerships as it learned. This illustrates stepwise expansion, guided by experience and available resources, which connects to both gradual learning (Johanson & Vahlne, 1977) and the challenges of smaller firms described by Child et al. (2022). Internationalization in these cases is also about getting accepted inside relevant business networks and overcoming outsidership, not just choosing a country to enter next. This logic aligns with Johanson and Vahlne’s (2009) argument that firms gain opportunities by becoming insiders in key networks rather than simply entering new geographic markets. Gapwaves fits this network view. From the beginning, it needed to work with major players in Europe, North America, and Asia. Instead of expanding slowly from nearby to distant markets, it built credibility through partnerships, fairs, and export support to be seen as a trusted technology partner. This shows the move from “outsider” to “insider,” which Johanson and Vahlne (2009) describe. Weland Solutions follows a similar logic, expanding into many countries without establishing a full subsidiary in each one. Instead, it builds a network of local resellers and service partners, trains them, and supports them. It also uses export support actors to find good partners and handle local rules. In this way, Weland Solutions gains insider status in local markets without heavy investment. This supports the idea that internationalization is about network position and access (Johanson & Vahlne, 2009).

Tulika Eco Ltd also grows mainly through relationships. It builds trust with foreign buyers, uses trade fairs and referrals, and becomes seen as a reliable supplier in export markets. Instead of starting with local subsidiaries abroad, it joins existing buyer networks. This again reflects the idea that firms internationalize by building credibility and commitment inside key relationships (Johanson & Vahlne, 2009). Optifuse also shows the importance of networks. The firm depends on long-term partnerships with distributors, key customers, and manufacturing partners. By adapting sales and delivery solutions around these relationships, it builds trust and gains access in new markets, which reflects internationalization through relationships rather than only through establishing its own presence abroad (Johanson & Vahlne, 2009).

In summary, there are two main patterns. First, firms like DISAB, St. Regis, Company X, and Optifuse follow a gradual, learning-based path: they start in closer or lower-risk markets, gain experience, and increase commitment only when uncertainty is lower (Johanson & Vahlne, 1977). Second, firms like Gapwaves, Weland Solutions, Tulika Eco Ltd, and Optifuse show that internationalization can also mean entering key networks early and becoming trusted insiders there. In that pattern, the focus is less on choosing the first country to enter and more on building the right relationships that open doors (Johanson & Vahlne, 2009). Across the cases, it is evident that most of these firms are relatively small and therefore depend on partners, institutions, and networks to overcome resource limits and grow internationally (Child et al., 2022).

5.3 The Role of Networks and Social Capital

In this section, the role of social capital and networks in the firm's internationalization process are being explored. The concept of social capital and networks plays a vital role in all of the seven firm's internationalization processes. However, the role unfolds in different ways for the firms.

In the article of Agndal et al (2008), social capital was described as a dynamic phenomenon that changes during the internationalization process. This is also illustrated in the internationalization processes of some of the firms, where the role of social capital such as relationships and networks changes over time. The initial international expansion of St. Regis was dependent on established domestic connections with tea exporters. In the same way, Gapwaves international expansion was largely enabled by global relationships and networks such as Bosch. For Optifuse, strategic partnerships with manufacturers have been crucial for the international expansion. Similarly, networks have been vital for the first international sales of Weland Solutions. In the same way, DISAB expanded through established relationships. In these cases, the firms have worked with the resources that they have, by leveraging known relationships to gain international opportunities. Through these relationships, the firms could gain local knowledge and mitigate risks when entering a foreign market.

This aligns with Agndal et al. (2008), stating that social capital is associated with efficacious and direct relationships in the early foreign market entry. Additionally, this is consistent with the importance of connecting with a bridge-maker in the pre- and post entry of a market to gain local market knowledge (Safari & Chetty, 2019). However, the early phase of market entry of Company X and Tulika Eco Ltd is rather consistent with Agndal et al. (2008) idea of social capital in the later phase, often associated with serendipitous and indirect relationships. In the early foreign market entry of these companies, the concept of word of mouth played an important role, where they gained new international opportunities through pleased customers and partners spreading the word. An example of this concerns Tulika Eco Ltd, where word of mouth led to international opportunities among the European countries.

The social capital in the later market entries of all of the seven firms are characterized by serendipitous and indirect relationships (Agndal et al, 2008). For instance, DISAB entered the Middle East through established relationships in the United Kingdom. Furthermore, Weland Solutions and Gapwave collaborate with Business Sweden to gain further international opportunities. Throughout the internationalization process the firms work with the networks available rather than following a predefined goal, which is consistent with the findings of Galkina and Chetty (2015) that firms tend to network with interested partners.

All firms exhibit a strong reliance on network and social capital, for legitimacy, assessing opportunities, market entries. However, the difference was in how the firms managed their connections. Gapwaves, Weland Solutions, and St. Regis demonstrates that cooperating with intermediaries through direct and indirect networking can generate opportunities as Chetty and Agndal (2007) mentioned. By building entrenched networks, SMEs can reduce uncertainties and elevate their credibility, and thereby connect with actors in the specific market. Gapwaves collaborated with Business Sweden and CES to establish credibility and build relationships with international actors. Weland Solutions who also established partnerships with Business Sweden, Chamber Commerce, and trade organizations to facilitate their internationalization. Correspondingly St. Regis utilized the Sri Lanka Export Development Board and Tea Board, to enable exports. Informal and dependable relationships for instance personal ties and word-of-mouth has been crucial to internationalization for Company X, Tulika Eco Ltd., and DISAB; instead of formal marketing. Company X has successfully expanded internationally through an informal distributor network. Tulika Eco leveraged on Ms Chowdhurt's personal contacts and sustainability forums to elevate their legitimacy, and DISAB's approached the international market by establishing long-term personal connections and attested service for assessing new markets. DISAB's networks in the United Kingdom provided the company with Knowledge and different partnerships to enable expansion to

the Middle East. Further supporting Chetty and Agndal's (2007) stance that social capital is a dynamic resource, and with network bridging SME can elevate their trustworthiness.

These cases are a reflection of firms exploiting international and market-specific social capital, which Lindstrand and Hånell (2017) introduced. Gapwave and Weland Solutions used international social capital through trade fairs and organization to create opportunities. But once those connections were converted into local alliances through for example, Business Sweden who assist Swedish SMEs to build local connections, trust, and knowledge of specific markets, firms saw success. St. Regis converted its partnership in Sri Lanka's tea sector into global connections. In line with Lindstrand and Hånell (2017) argument of the importance of local alliances; enterprises' collaboration with institutions are just as important a part of social capital for a firm's innovations and expansion as their customers and networks. St. Regis is partnering with universities and suppliers for technological advancement and OptiFuse are merely recruiting skilled graduates from San Diego State University. Boards and leadership shape companies manage social capital. At Weland Solutions and St. Regis Packaging, the board played a role in ensuring the company's strategy and continuity, by providing oversight and resources. At OptiFuse, including internationally experienced people in the board provided deeper external knowledge. Company X, Tulika Eco Ltd., and DISAB was driven by informal leadership and family, which made them flexible and adaptive, but also limited their strategic scope and long-term planning.

5.4 Born Globals and the Speed of Internationalization

The speed of internationalization varied across the cases but all firms faced challenges between acting quickly to seize opportunities and moving slowly to manage uncertainty. Gapwave expanded abroad fast, Weland Solutions combined a mix between slow and quick expansion, while companies such as Company X, Optifuse and St. Regis followed a more gradual path. Despite the differences in speed, only one company developed typical traits typical of born globals, even if many companies their internationalization initially followed a slower, more traditional process.

In line with Hilmersson and Johanson (2016), most of the firms internationalized gradually through learning. As mentioned previously, their framework highlights learning through three different scopes: experiential (gained through direct market activity) networks (acquired through partnerships and interactions) and consequential (triggered by unexpected events). These processes were visible across the different cases. All the following cases can be linked to experiential learning. In the beginning, Weland Solutions AB used knowledge from its internationalization in the nordic markets to be able to enter other international markets. Gapwave, through its high speed internationalization in a global position, quickly had to learn about customer preferences and different ways of communicating,

varying between cultures. St. Regis initially had a fall back in their international process, but through a process of acquiring information and testing their way forward, they found success globally. Additionally, networks were a common strategy, for example, St. Regis also relied on international networks to internationalize. Company X has created its internationalization through network learning as they entered new markets after being approached by foreign partners.

Tulika Eco Ltd identified reliable suppliers and created networks to internationalize. Gapwave used networks to internationalize, for example through Business Sweden, trade fairs and supplier networks. Optifuse initially had international accounts in Canada and Mexico which made the internationalization natural and network based. OptiFuse internationalization was not a deliberate pursuit and therefore fits well with consequential learning from unexpected events. In 2020, Hilmersson and Johanson identified two additional knowledge acquisition strategies; Grafters and Pragmatists. Grafters combine acquisition of own experiences and hiring new employees or M&A which did not fit in on any of the firms interviewed. Pragmatist however, fits well in on Weland Solutions international strategy today, by adapting their knowledge acquisition strategy between experience, networks, and acquiring skill, based on the project or markets that they will enter.

Hilmersson et al. (2017) explains the idea of learning advantage of newness as the phenomenon of, the younger a firm is when it internationalises, the faster pace of internationalization the firm can have. This can be connected to both Gapwaves that internationalised almost immediately in several markets and is internationalizing at a high pace, as well as Weland Solutions which had a fast internationalization process where Ljungberg explicitly talked about the importance of not losing momentum during fast internationalization. Learnings acquired from the pursuits of new international market have helped the organizations to further internationalise with already established routines, minor adjustments and to be prepared for obstacles to come. Hilmersson et al. (2017) further explains the risk of a later internationalization and how this can hinder the success of the internationalization, which could be the explanation why St. Regis and Company X have had challenges in their internationalization process.

The case firm's speed of internationalization logic fits well with what Prashantham et al. (2018) mentions as an effectual and causal approach. The effectual approach can be linked to Tulika Eco Ltd and St. Regis which uses existing contracts and spontaneous opportunities to enter new markets. However, St Regis took a pause in their internationalization from 1996 to 2004, showcasing how they strategised which can be linked to the casual approach. Company x combines the two approaches through acting on spontaneous opportunities, but has also had a slow internationalization process with strategic partners. In the beginning, Weland Solutions AB acted on spontaneous opportunities and tried to internationalize quickly, but have gradually adopted a more casual approach with strategic

selections of partners and clear long term plans. Gapwaves also follows a casual logic, as the company's internationalization is based on structured planning and targeted partnerships. DISAB mainly follows a casual logic and has expanded through planned distributor networks and long term partnerships. It also shows a slight mix of the effectual approach as the company remains flexible when new opportunities arise. Optifuse has acquired a mix between casual and casual approach as the company's internationalization has been strategically planned with the expansion to Canada and Mexico. However, the company claims that internationalization came to them naturally without strategic planning.

Johanson and Oliveira (2024) mentions that SMEs can enhance their international performance with the use of predictive and non-predictive strategies. Firms such as Gapwaves, St. Regis shows clear signs of predictive strategy putting emphasis on thorough planning, analysis and goal setting, while firms such as Tulika Eco Ltd show signs of a more non-predictive approach relying on effectuation, improvisation and flexibility. Firms such as OptiFuse, Weland Solutions, Company X, and in a later stage by St. Regis Packaging used a combination of the two strategies depending on the environment in the markets aimed to enter. Johanson and Oliveira mentions that the effectiveness of the strategies depends on the type of institutional environment in the host country, which also was pointed out by some of the case firms.

5.5 The Role of Business Planning and Improvisation

Business planning and improvisation affect the internationalization process of SMEs as explained by many authors through the effectuation theory. Mainly, Sarasvathy (2001) provides the difference between effectuation and causation and she focuses on available means, experimentation and affordable loss. Further, Sarasvathy et al. (2013) develop this theory to the global context. They introduce principles such as the bird-in-hand, crazy quilt, lemonade and pilot-in-the-plane with the foundation from Sarasvathy (2001) to make adaptive decisions in uncertain situations. Chetty et al. (2015) identify that SMEs acquire knowledge with experimentation and the implementation of flexible, collaborative strategies and the 'bounded commitment'. Additionally, Karami et al. (2023) emphasize in their article that there is a relationship between the networking capability with the effective decision making and the international performance of SMEs. In this part, we will look at these concepts in relation to the seven companies to see how their business planning and improvisation impact their internationalization process.

Effectual entrepreneurs don't start with a specific goal. Instead, they start with available means consisting of the characteristics of who they are, what they know and whom they know (Sarasvathy, 2001). Almost all the companies align with this concept, specifically, Gapwaves, Company X and

Weland Solutions show this concept where the directors make decisions based on their experience, networks and knowledge rather than the precise predictions. For example, Gapwaves has a strong planning process for long term strategic direction but it also takes the advantage of sudden opportunities like being involved in the US autonomous car market. This relates with Sarasvathy's "bird-in-hand" approach which explains how the company uses its present technology and management skills to take advantage of short-term market opportunities. Company X also shows that effectual entrepreneurship doesn't say no to planning, instead, it uses planning to take advantage of unexpected opportunities. They didn't plan to work with distributors but they did because they acted on unplanned connections. This relates to the "affordable loss" idea and states that entrepreneurs should invest in opportunities as they arise rather than placing large investments on uncertain predictions. Weland Solutions AB also uses this beneficial strategy. The company takes good care of its brand and portfolio but it took the opportunity when a contact in Korea turned into a new relationship. This is effectuation in action with choosing what the company has and creating opportunities through connections rather than relying only on the predictions.

Sarasvathy et al. (2013) build on the Sarasvathy's (2001) paper and they use five principles to show how entrepreneurs deal with uncertainty, limited resources and network dynamics across countries. St. Regis Packaging is a great example for the lemonade concept because it could transform the problems with the supply disruptions, material shortages and COVID-19 restrictions into opportunities to learn and digitalize some of their operations. Also, DISAB shows the crazy quilt logic when it makes decisions informally and collaboratively. For example, staff members have "coffee-table discussions" instead of developing formal plans, therefore this allows the company to be more adaptive and enables co-creation within. Weland Solutions also builds strategic flexibility by working with Business Sweden and local resellers. This is an example of the crazy quilt principle since they form partnerships that let them quickly respond to the changes in the global market. Tulika Eco Ltd uses its current production knowledge and market feedback to change its products and prices at a minimum risk, and this is an example of the affordable loss and bird-in-hand principles. OptiFuse shows the pilot-in-the-plane approach, growing abroad without a pre-established plan, instead, it used spontaneous opportunities to shape its strategy in its internationalization.

To build on Sarasvathy's five key principles, Chetty et al. (2015) dives deeper into the effectuation theory and focuses on how firms reduce risk through flexibility, bounded commitment and experimentation. All seven companies show how strategic planning and improvisation operates parallel, supporting Chetty et al's (2015) argument that experimentation and structure needs to coexist to navigate in uncertain environments. Gapwaves integrate structural process with improvisation; the board is issuing foresight while management is adapting and embracing emerging technology and regulatory fortuitous events. St. Regis Packaging uses a combination of systematic evaluation, pilot

testing, and quick accommodation to shape operations to enable environment and logistical hardships. Similarly, Tulika Eco Ltd. operates based on an export scheme, yet are able to be amenable to customers' demand and market shifts, through adjusting production, pricing and design accordingly. In contrast, Company X, DISAB, and Optifuse approached internationalization in an informal and opportunity driven way, unveiling rudimentary effectual behaviour. Company X's internationalization is unpremeditated through distributor networks and DISAB uses past experience and informal decision making made collectively within the firms. For Optifuse internationalization emerged unplanned and naturally, the company can be displayed as reactive to opportunities. Initially Optifuse had a couple of accounts in Canada and Mexico, once the opportunity came across, Optifuse took it. A frequent trait these companies displayed was the gradual shift from flexibility towards a strategically structured expansion as Chetty et al. (2015) argued. Weland Solution balances improvisation and coordinated planning by focusing on projects whose technology was effective and created short-term advantages. Meanwhile, emphasizing on channel strategy, portfolio development, and brand positioning long-term. With the support of Business Sweden, local resellers, and the board, the company could access market insight and make its decisions. Optifyse however, managed its operations despite challenging events by remaining adaptive to market conditions and external pressure. The company, for instance, introduced a drop-shipping model as a response to regulatory restriction and traffic, which allowed the firms to effectively operate abroad.

Lastly, Karami et al. (2023) identify the true strength of the entrepreneurs is in their networking capability. The companies can transform uncertainty into opportunities with the capacity to build, manage and adapt relationships. This principle is quite visible in all seven SMEs and the networks of the SMEs act as the basis for both planning and improvisation. Weland Solutions and Gapwaves build partnerships with Business Sweden, local resellers and industry authorities to get market information and respond immediately to the market changes. St. Regis Packaging and Tulika Eco Ltd convert their ongoing relationships with suppliers and consumers into mechanisms for learning within the company that help the company to become flexible and innovative. Company X and DISAB depend on the strong internal networks and trust-based communication to make decisions faster and reduce risk in the unstable international environment. On the other hand, OptiFuse builds trust with the countries through the transparency and fairness in their communication, for instance, the firm offers customers to see the tariffs as a separate item of the product. This trust helps the company do well in the long run. Therefore, these companies show that having good relationships, not strict plans, is what really leads to long term success in the unpredictable international marketplaces.

5.6 International Opportunities and Business Models

Hilmersson et al. (2021) mention that rigid planning and systematic search minimizes serendipity. This can be seen in Weland Solutions who use a combination of desk-research and expert interviews which is highly structured, however, the company has found opportunities outside of this structured search, an example is during COVID. Gapwaves and Company X also discover opportunities through a predefined framework. Optifuse is opportunity driven and has a higher potential of serendipity opportunities emerging from partnerships. DISAB, however, is the firm closest to serendipity by gaining international opportunities through networks and word of mouth. Additionally, St. Regis Packaging and Tulika Eco Ltd have come across opportunities due to the change towards more sustainable products which could result in serendipitous opportunities.

Mainela et al. (2014) say that international opportunities are usually created by relationships and then shape how firms organize across borders, and we can see this in all cases. Gapwaves went global very fast by working with international partners in the car industry, adapting sales and even considering local production depending on the market so the opportunity, the network and the organization all developed together. Company X shows the same logic but slower, its patent *Speedis* attracted foreign distributors who opened new markets for the firm, and the company used licensing (for example in Canada) to lower risk while staying small, which changed it from only producing to also licensing. Weland Solutions AB keeps production at home but uses networks and research for initial contact within new markets and sells through resellers supported by a digital tool so it can act globally without building big local subsidiaries. Tulika Eco Ltd in Bangladesh links European demand for ethical and sustainable jute products with skilled women artisans locally, enters markets like Italy and Ireland through personal contacts and fairs, and scales production at home instead of opening offices abroad. St. Regis, DISAB and Optifuse also show the same pattern: opportunities come through networks, and those opportunities directly affect how the company structures its value creation across countries, which is consistent with Mainela et al. (2014).

Teece (2010) emphasizes on the importance of a business model design that effectively transforms innovation and technology into commercial value through learning, creativity, dynamic capabilities and to continuously adapt and update it to changes in the business environment. Company X aligns with Teece's finding since the firm effectively converts technological advantages by patenting innovations and licensing agreements into sustained revenue and a competitive positioning. Additionally, St. Regis Packaging and Tulika Eco Ltd have adapted their business models by changing their products towards more sustainable solutions due to the increasing global demand for sustainable products, which aligns with Teece's arguments of differentiation and adaption to business environments and customer demands. Gapwaves initially focused on patents and licensing but have gradually changed towards a more profitable business model by producing the product themselves and utilizing external technological and regulatory opportunities, which show that they adapt, change, and

continue to develop their business model to stay competitive in the market. Weland Solutions is a clear example of business model adaption since the company has changed from sporadically selling products with a lack of aftermarket services to a scalable sales structure with independent resellers, digital integration, and third party aftermarket contractors to keep costs low and sales and profit high. DISAB and OptiFuse do not explicitly connect to the arguments explained by Teece, their approaches mainly focus on market research and networks rather than on transformative business model design.

Landau, Karn and Sellers (2016) suggest that firms from developed to foreign markets need to keep adjusting business models as they move through international expansion, local emergence, growth and consolidation. This can be seen in several of the seven companies that are under study. Gapwaves is adapting to U.S. trade regulations by investigating the prospects of local manufacturing. Company X expanded its business setup by licensing its patent in Canada, which helped lower, for example, transportation costs, while keeping control of its intellectual property. To reduce financial risks, St. Regis Packaging worked with local distributors in Kenya to develop the Rigid T Sack, suiting its products to local transport and packaging needs. Tulika Eco Ltd entered Europe with its eco-friendly products that matched the region's environmental focus which helped strengthen the company's market position in the region. OptiFuse also reached international markets by differentiating its products according to the requirements of its distributors, especially in the telecom sector, while maintaining the company's core value propositions.

Gabrielsson, Julkunen and Andersson (2025) say that the entrepreneur's mindset works together with business-model choices to determine how fast a small, young firm goes abroad. In our cases, a global mindset aligns with global business model (BM) practices and creates accelerated internationalizers (AIFs), while a regional mindset aligns with regional BM practices and produces gradual internationalizers (GIFs). Gapwaves illustrates AIF logic with early foreign sales and rapid multi-country reach. Tulika Eco also moved early across borders, then strengthened processes and QA as demand grew. By contrast, DISAB shows GIF logic by using agents first and adding subsidiaries only in key markets. St. Regis expands step by step with pilots and distributors to stay capital-light and Company X favors distributors and a selective license to balance reach with control. Weland solutions professionalized from a gradual start to faster scaling via a global reseller network and digital configurator. OptiFuse develops international opportunities with a partner-first business model: it selects a distributor or client in each market, leverages lead-client pulls, began regionally (Canada/Mexico), relies on certifications for access and adapts delivery (including drop-shipping) Across all cases, international opportunities reshape the BM (value proposition, delivery, revenue model), channels and partners reduce newness/outsiderness and it is the mindset-BM interaction that best explains internationalization speed.

6. Conclusion and Recommendations

6.1 What are the critical challenges and key determinants of the SME internationalization process?

The seven SMEs in the analysis of the manufacturing industry execute international expansion in varied ways and identify several challenges that are important to acknowledge. The internationalization process is rarely a straight linear process but rather a line of challenges and obstacles that the firms need to overcome, some challenges are recurring across the cases while others are unique to the firm and their strategy.

Many of the firms faced challenges with lack of foreign market knowledge which resulted in entries with low commitment because there is an uncertainty around regulations, customers, and service needs. For example DISAB began with local agents in new markets to acquire knowledge. St. Regis struggled early with logistics and credibility and had to pull out and try again years later. Weland Solutions also had to pull out of some of their early internationalization markets due to lack of attention to after market service. Company X used a slower internationalization process because of strategic decisions, which they later regretted and would have sped the process in hindsight. Being a small firm was also found to be a challenge, limiting what the firms can do because of less money, people and information. Company X relies on foreign distributors and a license in Canada, OptiFuse struggled in the early stage with limited resources and had to travel a lot to connect with distributors, Weland Solutions used resellers to expand with low costs, and Tulika struggled with high material costs and logistics. Initial network and relationship building was found to be hard, and external actors were an important factor in acquiring connections in markets. The firms experienced challenges regarding balancing internationalization speed and risktaking. Gapwaves expanded fast but faced a lot of uncertainty and learned on the move, Weland Solutions started with scattered sales and then adapted a more structured process, St. Regis moved fast and had to draw back, while Tulika, and Company X expanded more gradually. The firms mention the importance of regulatory knowledge and how certification and product quality needs to be met for certain markets, especially mentioned by Tulika, St. Regis, and OptiFuse.

6.2 What characterizes a sustainable international growth strategy for internationally growth aspiring SMEs?

A sustainable international growth strategy of SMEs can include market expansion both through gradual learning and being an insider within a key network. For instance, DISAB, Company X, St. Regis, Tulika Eco Ltd and Optifuse initially expanded to markets with low psychic distance. As the

firms gained knowledge and experience from the initial expansion, they started to expand to markets with a higher psychic distance, showing a gradual learning process (Johanson & Vahlne, 1977). However, Gapwave and Weland Solutions AB directly expanded to markets with higher psychic distance. This was done through partnerships, fairs and networks, which can be explained by the idea that firms gain international opportunities by becoming an insider in networks (Johanson and Vahlne, 2009).

Social capital is a key driver of SMEs' international growth, leveraged through relationships and networks in both early and later phases of market expansion. Consistent with Agndal et al. (2008), the social capital of St. Regis, Gapwave, Optifuse, Weland Solutions and DISAB evolved from efficacious and direct relationships to serendipitous and indirect relationships, whereas Company X and Tulika Eco Ltd primarily remained serendipitous and indirect throughout the process. Across all of the firms, network with interested partners such as organizations, manufacturers, distributors and agents were actively utilized (Galkina & Chetty, 2015). These relationships facilitate local market access and knowledge, lowering entry barriers, supporting the importance of connecting with a bridge-maker (Safari & Chetty, 2019).

Moreover, the ability to balance strategic planning with improvisation is vital for internationally growth aspiring SMEs. This is shown throughout all of the seven SMEs internationalization processes, which is in line with the idea of Chetty et al. (2015) that both experimentation and structure is important when operating under uncertain conditions. The balance between planning and improvisation takes different forms across the SMEs, reflecting the unique resources and context of each firm. Despite these variations, the balance is consistent in all of the processes, emphasizing the important role of strategic planning and improvisation in international growth.

What can further be concluded from the analysis is that SMEs depend on efficient leadership and adapting to cultures and norms to maintain a persistent international growth. This can be done through reshaping strategies, supplies and pricing models; which confirms Teece's (2014) argument about dynamic capabilities, that firms constantly redesign their strategies and productions to align with fluctuating markets. The findings also indicate that Boards have a significant role in internationalization. By having an internationally accomplished board, firms can assert flexibility and yet maintain governance. This, once again confirms the perspective Gabrielsson and Huse (2004) have on boards, that is portrayed as essential leadership and strategic resource improves international growth.

6.3 How can actors in the innovation system support the internationalization of SMEs and which support activities are critical when designing internationalization support programs for SMEs?

The internationalization process of SMEs depends not only on the entrepreneurial skills but also on how strong the innovation system exists to support them. This study shows that the seven companies get assistance from a number of different institutions in their internationalization. They provide more than just support services, but they help SMEs succeed in the international market. To support SMEs to minimize uncertainty, create legitimacy, get financial support and build international business networks, the actors such as the government, export development agencies, chambers of commerce, industry networks, educational bodies and the banks, all work together. This relationship between institutional actors and company internationalisation is quite similar to Johanson and Vahlne's (1977, 2009) Uppsala internationalization model, that highlights SMEs growing internationally step by step learning about new markets and building trust through partnerships. Also, institutional actors speed up the internationalization process and assist companies to go from being "outsiders" to "insiders" in the international markets.

The government and export development agencies are very important to overcome the initial problems that come up when a business goes to the international market. Child et al. (2022) state SMEs have a "liability of smallness" because they don't have the financial resources and knowledge. The governments and other agencies could help with this disadvantage by providing training, funding, regulatory support and platforms for the SME's international growth. For instance, St. Regis Packaging operates under the Sri Lanka Export Development Board and the Sri Lanka Tea Board and they help the company with credibility, market information and access to the international distributors. And also, this improves the legitimacy in international markets since it has collaborated with these government bodies. This is in line with Johanson and Vahlne's (1977) claim that experiential learning and network commitment improve success in overseas markets. Tulika Eco Ltd and Gapwaves participated in trade fairs with the help of the government and with that opportunity they have received international market access. These government actions acted as "bridge-makers" (Safari & Chetty, 2019) and they helped the companies to overcome the psychic distance and cultural differences as trusted middlemen who knew the regulations and more about the local market.

Chambers of commerce and industry networks act as an important connector between SMEs and the international business network. Once Gapwaves and Weland Solutions needed to learn about the market and find trustworthy partners, they approached Business Sweden, the Chamber of commerce and different industry associations. The role of these institutions is to connect companies with

resellers and regulators in international markets, build confidence and reduce uncertainty in the international marketplaces.

The bounded commitment principle from Chetty et al. (2015) says that businesses grow through limited and controlled investments to deal with uncertainty. This means that SMEs can internationalise in stages if they have access to the financial resources. Therefore, the banks and other financial institutions are important parts of the innovation system. For instance, Company X used financial support since they didn't have enough money for internationalization. Financial actors can help SMEs manage affordable loss (Sarasvathy, 2001) and enter into the new markets with export credit guarantees, low interest loans and insurance plans with the support of these institutions. This motivates SMEs to look for chances with manageable risks while making their long term financial stability stronger. This is in line with Teece's (2010) dynamic capabilities framework that connects the resource allocation and learning to long term competitiveness.

Finally, educational and research organisations also play a big role in making SMEs stronger and more innovative within international markets. Teece (2010) says that learning and innovation are important dynamic capabilities for internationalisation. OptiFuse collaborated with San Diego State university to find talented employees and improve technology. Also, Gapwaves was established as an outcome of the Chalmers university research. St. Regis packaging and Tulika Eco Ltd work with local universities to enhance their products in international markets. These actors assist SMEs with knowledge sharing, R&D initiatives, export support programmes, certification schemes and with many more activities to support SMEs to their internationalization.

6.4 Theoretical Implications

The cases show that SME internationalization rarely follows a straight path. Instead, it develops through learning, relationships, and constant adjustment to new conditions. This supports Hilmersson and Johanson's (2016) idea that smaller firms learn from experience and gradually reduce uncertainty through market interaction. In several cases, such as Company X and St. Regis Packaging, international growth came from trial and error rather than long-term planning. The importance of networks and trust was clear in firms like Tulika Eco Ltd and DISAB, which supports Johanson and Vahlne's (2009) argument that social ties help firms overcome the liability of being outsiders. How decisions were made also played a vital role. While Gapwaves and Weland Solutions followed a more planned and structured path other companies like Company X and Tulika Eco Ltd took advantage of spontaneous opportunities as they appeared. This mix of effectual and causal thinking as described by Prashantham et al. (2018), shows that there is no single formula but that internationalisation often combines both structure and flexibility.

The SME internationalization is not characterised with a one universal model, but is a combination of multiple supportive theories. These theories explain how SMEs expand internationally under different conditions. The Uppsala model illustrates that companies usually don't know much about international markets when they start. They first enter psychically or geographically close countries and learn from doing business there and only then expand their commitment (Johanson and Vahlne, 1977). Their article in 2009 says that it's not just about how far apart countries are but also how far apart networks are. To get opportunities the companies need to become insiders in the right business networks. St. Regis Packaging, DISAB Vacuum Technology and Company X are following this way. They didn't jump into the markets that were too far away or too complicated. They started in markets that were close or had strong ties to their industry. Once they had a better understanding of the market they had expanded their market share. Gapwaves and Weland Solutions show that the success depends on getting into the correct global networks early, not only expanding step by step geographically as the revised model (Johanson & Vahlne, 2009). SMEs face the liabilities of smallness and they require dependence on the institutions, networks and the local support to acquire knowledge, establish legitimacy and engage in the international commitments (Child et al., 2022). Agndal et al. (2008) highlight that the social capital intentionally supports internationalization with enterprises actively establishing contacts to access markets and enhance legitimacy. On the other hand, Galkina and Chetty (2015) emphasize the spontaneous and serendipitous characteristics of networks and the opportunities arise unexpectedly through the trust-based connections. The effectuation theory of Sarasvathy (2001) shows entrepreneurs achieve internationalization not with planning but with the available means and manage affordable losses. Chetty et al. (2015) demonstrate that experimentation and bounded commitment support organizations to manage uncertainty and acquire knowledge through their action. Further, Hilmersson and Johanson (2016) point out that experiential and network learning speed international expansion whereas Teece (2010) highlights that dynamic capabilities such as learning, integration and innovation develop SMEs such as Gapwaves to convert technological advantages into global competitiveness.

6.5 Managerial Implications

Managerial implications based on the case study is naturally to focus on what worked for the firms in their internationalization process. For managers it is important to choose an entry mode that matches the market's uncertainty. If market uncertainty is high it could be beneficial to start with agents or distributors and small pilot orders, the SMEs should not invest more than they can afford to lose and build subsidiaries or local production only after the market has proven itself worthy. If market uncertainty is low, a faster entry mode can be used and the importance for managers would be to focus on learning and establishing frameworks that would be useful in further international expansion. A common denominator across a majority of the firms in the study were to use external actors with

knowledge and connections to acquire a better understanding of uncertain and new markets before entering. The continuous adaption and development of the business plan is an important aspect for managers to consider to stay competitive in an ever changing international business environment. For managers to learn when and how to change and adapt to different markets could enable the firms to meet market demands efficiently and create stable positions throughout their internationalization process.

6.6 Policy implications

The cases reveal that SMEs often face challenges such as the difficulty of gaining legitimacy in foreign networks, limited market knowledge abroad and small firm sizes. Many SMEs also lack the time and resources to fully grasp and explore foreign markets on their own. This makes it harder for the companies to manage risk and access opportunities when entering new markets. There is therefore a need for support systems that help SMEs build networks and gain market knowledge rather than simply encourage rapid export growth. Hence, organisations and support programs such as Almi and Business Sweden could help SMEs by connecting them with reliable partners abroad, provide mentoring and training programs and support participation in collaborative projects. Furthermore, policy actors can help SMEs internationalise in a way that is both resilient and sustainable. They can provide guidance on certifications and standards, support innovation through patents, sustainability projects, digitalisation and automation.

Our analysis further shows that firms internationalize through gradual learning and move from outsider to insider within key networks. Based on this, policies should prioritise long term relationship-oriented support rather than short term export growth targets. Sustainable international growth is built on innovation, learning and adaptability which means that policy actors need to design support programs that help SMEs develop these capabilities over time. To achieve this, actors within the innovation system, as previously mentioned, Almi and Business Sweden, should focus on building long-term capabilities instead of pursuing short term goals. These support programs should focus on activities oriented around networks that link SMEs with trustworthy partners, mentors and distributors in international markets. Some of the firms in our study, such as Weland Solutions and Gapwave have already taken part in such initiatives to connect with partners and expand their networks. Their experiences show the value of these programs and also suggest that other SMEs could benefit from adopting a similar approach.

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