Beyond Going Global
Essays on business development of International New Ventures past early internationalization

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Jan Tony Abrahamsson

Abstract

The notion of International New Ventures, or INVs, emerged in academia in the early-to-mid 1990s and generally refers to entrepreneurial firms that tend to internationalize very early in their life-cycle, and whose expansion into foreign markets occurs much more quickly than predicted by earlier theories of the incremental internationalization process.

Previous literature proposes effective networking with market partners and, more recently, internationally viable business model among key distinguishing features of INVs that allow for such early and rapid entry into international markets. Nevertheless, little is yet known regarding how these younger firms develop over time and how they could sustain international growth. With the purpose of filling this gap, this doctoral dissertation scrutinizes business models and business model innovation of INVs beyond their early internationalization, with a particular emphasis on INVs' external relationships configurations.

The dissertation consists of four self-contained essays that represent a methodological mixture of qualitative and quantitative approaches and incorporate longitudinal case studies, surveys and register-based data encompassing nine years of Swedish INVs' development.

The findings highlight the importance of the business model as an initial market entry tool, and of business model innovation as a potential growth vehicle over time. Findings also display that INVs work with a broader range of external partners compared to other firms for innovative purposes, and that INVs have different business model innovation patterns compared to other types of internationalized firms. Moreover, INVs focus more heavily on value capture innovations in their business models as they mature and seek to obtain a more centralized position in their industry ecosystem by re-configuring the parameters of existing external relationships or developing new ones.

Overall, this dissertation contributes to the international entrepreneurship and business model literature by explicating how maturing INVs need to operate under different business model configurations as compared to emerging INVs, as the original business model might lack scalability after a certain point in time. Furthermore, the dissertation suggests how INVs can pursue a dynamic business model approach and utilize dynamic capabilities to design business models that put the focal firm more in control of the surrounding ecosystem, and reduce constraints that can limit the value capturing potential and thus the growth and development of INVs.

Appended papers

Paper I

Johansson, M., & Abrahamsson, J. (2014). Competing with the use of Business Model Innovation-An exploratory case study of the journey of Born Global Firms. *Journal of Business Models, 2*(1), 33-55.

Paper II

Abrahamsson, J., Boter, H., & Vanyushyn, V. (2015). Continuing corporate growth and inter-organizational collaboration of international new ventures in Sweden. In C. Karlsson, U. Gråsjö, & S. Wixe (Eds.), *Innovation and Entrepreneurship in the Global Economy: Knowledge, Technology and Internationalization* (pp. 89–116). Cheltenham: Edward Elgar.

Paper III

Abrahamsson, J., Vanyushyn, V., & Boter, H. (2016). Business model innovation of International New Ventures: An empirical study in a Swedish context. Under review in *Journal of International Entrepreneurship*. A previous version presented at the *RENT XXIX conference* in Zagreb, Croatia, November 2015.

Paper IV

Abrahamsson, J. (2016). The Dynamic Relationships of INVs and their Business Model Implications. Under review in *Management International Review*. Previous versions presented at the *17th McGill International Entrepreneurship Conference* in Santiago, Chile, September 2014 as well as in the *2nd Pavia Paper Development Workshop* in Pavia, Italy, September 201 4.

Svensk sammanfattning

Bortom den tidiga internationaliseringen - Studier av affärsutveckling i snabbt internationaliserande entreprenöriella företag

Äldre, traditionell litteratur på temat internationella affärer hävdade att internationalisering var huvudsakligen något för större företag och att det var en långsam, stegvis process styrd av strategier präglade av riskminimering snarare än av entreprenörskap. Under 90-talet och 00-talet, dök begreppet International New Ventures (INVs) upp genom att ta utgångspunkt i en föränderlig värld med avregleringar som skapade ett nytt företagsklimat och en snabb teknisk utveckling, vilket ledde till att den akademiska forskningen såg den stora internationella marknadspotentialen hos yngre och mindre entreprenöriella företag.

Men lite är ännu känt om hur dessa yngre internationalla bolag utvecklar sin affär över tiden och hur de kan upprätthålla internationell tillväxt bortom deras tidiga internationella inträde på marknaden när de blir äldre. För att fylla denna kunskapslucka, granskar denna avhandling affärsmodeller och affärsmodellsinnovation för INVs efter den tidiga internationaliseringsfasen. Genom en blandning av kvalitativa och kvantitativa studier, som innehåller longitudinella fallstudier, enkät-data och registerbaserade uppgifter som omfattar nio år av svenska INVs, har ett antal centrala resultat hittats. Resultaten i avhandlingen visar på betydelsen av affärsmodellen och affärsmodellsinnovation som ett initialt verktyg för marknadsinträde samt som en potentiell tillväxtfaktor över tiden för INVs.

Resultaten visar också att INVs arbetar med en större bredd av externa partners i förhållande till andra företag för innovativa syften och att INVs har olika affärsmodellsinnovationsmönster jämfört med andra typer av internationaliserade företag. Dessutom fokuserar INVs hårdare på värdefångande innovationer i sina affärsmodeller när de mognar för att nå sina internationella tillväxtmål. För att uppnå detta, behöver INVs nå en mer centraliserad position inom sin branschs ekosystem genom att re-konfigurera parametrarna för existerande externa relationer eller utveckla nya.

Avslutningsvis, mognande INVs behöver andra typer av affärsmodellskonfigurationer jämfört med INVs som kommer in nya på den internationella marknaden. Den ursprungliga affärsmodellen kan sakna skalbarhet efter en viss tidpunkt. Därför behöver INVs en dynamisk affärsmodellsstrategi och utnyttja dynamiska förmågor för att utforma affärsmodeller där de har mer kontroll över det omgivande ekosystemet och är mindre instängd i till exempel koopetitiva affärsmodellskonfigurationer med större företag, som ofta allvarligt begränsar den värdefångande potentialen och därmed tillväxten och utvecklingen i ett INV.

Introduction

The study of business across international borders and the process of firms becoming international has been a topic of academic interest since the 1960's. At that time scholars were faced with the growing realization that the prevalent international trade theories coming from neo-classical economics did not necessarily give a complete picture of individual firms' behavior in an increasingly globalizing economy (Teece 2006). Theories and models steaming out of this surge of international business (IB) research included, among other topics, the incremental internationalization processes of firms (Johanson and Vahlne 1977), which posits that firms internationalize slowly and adhere to geographical proximity in market selection to reduce potential risks while obtaining new knowledge; how internationalized firms gain advantages by internalizing activities and transactions (Buckley and Casson 1976). Furthermore, the so-called innovation-related models (e. g. Bilkey and Tesar 1977; Cavusgil et al. 1979), that focus on the managers' alertness to export opportunities and how past positive export experiences influences decision making in foreign market selection. Finally, localization advantages that firms could gain by operating in certain geographical areas (Rugman and Verbeke 1993; Dunning 1988).

A number of concerns have however been raised in the literature regarding the aforementioned "mainstream" IB research. For instance, Teece (2014) and Al-Aali and Teece (2013) pointed out a number of issues, which could be considered to be shortcomings of the mainstream IB literature. These included excessive focus on large, well-established multinational corporations (MNCs), their incremental international process, transactions costs and country selection choices.

Additionally, Teece (2014) notes that international business scholars tend to neglect the phenomena of entrepreneurship, firm-level heterogeneity and the particulars of firms' competitive advantages. Criticisms raised were partially fuelled by the recognition of the "born-global" phenomenon of newly established firms rapidly - or instantaneously - internationalizing their operations (Oviatt and McDougall 1994; Rennie 1993), which started to emerge in business practice during the 1980s. These born globals or international new ventures' (INVs), as labelled by Oviatt and McDougall (1994), rapid internationalization clearly deviated from the typical prescriptions provided by stage-wise sequential internationalization models (Cavusgil et al. 1979; Johanson and Vahlne 1977). The rise of these firms could be seen as intimately connected to emerging business environment changes in the 1980s and 90s.

A Changing Business Environment

Beginning in the 1980s, changes in technology (the rise of the personal computer), regulations (de-regulations and removal of monopolies in telecommunication, air traffic and television) and a burgeoning industry convergence (technology and entertainment), opened up the floor for an array of new business opportunities across international borders (e.g. Zander et al. 2015; Knight and Liesch 2016). An example of these changes is the deregulation of the formerly state-controlled telecommunications industry, which opened up opportunities for entrepreneurs. Jan Stenbeck's highly internationalized Kinnevik corporation (Kinnevik 2014) is a good example of entrepreneur's pursuing the opportunities provided by deregulation and industry convergence within the fields of telecommunications, IT, media and entertainment, which Hacklin et al. (2013) jointly refer to as the "TIME" industry.

Arguably, these business environment changes have paved the way for a vast number of INVs and have allowed them to enter and grow on international markets in ways and patterns that previous international business theories in academia could not predict (Oviatt and McDougall 1994). These ongoing changes in the business environment, however, have also made survival and durable competitive advantages for firms more difficult and harder to come by (McGrath 2013; Reeves et al. 2016). The fact the average age of the top 500 firms in the United States has decreased from 67 years in the 1920s to 15 years in 2012 (BBC 2012) signifies that the business world of today is increasingly shaped by the ability of new firms to grow on international markets and to swiftly align their capabilities and business models to the ever-increasing pace of change and competition (Reeves et al. 2016). To further illustrate this trend of increased business environment dynamism, higher exit risks and decreased life span of the average firm, Reeves et al. (2016) report that during the last decades, new entrants have come and gone in all industries. Some of them have endured and grown into large firms today, been acquired by large firms or simply outcompeted incumbents and put them out of business. Moreover, firms coming out of emerging market economies (McKinsey 2013) further contribute to this current environmental dynamism and increased international competition and further putting pressure upon incumbent firms.

Firms such as Netflix, Facebook, Twitter and Google are all examples of successful INVs, capitalizing on changing business environments to create new markets on an international level in the so-called TIME industry. Outside of TIME, examples of INV success stories could be retailers such as Zara, practising business model replication to swiftly enter new markets (Dunford 2010) and "born-again" globals (Bell et al. 2001) like H&M which went through a generational shift in the largely family-owned firm, allowing for brisk internationalization outside of neighbouring countries to ensue (Li and Frydrychowska 2008). Nonetheless, even these large and well-known firms still face tremendous challenges in navigating a very unpredictable business landscape to remain internationally competitive and developing the business - just as other and much smaller firms starting out as INVs. The origins of the INV concept, its emergence and contemporary standing, will be dealt with in further detail in the subsequent subsection.

INVs and International Entrepreneurship

The topic of INVs began to get academic recognition in the early 1990s, when Rennie (1993) noticed the existence of firms with internationalization patterns contradicting previous international business theories, in regards to their rapid accumulation of foreign sales after the inception of the firm. This was further theorized on by Oviatt and McDougall (1994), who coined the term "international new ventures" and noted that INVs tend to have an entrepreneurial team with international and industry experience. Another facet of INVs that they pointed out was their "alternative governance mechanisms". These governance mechanisms further separated INVs from MNCs as INVs seemed to prefer low-commitment modes of foreign operations and only having access to resources in foreign countries through various external relationships, rather than owning them and being a more vertically integrated firm akin to MNCs. While research mainly streaming from Nordic scholars (e.g. Johanson and Mattsson 1988) noted that smaller firms could engage in international business activities through network access, Oviatt and McDougall (1994) built much further on that notion and clearly exampified it in the new type of business landscape emerging in the 1990s.

Furthermore, and unlike traditional international business research, the entrepreneurial component of INVs and their behavior was also noted early on in papers by Rennie (1993) and Oviatt and McDougall (1994), leading to conceptual work grounding the field of international entrepreneurship (IE). Noteworthy here is that unlike common operationalizations of INVs, the prevalent definitions of IE do not take into account the size and age of firms. Instead, just like mainstream entrepreneurship (Shane and Venkataraman 2000), it takes its point of departure in the entrepreneurial behavior of international firms in terms of discovery, evaluation and enactment of business opportunities, with the key caveat that this behavior should occur across international borders to be considered as being in the realm of IE (Oviatt and McDougall 2003; 2005). Thus, research in the field of IE goes beyond INVs as a venture type, as IE studies in the past also have centred around traditional MNCs, larger domestic firms enacting on new international opportunities, internationalized SMEs not necessarily defined as INVs or the entrepreneur on an individual level in regards to for instance international opportunity recognition (Jones et al. 2011). That aside, Jones et al. (2011) in their literature review paper still suggest that much of the past IE research has a clear focus on INVs.

A large number of studies in the area of INVs have examined the internationalization patterns of INVs, that is, which countries they sell to or operate in and the initial market entry process (Oxtorp 2014). It is worth noting that while this thesis uses terms born globals and INVs interchangeably, internationalization patterns are used at time to differentiate between born globals and INVs. For example, Crick (2009) suggests that INVs take a more "regional" approach to international market entry, whereas born globals are truly global. Melén and Nordman (2009) notes in a case study on Swedish firms that INVs may often enter new international markets with low-commitment entry modes, such as direct exporting and that there might not be an increased commitment mode over time for INVs, thus pointing towards an inherently different business logic by INVs compared to MNCs.

Such internationalization patterns and choices obviously contradict classic internationalization stage theories, which advocate that firms slowly increases their international commitment through incremental learning over time (Johanson and Vahlne 1977). Similarly, Laanti et al. (2007) posits that INVs do have a different internationalization pattern compared to traditional internationalizers such as MNCs, due to certain internal drivers in the firm, such as the founders and their skills and experience, the innovative capabilities of the firm, the networking capabilities and the financing capabilities, i.e. the ability to attract external funding and to set up favourable bank credits.

Examination of drivers of these internationalization patterns have also been a prolific stream of research in the area, as researchers have sought to explain the causes of the speed and scope of INVs expansion on international markets (Jones et al. 2011). A plethora of work (Autio et al. 2000; Coviello 2006; Zucchella et al. 2007; Jones et al. 2011; Hennart 2014) has been focused on entrepreneurial or managerial characteristics facilitating early internationalization and the interplay of networks and social capital of the entrepreneurial team, to the purpose of for instance acquiring resources for early internationalization.

One of the key takeaways and insights from this line of work is that networks could be seen as an intangible resource for INVs, salient for organizational growth (Coviello 2006). Makela and Maula (2005) show that new ventures seeking to internationalize could gain legitimacy by being endorsed by for instance venture capital partners and firms in their business network. Zhou (2007) notes that social networks could mediate the performance of born globals and the importance of social networks is partially supported by Sasi and Arenius (2008), who introduce an important caveat that social networks plays a diminishing role as the venture grows and that strong dyadic relationships might negatively impact growth. Instead, relational dynamism is advocated by the authors and is a topic suggested to be researched further. Prashantham and Dhanarj (2010), in a case study of Indian INVs, also shows that the initial social capital ties of INV entrepreneurs and founding team may deteriorate in terms of value over time and that INVs should exploit the learning opportunities in their networks proactively. Similar arguments are put front by Sepulveda and Gabrielsson (2013) regarding proactive network management and Mort and Weerawardena (2006) who note that certain network relationships with other firms might diminish in importance over time and their value is contingent on the stage of the INV's development. Thus, as a saturation point (Jones et al. 2011) starts to set in regarding these types of research avenues, along with conflicting results regarding for instance the role and value of networks (Hennart 2014), calls for new focus areas in INV research have materialised (i.e. Keupp and Gassmann 2009; Hagen et al. 2014; Zander et al. 2015).

Only recently, academic literature focusing more on organizational practices and strategic issues of explaining internationalization and performance of INVs has started to emerge. Such focus reflects a push for research towards issues regarding post-internationalization of INVs, for example Sapienza et al. (2006) and Keupp and Gassmann (2009) argue that the development of INVs over a longer time horizon, beyond its early internationalization efforts needs to be taken into account, looking at the growth and survival of the INVs over time. In a similar vein, the age of the firm should not necessarily be a cut-off factor when studying INVs, neither should potential "corporate" origin, that is the firm being a merger or a spin-off of a larger corporate entity, for example.

Prange and Verdier (2011) argued for an inclusion of the dynamic capability perspective in international entrepreneurship research. Dynamic capabilities could broadly be defined as a firm's ability to re-new, re-shape and re-configure its resource base (e.g. Teece et al. 1997; Eisenhardt and Martin 2000; Teece 2007). More recently, Teece (2014) specifically identifies INVs as a type of firm whose behavior is consistent with the concept of dynamic capabilities, as they can quickly create and co-create new markets abroad. Overall, dynamic or other types of capabilities have in the last few years started to gain traction in INV research. Highlighted issues here are for instance how knowledge-based organizational capabilities contribute to performance (Kuivalainen et al. 2010) as well as case studies of how dynamic capabilities could allow INVs to advance through phases of development and overcome crises of survival (Gabrielsson and Gabrielsson

2013) and how capabilities of foreign market scanning and planning connect to performance (Swoboda and Olejnik 2014).

In a similar vein, work has also been done looking at strategic orientations of INVs, where strategic orientations often have been operationalized as a dynamic capability in quantitative studies (Jantunen 2008; Frishammar and Andersson 2008; Swoboda and Olejnik 2014). In regards to performance, this has however received mixed empirical findings, suggesting that dynamic capabilities and strategic orientations by themselves may not fully capture what drives performance and development of INVs.

Simultaneously as research in INVs and IE has emerged, the concept of business models has grown in general entrepreneurship research, innovation and strategic management (Teece 2010). Although business models of INVs were implicitly hinted at already in the seminal paper by Oviatt and McDougall (1994), the concept has been playing a very minor role in empirical research on INVs, with the exception of a few studies (e.g. Nummela et al. 2004; Dunford et. al. 2010; Autio et al. 2011; Andersen and Rask 2014).

However, going back to the aforementioned Oviatt and McDougall paper in 1994, the authors emphasized certain characteristics of INVs and how they do their business, such as having access to key resources rather than necessarily owning them. This subsequently leads to the so called “alternate” governance mechanisms (as opposed to MNCs and their governance structures based on vertical integration), where INVs rely on external relationships in aspects which are arguably closely tied to their value creation, capture and delivery elements of a business model (e.g. Teece 2010; Spieth et al. 2014; Mezger 2014; Gerasymenko et al. 2015). Furthermore, Oviatt and McDougall (1994) pointed towards INVs being able mitigate the MNCs larger scale advantages by relying on swift use of technology and other forms of knowledge for instance in the context of software distribution, which is consistent with business model discussions of value delivery.

To further contextualize, one can argue that Oviatt and McDougall as early as in 1994, basically described numerous chunks of the contemporary business model of a company such as Apple Inc., without actually ever mentioning the term “business model” in their article. Apple, which emerged as an INV originally, owns relatively few tangible resources, but has access to an abundance of them (Montgomerie and Roscoe 2013). Moreover, Apple would not be able to produce a single item without a proactive and efficient handling of their external relationships with various manufacturing and sales partners (Montgomerie and Roscoe 2013) and their value delivery is to a large extent based on enabling technology for reaching their end-users.

One of the first studies to more explicitly touch upon the concept of business models in an INV-centred context was Nummela et al. (2004), a quantitative study of Finnish firms and their changing company boundaries in the context of rapid internationalization. The paper posits that smaller internationalized firms are challenging established business models and that business models for these firms often develop through co-operative external relationships. Fundamentally, the authors question whether it is, in the context of rapidly internationalizing firms, actually possible to operate without being to a large degree dependent on various co-operative relationships, which also blurs the borders of how company boundaries are being defined. In that early study, Nummela et al. (2004) calls for more research on the issue of business models and claims that traditional business models, focusing on rather slow resource collection and a single firm, are not really relevant in a more fast-paced INV context.

This observation was furthered by Hennart (2014), who challenged the previously prevalent aversion of the business model concept when studying INVs and argued that business models are the single most relevant explanatory factor for understanding internationalization and growth of born globals, *"…the key difference between INVs/BGs and other firms lies in their business model"* (Hennart 2014, p. 130).

However, Hennart's main focus was not on explicitly investigating how born globals actually design and subsequently innovate the business models, rather on highlighting the importance of the concept relative to the previous research focus on networks and entrepreneurial/founder characteristics. More in the fold of specific INV research, Turcan and Juho (2014) note in a longitudinal case-study of the development of an INV that business models are vital for its development over time and are an element which could be re-configured and innovated by dynamic capabilities. This observation is in line with conceptual linkages developed by Teece (2007; 2010; 2014) where a core theoretical argument is that dynamic capabilities can spur new and improved business models, especially applicable for international firms needing to create new markets.

Nevertheless, many questions in regards to business models in general and business models of INVs in particular remain to be answered, for instance, considering co-creation of business models and value capture capacity of business models (Speith et al. 2014). These business model challenges could arguably be compounded by the fact that doing business internationally still offers different trials in itself, due to incomplete globalization and institutional differences (Teece 2014).

Some scholars have started to look at post-internationalization aspects of INVs, answering to calls by the likes of Sapienza et al. (2006) and Keupp and Gassmann (2009), in parallel with studies on what way export patterns evolve over time and its impact on firm survival (Kuivalainen et al. 2012; Sleuwaegen and Onkelinx 2014).

Arguably, it can also be questioned whether survival is an overly interesting performance variable to consider. Sapienza et al. (2006) argues in a conceptual paper that traditional, incrementally internationalizing, firms focus on survival on international markets, hence the caution in terms of internationalization speed. Conversely INVs, in line with their potentially more risk-taking, entrepreneurial behavior (Knight and Cavusgil 2004), creates capabilities fuelled by their early internationalization that enhances the chances of growth, while simultaneously decreases the chances of survival on international markets (Sapienza et al. 2006). Growth for INVs as such is not immediately defined by Sapienza et al. (2006). However, sales growth, which points towards an increasing market acceptance of the offerings provided, is often used in studies of entrepreneurial firms, as stated in a review by Gilbert et al. (2006). Moreover, the same authors also note that the ultimate measure of performance for entrepreneurial firms is profitability. These growth notions are furthermore consistent with Osterwalder et al. (2005), who posits that the value capturing mechanism of a business model should provide the focal firm with profitable and sustainable revenue streams. Thus, growth in the context of INVs in this dissertation, focuses on sales growth (revenue streams) and profitability, unless otherwise specified.

Provided the inherent drive for international growth of INVs, as conceptualized by Sapienza et al. (2006), more emphasis should be placed at factors making INVs' unique or on different organizational and strategic practices, such as specific dynamic capabilities or business model aspects, which could potentially make INVs grow and not merely just survive on international markets.

General Aim of the Thesis

So far, only a few studies focusing on INVs have examined issues such as the creation and evolution of business models, dynamic capabilities and external collaboration leading to innovation and value creation, and more are called for (Hagen et al. 2014; Zander et al. 2015). This dissertation will pick up that proverbial gauntlet and examine topics related to those INV's business models and external relations development over time. Many previous studies of INVs post-internationalization have often been based on register-based data (e.g. Sleuwaegen and Onkelinx 2014; Almodovar and Rugman 2013). While certainly valuable, such studies arguably have a distinctive flavour of economics ingrained, as exemplified by their heavy reliance on register-based data, liberal usages of proxy variables and a general distance to the object of study, the INVs, taking on more of a macro perspective. This thesis, however, is grounded in the overall discipline of business administration focusing on managerial configurations and re-configurations regarding issues such as innovation, business models and external relationships and seeks to get closer to the actual activities on the firm level and reduce the need for distant proxy variables.

Thus, the overarching research question of this dissertation can be phrased as:

How do INVs develop their business beyond achieving early internationalization?

Business development is here looked at as the pursuit and implementation of growth opportunities and strategic initiatives (Sørensen 2012). Put differently, this dissertation examines INVs past the early start-up phase and such firms form the primary unit of observation in the dissertation.

As previously outlined, a significant body of literature exists explaining the drivers and the emergence of INVs and their initial internationalization paths (e.g. Oxtorp 2014; Hagen et al. 2014). However, this dissertation will take its point of departure in investigating what happens with INVs beyond that point, which is well in line with recent research calls (e.g. Keupp and Gassmann 2009; Hagen et al. 2014; Zander et al. 2015). For accomplishing this aim, both qualitative and quantitative methods will be utilized. Both methods will incorporate longitudinal data to examine INV development over time in terms of retained INV characteristics, changes both in business models and relationships configurations.

This dissertation consists of two main focal elements, which however interplay with each other. The first element is external relationships of INVs with market and policy actors. As previously discussed, INVs relies on alternate governance mechanisms (Oviatt and McDougall 1994), which implies relationships with other actors. Furthermore, networking and external relationships have been found to have a mixed impact on INVs, depending on types and stages of INV development (e.g. Sasi and Arenius 2008; Prashantham and Dhanarj 2010; Sepulveda and Gabrielsson 2013). Thus it is an important unit of analysis to further scrutinize in terms of INVs business development over time. The second element is business models and changes in business models over the course of INV development. Business models is a concept that has received little attention in the INV literature (Hennart 2014), especially so in regards to changes in business model over time during the course of INV development (Hagen et al. 2014; Zander et al. 2015). This element also ties into external relationships, as business models of INVs do not tend to be created in a void, but instead in collaboration with other actors (Nummela et al. 2004). For the purpose of properly illuminating these units of analysis, quantitative studies, using register-based data to identify INVs coupled with perceptual measurements through survey data will be utilized, to track for instance relationship patterns and innovation focus of INVs over time. Moreover, to achieve fine-grained how and why knowledge on still emergent topics such as business models and how changes in business models and external relationships contributes to INV development, qualitative data is also vital for this study.

Hence, for the purpose of coherently answering the overarching research question of the dissertation, it needs to be broken down and further concretely operationalized. For that reason, a number of sub-questions of the dissertation will be provided:

- *How can business model innovation affect international growth of maturing INVs and how can dynamic capabilities affect the process?*

- *With whom and where do INVs collaborate for innovation purposes, is the collaboration pattern different compared to non-INVs and do the patterns differs as the INV matures?*

- *Do INVs innovate externally focused elements of their business model differently compared to other internationalized firms?*

- *How do external relationships of INVs impact its business model innovation pursuits over time?*

To summarize, this dissertation will look at how INVs could be seen as unique in their deployment of business development tools and activities compared to other internationalized ventures and also how they are pursuing growth opportunities by utilizing external collaborations and business model innovation activities.

Contributions

Overall, research on INVs and born globals is part of the IE domain that has its roots in international business and entrepreneurship. According to Keupp and Gassman (2009), international business scholars are (or should be at least) asking questions about how and why firms internationalize and which competitive advantages could be gained by international innovation, although according to Teece (2014), IB research often struggles with these types of questions. Thus this study helps to shed light on a fundamental, yet incompletely answered, question in IB research, namely why some firms manage to go global and grow and others do not (Teece 2014). On the entrepreneurship side is the core question of how wealth creation could be achieved by recognizing and exploiting business opportunities (Shane and Venkataraman 2000; Hitt et al. 2001; Arthurs and Busenitz 2006). INVs obviously need to recognize international business opportunities and business models could be seen as tool for enacting upon business opportuntities (George and Bock 2011).

Thus, this dissertation will make a step towards unifying the two above sets of questions from international business and entrepreneurship respectively, through answering of the research question. Such unifying approaches, according to Keupp and Gassman (2009) fills a need for further theory development in the field of international entrepreneurship. This is also congruent with the review of IE conducted by Jones and Coviello (2011), who pointed out that IE research should build on arguments from both international business as well as entrepreneurship.

Furthermore, this dissertation will further the understanding of business models as a tool for international growth and its interrelatedness with different types of dynamic capabilities. Additionally, more theoretical and empirical support for the notion of INVs as a unique set of entrepreneurial ventures will be provided.

Important managerial contributions in terms of the management of external relationships as well as business model choices and the innovative pursuits of INVs will be elaborated on. By having a strong firm-centric perspective throughout this dissertation, the managerial contributions provided will be both relevant and actionable in business practice.

Theoretical Framework

As has been discussed in the previous introductory chapter, this dissertation revolves around the business development of INVs beyond their early internationalization. For the purpose of grounding the study in a coherent theoretical framework, the chapter will begin with providing an overview of what INVs are and how they have been viewed upon in past research. Furthermore, the chapter will outline the trends in research on INVs over the years, from explaining drivers and founder characteristics of the firms towards more strategic and organizational issues grounded in the resource-based view/organizational capabilities as a theoretical lens, onwards to post-internationalization issues. For scrutinizing the subsequent business development activities of INVs post-internationalization, business models and dynamic capabilities will be examined and related back to the INV context.

Overall, this chapter aims to conceptually display a suggested theoretical framework of how dynamic capabilities and business model issues jointly contributes to the business development of INVs in a post-internationalization stage with regard to their design, selection and innovation.

INVs

The terms "born globals" and international new ventures (INVs), have often been used interchangeably in business administration literature, ever since the concepts started to gain traction in academic research. Some scholars have however tried to differentiate between born globals and INVs. One such approach is to emphasize the word "global" in born global (Crick 2009) and suggest, for instance, that a born global should have at least 25% of its sales outside its own home continent within three years of inception (Madsen 2012). Firms not meeting this threshold should then merely be seen as "regional" or "international" (Coviello 2015). This argument, at least implicitly, suggests that making sales in other continents should be more challenging, which resonates well with the notion of internationalizing first in neighboring countries and slowly outwards, as presented by the school of incremental internationalization (e.g. Johanson and Vahlne 1977; 1990). However, this line of reasoning also neglects the technological and regulatory changes in the recent decades, which was already a major point of the seminal article by Oviatt and McDougall regarding international new ventures from 1994. Due to enabling technologies such as the internet and its ability to inspire new business models and modes of reaching customers (e.g. Teece 2010; Riitala et al. 2014), these trends have only grown in importance and thus arguably, the difficulty of getting a foothold in other continents should not be over-emphasized as such. Depending on customer preferences and business models employed, within-continent sales could be even more challenging.

Notable is furthermore the acute resemblance as to how the two concepts have been defined. Oviatt and McDougall (1994, p. 50), defines international new ventures as:

"A business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of output in multiple countries"

Exactly ten years later, Knight and Cavusgil (2004, p. 124), in an award-winning and highly cited paper which have encouraged plentiful further research (Coviello 2015), uses the term born global and define it as below:

"Business organizations that, from or near founding, seek superior international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries"

Given the obvious similarities in definitions provided by highly cited and well-recognized scholarly work and the inherent difficulty to effectively detangle the concepts, the terms born globals and international new ventures will, as in much previous research, be used interchangeably in this dissertation. As noted by Hennart (2014), there could at least be a consensus among scholars that regardless if the label born global or INV is being used, it refers to firms which start international activities at or close to its birth and vends a substantial share of its output in foreign markets. The overarching definition by Oviatt and McDougall (1994), of INVs will also be utilized in all of the research papers of this dissertation, similarly to a significant amount of research in the area, whether the specific term born global or INV is ultimately the one used (Coviello 2015).

Nevertheless, the most significant contribution that Oviatt and McDougall's 1994 article made was arguably that it opened up a perspective on internationalization beyond the previously established paradigms While "classical" IB perspectives were focusing on large MNCs, Oviatt and McDougall (1994) emphasized that international business activities very well could be conducted by risk-taking, swiftly moving entrepreneurial firms looking for business opportunities and deriving competitive advantages outside of their home market. This was largely due to the fact that the authors recognized the overall changes in the global business environment, which started to emerge in the late 1980s and early 1990's.

To exemplify this change, the authors captured the essence of the emerging situation elegantly in these two sentences:

"An internationally experienced person who can attract a moderate amount of capital can conduct business anywhere in the time it takes to press the buttons of a telephone, and, when required, he or she can travel virtually anywhere on the globe in no more than a day. New ventures with limited resources may also compete successfully in the international arena." (Oviatt and McDougall 1994, p. 29)

While these observations might explain what an INV is and the context of the concept's emergence, it does not yield knowledge unto how the actually operationalize the term as such. Therefore, the next subsection will be devoted to scrutinizing the various INV operationalization's in the literature and attempts to distinguish various INV types from each other.

INV Types and Operationalization

To further operationalize what actually constitute an INV, measures such as a certain foreign sales ratio in a certain number of years from the firm's inception have been used, especially in quantitative research in the past. The quantitative papers in this dissertation will build on a similar approach. Nevertheless, looking at previous ways to operationalize INVs, a scattered picture, littered with various labels in attempts to demarcating in-group differences of INVs, emerges. For instance, Oviatt and McDougall (1994) attempted to divide INVs into four sub-categories based on high or low degree of value chain coordination across countries and business involvement in "few" and "many" countries. The authors did however choose to omit further details on what high or low degree and few and many countries actually entails and thus left that debate to future scholars. Out of the four INV categories, "global start-up" was however the most internationalized as per Oviatt and McDougall's (1994) matrix (the others being export start-up, multinational trader and geographically focused start-up). This classification was later operationalized by Baum et al. (2011), where a global start-up INV was operationalized as a firm which internationalizes 10 years after inception and has 30% of the turnover in foreign sales. Noteworthy here is also that Baum et al. (2011) replaced the value chain dimension with a foreign sales quota instead, due to data collection difficulties regarding the former. In the context of this dissertation, all of the qualitatively sampled firms and the vast majority of the quantitatively sampled, meet Baum's et al. (2010) operationalization of a so called global start-up INV. Obviously, these numbers regarding international beginnings and export ratios are often used very arbitrarily (Madsen 2012; Crick and

Crick 2014) in empirical studies, whether the author chose to talk about the firm in question in terms of INVs, born globals (e.g. Sharma and Blomstermo 2003; Knight and Cavusgil 2004; Rialp and Rialp 2007; Crick and Crick 2014) or born internationals (Johanson and Martin 2014). To provide a picture of the range in the extant literature, we could find INVs operationalized with a 5% export ratio in 6 years since inception (Cerrato and Piva 2015) going all the way up to 75% in only 2 years of existence (Chetty and Campbell-Hunt 2004). The lion's share of empirical INVs studies however (regardless of being labeled born globals, born internationals or global start-up in the study in question) appears to hover around 10-30% in terms of export ratio and that number within a time frame of 3-6 years after the firm's inception. Considering these numbers, the cutoffs for the quantitative parts of this dissertation translates to 10% export ratio in 3 years after inception. This export ratio figure is furthermore in accordance to Halldin's (2012) doctoral dissertation, which was also focusing on Swedish INVs.

However, there are also ways of further operationalizing INVs in a more qualitative fashion in previous literature, although a fair number of qualitative studies lacks any operationalization at all beyond the aforementioned Oviatt and McDougall (1994) overarching definition of an INV (e.g. Moen et al 2008; Sepulveda and Gabrielsson 2013; Oxtorp 2014; Pellegrino and McNaughton 2015). For instance, it has been questioned whether it is useful to classify INVs as a specific type of venture at all, instead of merely stating that early internationalization is a strategy and a strategic choice by the venture in question. According to that viewpoint, INVs are simply firms which strategically choose to strive for rapid international growth in a conscious and planned manner, which therefore makes quantitative definitions such as foreign sales quota irrelevant for its classification (Mudambi and Zahra 2007). Such argument is also consistent with Andersson et al. (2014), who sees INVs as the all-encompassing term for young, rapidly internationalizing firms and that shared characteristics of those firms might be more valid as demarcations against firms rather than various export ratios in an arbitrary time period. Similarly, Hewerdine and Welch (2013) argue against the established notion of inception as being the legal incorporation point, based on the argument that venture creation work, the so called "gestation period", could be ongoing years before the actual incorporation of the firm. Thus making inception more of a process than an event. As acknowledged by Hewerdine and Welch (2013), most empirical studies of INVs do only consider the legal incorporation, which partially could be due the fact that the process aspect could be more difficult to effectively capture in a quantitative study.

Much in line with Mudambi and Zahra (2007), it also stated in previous research that INVs could be defined as a company meeting these rather non-quantitative criteria, as given by Gabrielsson et al. (2008):

- They should be SMEs with a global vision at inception.
- Their products should be unique and have a global market potential.
- They should be independent firms.
- They should have demonstrated the capability for accelerated internationalization, i.e. their international activities featured both precocity and speed

Here it should be noted from the above bullet points that Gabrielsson et al. (2008) argue that INVs necessarily needs to be of independent origin. However, given that firm independence requirement has been viewed as too restrictive, there are research calls by Keupp and Gassmann (2009) for opening up the context studied in INV research and including the corporate entrepreneurship context, which could provide a picture regarding differences between "corporate" INVs internationalization strategies and performance as opposed to independent, "classical", INVs. On that account, case studies on INVs emerging as corporate spin-outs have also been carried out previously by Callaway (2008) and Dunford et al. (2010). A theoretical paper by Knight and Liesch (2016) also lends support to the argument that INVs could be launched by older, established firms.

A further complimentary way of looking at INVs is by applying the lens of "born again global", a concept developed by Bell et al. (2001). That perspective to some extent combines the old stage models with the born global model, by stating that firm at a later stage in their life cycle could undergo rapid internationalization due to critical incidents or episodes within the firm, such as change of ownership or management. Those firms may also have had a global vision from inception and are also likely to be found in knowledge-intensive industries, but might have lacked the necessary resources for internationalization at that point, such as capital for instance. Thus it could be argued that older firms, already established in their domestic markets, might be born global firms as well, as crucial events inside the firm suddenly allows for a rapid internationalization (Bell et al. 2001; Bell et al. 2003).

Having overviewed various operationalizations of the term and types of INVs discussed in the literature, the following subsection will take a deeper look at perspectives used and findings derived from empirical INV research.

Extant INV Research

Starting from its emergence during the mid-1990s, research concentrating on INVs was heavily focused on scrutinizing the driving forces of the firms' early internationalization, i.e. how these young and small firms were able to reach international marketspace so quickly and thus side-stepping the traditional internationalization theories of previous decades of research. Despite the initial mentioning of "alternative governance mechanisms" by Oviatt and McDougall (1994), research generally paid little attention to managerial configurations and re-configurations for enabling or sustaining internationalization. In its place, a great deal of concentration was awarded to the background characteristics of the founding entrepreneurs, such as their international and industry experience (Mort and Weerawardena 2006; Loane et al. 2007; Fernhaber and McDougall-Covin 2009), their social capital (Prashantham and Dhanarj 2010), entrepreneurial orientation (Jantunen et al. 2008; Frishammar and Andersson 2008) and access to networks in a general sense (Coviello 1997; 2006; Oviatt and McDougall 2005). While not looking at INVs per se, Boter and Holmqvist (1996) noted that differences in internationalization processes in smaller firms may be attributed to education level of the management as well as the character of the industry, i.e. traditional industry sectors vs. more dynamic and innovative high-tech sectors emerging at that point in time.

More recently, two related trends have started to emerge. Firstly, these aforementioned research themes have reached a near saturation point (Jones et al. 2011). Secondly, they are yielding sometimes conflicting or contradictory results (Mort and Weerawardena 2006; Sasi and Arenius 2008; Hennart 2014). An example of these contradictions is the utilization of networks or external relationships by INVs. Initially broadly considered an entirely positive driver for the development of INVs, more recent empirical studies (e.g. Sepulveda and Gabrielsson 2013; Zucchella et al. 2007; Nummela et al. 2004) have found mixed, as well as negative impacts of external relationships of INVs, when those relationships are not managed properly and pro-actively.

As a consequence of these developments, calls have been made recently to further investigate aspects of the managerial and strategic configurations of INVs, such as business models, capabilities and innovation (Hennart 2014; Hagen et al. 2014). Concurrently there are also calls to look at the development of INVs beyond their early internationalization efforts with the purpose of investigating how INVs could sustain and if possibly further enhance their international presence after their early entry onto international markets (Zander et al. 2015).

Such research questions that are currently being called for investigation, akin to the research questions posed in this dissertation, could be argued to be grounded in a resource-based view of the firm, in this case then consequently the INV. Oviatt and McDougall (1994) mentioned that INVs are firms which are proactively attempting to gain competitive advantages in international markets by their use of various resources. Thereby one can note an implicit connection between the early INV literature and the theory of the resource-based view (RBV), which emerged as an important strategic management theory in the early 1990's.

The fundamentals of the resource-based view were originally developed already in 1959 by Edith Penrose, but enjoyed a major revival more than 30 years later. Then it could be argued that Jay Barney "re-launched" the resource-based view as an alternative to the established strategic lenses of the 1980's. At that time, most research and theories were based on the external environment of the firm, for instance industry conditions and frameworks such as Michael Porter's famous five forces were quite dominant in strategic management research (Teece 2007; Hacklin and Wallnöfer 2012). The resource-based view at the other hand, argues that sustainable competitive advantage is derived from the firm's own unique mix of resources and capabilities and thus analyzes the company from an internal perspective (Hoskisson et al. 1999; Barney et al. 2001).

What actually constitutes a resource according to the resource-based view could have a rather liberal meaning, looking at past literature. To summarize, a resource could be whatever is considered being a strength or a weakness for a company, such as tangible as well as intangible assets. In order to provide a sustainable competitive advantage, the resources must have a value, meaning they must have a capacity or potential to generate profit or loss for the company. Furthermore, the resources must be hard to imitate, have few direct substitutes and resources should be enablers for a company, meaning that having resource x enables a company to pursue a certain opportunity or set of opportunities (Barney 1991; Peteraf 1993).

Relating this back to the context of INVs, their rapid initial internationalization could then be explained by the lens of RBV as the firm possessing for instance unique technological resources, access to relevant networks and founders/staff with relevant industry experience, all of which leads to competitive advantages allowing for fast international market entry from firm inception, becasue they possess the relevant resources of pursuing the opportunity of internationalization. This type of young firm behavior could hardly be predicted by the traditional theories of international business, but certainly by the RBV. To further emphasize the relevance of RBV in the context of entrepreneurial ventures such as INVs, Arthurs and Busenitz (2006) note that both the notion of RBV and entrepreneurship are rooted in the core idea of buying low and selling high. Thus they both embrace the idea that putting effort (investment) into what could be considered undervalued strategic factors or inputs for pursuing a business opportunity, lead to superior performance.

This discussion of the RBV further connects back to the initial discussion in the introduction chapter regarding the past research of the field of international business. As could be noted, the traditional IB literature is not at all as firmly grounded in the RBV as the literature on INVs has been, essentially from day one, as the importance of resources for the firm are integrated in Oviatt and McDougall's (1994) definition of INVs. Arguably, this is also one of the grounds for the criticisms of traditional IB literature, especially in terms of how it deals with issues such as competitive advantages and innovation, as thoroughly stressed by Teece (2006) and Al-Aali and Teece (2013). Conversely, this has always have been a crucial element in the born global/INV discourse, as initiated by the highlighting of competitive advantages and resources relevant for such advantages done by Oviatt and McDougall in 1994, thus aligning the emerging area with the RBV. Noteworthy here is also the notion of "alternative governance mechanisms" mentioned in Oviatt and McDougall's 1994 paper. Whereas the traditional IB literature, such as Buckley and Casson (1976) emphasizes the internalization of the firm's transactions and activities, the emerging INV literature argued for alternate governance structures, i.e. having access to resources through for example, networks and other external relationships, rather than owning them, for mitigating scarce financial resources and providing a nimbler, flexible organizational structure. These types of arrangements are nowadays also getting increasingly sought after by larger firms as well (McGrath 2013), as having access to resources are getting more relevant than owning said resources. A case in-point being Apple, who are the market leading smartphone manufacturer in the world, but does not own a single factory while having access to plenty (Montgomerie and Roscoe 2013).

Thus, based on the above discussion regarding RBV, the question that can be posed is how resources are bundled, organized and re-organized. The increasingly popular concept of business models might shed light upon that, as a business model could describe the arrangement of activities, resources and competencies for generating profitable and sustainable revenue streams (Osterwalder et al. 2005).

Business Models

The late prominent business scholar Peter Drucker (1954) originally alluded to the concept of "business model". However, it would take close to half a century until the expression started to attract interest and get a clearer shape and form in academic research. Despite a vague view of it in academia, business models have from a practitioner's perspective been a vital concept for trade and economic activity since the advent of trade, because creation, delivery and appropriation of value has always been tacitly integrated in the economics of doing business (Teece 2010).

Much of the early scholarly interest on the topic of business models geared towards how new technology could become commercially viable in the booming “dot.com” economy of the era (Magretta 2002; Zott and Amit 2011), where IT entrepreneurs were asked questions by venture capitalists and other stakeholders how the venture in question would create economic value and how that value could be captured as a surplus or profit for the focal firm (Brea-Solís et al. 2015). Business models could be seen as a highly entrepreneurial concept, as business models are tools of how firms may enact on a business opportunity and through the business model create new markets. This is often done in collaboration with other firms and partners in the network (Nummela et al. 2004; Alvarez and Barney 2007; Doganova and Eyquem-Renault 2009; Teece 2010; George and Bock 2011).

While business models in its absolute simplest conceptualization can be viewed as how firms do business (Zott and Amit 2010; 2013), more precise definitions have offered some rather divergent perspectives over the years. For instance, Shafer et al. (2005) have the view of business model as the core logic of how to create and capture value within a value network of external partners; Doganova and Eyquem-Renault (2009) see business models as a scale model of a new venture, which has the purpose of demonstrating the venture’s feasibility and to attract necessary external partnerships (financing, customers, suppliers etc.) to the venture. Perhaps a more tangible representation of business models is provided by the likes of Osterwalder et al. (2005) and Teece (2010), which ties back to the mechanisms of value creation and value capturing provided by Shafer et al. (2005). They share a broadly similar view, as they essentially view business models as the design of how to identify, create and deliver value and how to capture parts of this value back to the focal firm. Although not defining business models as such, Doganova and Eyquem-Renault (2009) do also notes that business models need to have this overarching functionality, as they see the role of business models as:

*“However, **creating** value is not enough for the new venture to be viable; Koala* (the company studied) *needs to **deliver** this value to its customers and **capture** (a part of) it.”* (Doganova and Eyquem-Renault 2009, p. 1565)

Chesbrough and Rosenbloom (2002) however argues that a business model focuses more on value creation and value delivery rather than value capturing and competitive threats, where the latter concepts are more in the realm of strategy. As hinted at there, the line between business models and strategy could both be seen as fuzzy and arbitrary (Magretta 2002). Broadly speaking then, strategy could be seen as how a business should deal with competitors and competitive threats and subsequently how to do better, i.e.

being different (Magretta 2002; Chesbrough and Rosenbloom 2002) than the rival firms. Business models at the other hand could be seen as a description of how a firm can enact or exploit a certain business opportunity (Amit and Zott 2001; George and Bock 2011) and the activities and resource configuration such exploitation would entail (Amit and Zott 2001; 2012; Magretta 2002). Furthermore, Shafer et al. (2005) claims that business models could facilitate testing and validation of strategic choices and their logic. This is moreover broadly consistent with the more recent lean start-up thinking steaming from Silicon Valley, which is focusing on an iterative process of business model generation through prototyping, minimum viable products (MVPs) and customer feedback (Blank 2013).

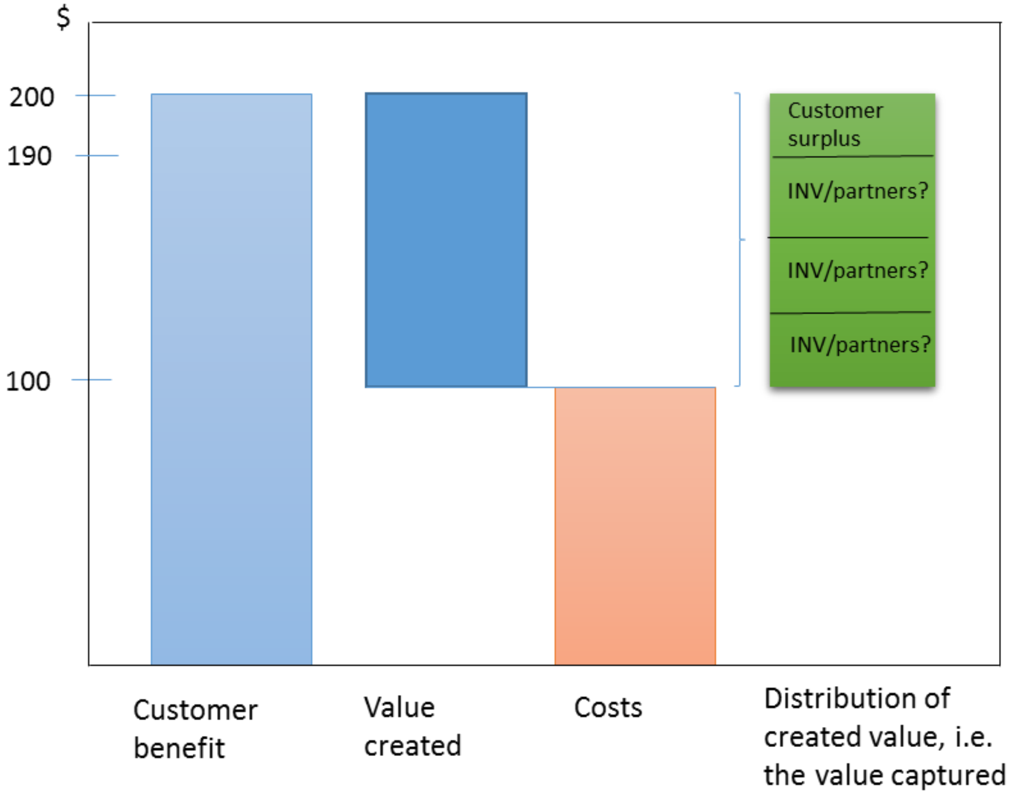
However, regarding the concept of value capture in a business model, it is claimed by Teece (2010) that understanding how to capture value from innovation is a key element of business model design and that a "good" business model allows for sufficient value capture by the focal firm. These two logics of creating and capturing value are therefore intertwined, inter-dependent and difficult to separate, in particular in situations of co-creation of value with other actors. Especially so when taking into account cost structure issues, which heavily influence what could be seen as created value and value to be captured (Jelassi and Enders 2005; Cortimiglia et al. 2015) Further arguments along the same lines are provided by Besanako et al. (2003), who claims that the level of value capturing could be closely linked with the relative level of value creation in highly competitive business environments. Similarly, Speith et al. (2014) take note of the relevance of looking at value capturing when studying business models in the context of business development. Michel (2014) argues that value capture aspects have been receiving less attention than it deserves in business model research, which according to his argument has been focusing too heavily on value creation aspects. This is examplifed by how an INV such as Netflix innovated the value capturing aspect of the industry standard business model (i.e. paying to rent or watch movies individually) towards a subscription service, giving more stable and recurring revenue streams (Michel 2014).

Zott and Amit (2010), on the other hand, take a slightly different view and define business models as firms' activity systems consisting of certain dominant value creation drivers such as novelty, efficiency, complementarity and customer lock-in. Thus, they fundamentally argue that the role of the business model is designing transactions to create value by exploiting business opportunities (Zott and Amit 2001; 2010) and consequently focuses less on explicit discussions of value capturing mechanisms of business models.

Hence, the three aforementioned value dimensions, constitute fundamental building blocks of a business model: value creation, value delivery and value capture. *Value creation* is fundamentally a concept rooted in microeconomics, as it informs that the value created by a firm is to be looked upon as the difference of the observed benefits and/or advantages a firm offers to its customers with its offering and the incurred cost of creating that value (Jelassi and Enders 2005; Doganova and Eyquem-Renault 2009). Consequently, *value capture*, as explicated by the likes of Osterwalder et al. (2005), Teece (2010) and Speith et al. (2014), is merely the other side of the equation, meaning the amount of the created value, after the costs have been accounted for, that can be appropriated back to the focal firm through the given business model design in operation. Or in different terms, value capture can be seen as representing the output of the revenue streams and cost structure building blocks of a business model (Osterwalder et al. 2005).

The principal relationship between value creation, perceived customer benefit and value capture is further illustrated by the figure below:

Figure 1: The relationship between value creation and value capture



Adapted from Jelassi and Enders (2005 p. 101)

As could be seen in the figure above, the customer surplus simply denotes the difference between the price of the offering and the overall customer benefit, i.e. the customer's willingness to pay. Or put differently, it could be seen as the customers' "value capture" of the business model. In this example provided in the figure, the customer's willingness to pay is at maximum 200 and the cost is 100, as can be seen in the figure's y axis, which gives a value creation potential of 100 (200-100) given a price of 200. A potential price of 190 would, thus, generate a customer surplus of 10 (200-190). Another issue to consider, as noted in the far right box of the figure, is that the individual focal INV does not necessarily capture all the remaining value for itself, as there might be other actors in various kinds of relationships with the focal INV, who are entitled to certain parts of the overall captured value, such as suppliers, distributors or even competitors. Thus, this figure further illuminates that a focal INV may operate in business model configurations that allows it to merely capture back a small portion of the value the business model is creating and being able to generate for the customer.

This visualization provided in figure 1 is furthermore theoretically consistent with the context of rapidly internationalizing firms, as Nummela et al. (2004) pointed out that business models for such firms tends to emerge in modes of collaboration between firms and in ecosystems. Similar arguments could be found when looking at the notion of "coopetitive" business models, where firms which could be considered to be competitors in other business model configurations jointly create and capture value from a certain business model configuration, as examplifed in a case-study of Amazon, who acts as retailer itself but also provides an online platform for other retailers to use (Ritala et al. 2014).

Finally, we then have value delivery. *Value delivery* is a frequently mentioned dimension when discussing business models and its foundations, but could also be seen as somewhat more loosely defined as compared to the aforementioned value creation and value capture. Magretta (2002) simply refers to it as methods of delivery of (created) value to the customer, which is echoed by Doganova and Eyquem-Renault (2009) as well as Cortimiglia et al. (2015), who considers value delivery as activities conducted to reach customers and partners, such as distribution and delivery channels. This value delivery, as for the purpose of fusing these authors, could then occur in digital or physical spaces, involving a wide set of external partnerships, or none at all. Onetti et al. (2008) takes a delivery system outlook and highlights organizational issues such as resources and capabilities and position in the value chain network as value delivery aspects. Osterwalder and Pigneur (2005) highlights the importance of distribution channels for getting in touch with the customer as a key building block where actual delivery is clearly central. Morris et al. (2005) argues that the firm's role in production or service delivery is integrated in how firm's create value.

It is however possible to synthesize these viewpoints. Value delivery as a dimension can therefore be said to integrate issues and decisions regarding how an offering is being actually being delivered to the customer as well as the organizational resources, capabilities and value chain set-ups needed to execute on the delivery. In addition, the value delivery can arguably be seen as tightly linked to the value creation, is certain delivery modes may add or detract from the customer's perceived benefit of the offering. Thus, by integrating the business model dimensions of value creation and value delivery, they can jointly be argued to constitute the firm's value proposition facing the customer, as presented by Teece (2010) and Mezger (2014). While the concept of value proposition is often included as a business model dimension in itself by some authors (e.g. Doganova and Eyquem-Renault 2009; Osterwalder et al. 2005; Clauss 2016), it could also be viewed as exogenous of the business model as such. Through incorporating how the firm is intending to create value, through certain benefits and advantages in the offering, and how this would be delivered to the customer, the value proposition is expressed to the customer. This is in line with how for instance Teece (2007), Augier and Teece (2007) and Chesbrough and Rosenbloom (2002) view the value proposition, namely as an articulation of the business model and its value creation, rather than a component of it in itself. This is also echoed in the consulting industry, where Alexander Osterwalder's Strategyzer notes that the value proposition as a concept describes the benefits that the customer could expect from the firm's products and services, whilst the business model as such has the creation, delivery and capture of value as its core dimensions (Strategyzer 2015).

Business Model Innovation

Connecting the business model discussion back to the previous RBV discussion, the business model is consistent with what could be seen as an intangible resource of a firm and it has in its inherent mechanics the ability to yield profit or losses to a firm. The business model could further constitute a competitive advantage for firms, but hardly an enduring one, as business models are fairly transparent from the outside of the firm and thus fairly replicable by other entrants to that particular market (Teece 2010). Couple this with ever-present environmental dynamism and hence business models cannot remain static. Therefore, dynamic capabilities could be viewed as interplaying with both the selection and the design of the business model as well as in innovation of the business model, which is also consistent with the findings of Achtenhagen et al. (2013) and Turcan et al. (2014), who through empirical case studies have found this linkage as well. Linking this line of reasoning back to the basic ideas of the standard RBV, one could certainly make a case for the business model being a resource as such for the firm, which then could and often needs to be transformed or re-configured by the firm's dynamic capabilities. This is arguably further supported by Demil and

Lecocq (2010), who ascertains that pro-active scanning of the external and internal business environments should guide business model innovation decisions, which then could be viewed as an execution of a dynamic capability. This is also quite compatible with Sosna et al. (2010), who observes that business model experiments driven by the top management and trial-and-error learning could fuse business model innovation. Again, this notion also echoes the lean start-up approach of experimental business model innovation in iterations (Blank 2013). Furthermore, in line with McGrath's (2013) thoughts on transient advantages, business model innovation could be seen as tool for a firm for moving along the waves of emerging transient advantages over time.

Teece (2010) argues further that technological innovations by firms often should be accompanied by business model innovations, for the purpose of maximizing the value capturing effect of the technological innovation. Business model innovation can simply be thought of as changes made by the firm in "how to do business", considering that even a rather small change in a business model could have substantial effects on the business as a whole (Amit and Zott 2012). This argument is largely supported by Cortimiglia et al. (2015), who notes differences between developing an existing business model and designing a completely new business model, while noting that both business model innovation types could have considerable effects. A more specific operationalization of the term business model innovation was provided by Björkdahl and Holmén (2013, p. 214), as below:

"...to redefine an existing product or service, how it is delivered to customer and/or how the firm profit from the customer offering."

Obviously, there could, based on the above, be an opening for a discussion here in regards to how momentous or large these changes actually should be to be defined as an actual innovation and just not an incremental change of a business model.

Gerasymenko et al. (2015, p. 2) approach this aforementioned issue by using the term "substantial business model change". By substantial business model change, the authors infer that not only should the business model change impact how the focal firm generates revenues or manages its costs, but also consider areas such as core resources, competences/capabilities or relationships. The core argument for this, is that changes in resources, capabilities and relationships along with revenue generation and costs management mechanisms, has substantial, firm-wide, effect of how its business is being done.

This particular reasoning by Gerasymenko et al. (2015) could by large be seen as consistent with Björkdahl and Holmén's (2013) definition of business model innovation. However, Gerasmyenko et al. (2015) contributes by acutely highlighting the differences between more incremental or minor changes in the business model and more significant or substantial changes therein. Thus, for the purpose of this dissertation, these two complementary viewpoints will be integrated and subsequently business model innovation will be defined as below:

Business model innovation is to substantially redefine a firm's product or service offering, by changing either of the firm's resources, capabilities or relationships, which results in new ways of creating value for the customer, new ways of value delivery and/or how the firm captures value from the customer offering.

Having provided a general overview of the concepts of business models and business model innovation, the following sub section will take a more focused view upon business models in the context of INVs.

Business Models and INVs

Business models is a concept which has been very scarcely utilized in the research context of INVs, despite its increasing traction in general entrepreneurship and strategic management research over the recent years. By large, most of the time when business models are being mentioned in research papers concerning INVs, it is either only by a brief nod to recognize the fact that the concept exists (e.g. Fan and Phan 2007; Kuivalainen et al. 2010; Khavul et al. 2010) or just a mention in passing from a case study of a firm or groups of firms (e.g. Taylor and Jack 2012; Gabrielsson and Gabrielsson 2013; Nummela et al. 2014). However, some papers focusing on INVs could be argued to implicitly discuss business models, albeit without even actually mentioning the term as such anywhere in the paper. This could be exemplified through for instance Sinkovics et al. (2013), whose study considers the alternatives of using online sales channels for INVs as opposed to having a physical presence in foreign markets, which could be linked to value delivery. In a similar vein, Zucchella et al. (2007) discuss certain "business-specific" drivers, namely the creation of value to serve global niches, which is held to facilitate rapid internationalization.

A smaller number of papers, dealing specifically with the born global/INV context, do, however, take the business model concept as the main point of departure and focal point. We have here Dunford et al. (2010), who looks at the process of business model replication of an INV, as it expands across different international markets. Autio et al. (2011) argues that INVs will learn more about their internal processes over time and then subsequently be allowed to re-configure their business model. Hennart (2014) really put business models in the front seat, when arguing that it is an internationally appropriate business model that is the main driver of INVs initial international emergence, not the networks of the venture and the entrepreneur’s inherent characteristics, nor the previous industry or international knowledge of the entrepreneur or the management team.

However, a business model rarely emerges or exists in a vacuum or on isolated islands of individual firms (Strategyzer 2015; Zott and Amit 2013), which is a notion that perhaps was overlooked by Hennart (2014). Looking at the aforementioned value dimensions of a business model such as value creation, value delivery and obviously value capture, it is apparent that firms other than focal INV are involved in or have a stake in its business model, in different ways. This in a similar vein as the Taiwanese contract manufacturer Foxconn, who are doing the actual production of the phones and have an obvious stake in Apple’s business model, going back to that previously mentioned example (Montgomrie and Roscoe 2013). Such interdependence is also consistent with the notion that business models for INV type of firms do not emerge in a void, but in collaboration and interplay with other relevant stakeholders and that INVs does not make fully independent decisions due to these dependencies (Nummela et al. 2014).

Building further on this, the notion of swiftly and opportunistically using other actors for enabling an internationally viable business model, is an idea which could be related back to the alternative governance mechanisms (Oviatt and McDougall 1994). To summarize, the notion of using these alternate mechanisms is a conceptual differentiator between INVs as compared to traditional, large multinational enterprises (MNCs), who are endeavouring to develop competitive advantages by internalizing such activities and transactions instead (Teece 2004; Al-Aali and Teece 2013). The core idea of that is embedded in the logic that internal transactions should be more efficient (and thus cheaper) for the focal firm as compared to steering the same transactions on the open market, in relationships with other firms and actors.

As a consequence, these aforementioned “alternative governance mechanisms”, which in truth are entailing a number of external relationships, either upstream and downstream in the value chain (Magretta 2002; Shafer et al. 2005) or spread out in an ecosystem (Zott and Amit 2013) depending on how to depict an industry or the arena (McGrath 2013), could be seen as an integral part of the emergence and subsequent change and innovation of the business model of an INV. Again, as noted in a conceptual paper by Augier and Teece (2007) in the context of international business, albeit with a large firm focus, getting the business model right is critical for the initial success of a venture and continuously adjusting and improving said model is likely critical for the sustained success of the venture.

Put differently, INVs could potentially be co-creating aspects of their business models with actors, be locked into certain business ecosystems with larger actors, creating new forms of ecosystems themselves or having other types of inter-dependencies with other actors in their context of the business model. Little is also presently known regarding how the process of business model development could be driven by co-creation and collaboration with other actors, such as for instance customer-centric business model innovation and how aspects of the focal organization and the business environment impacts business model innovation (Nummela et al. 2004; Speith et al. 2014).

However, based on this discussion regarding business models and INVs, it is reasonable to assume that there have to be mechanics or capabilities, if one so posits, which drive the process of business model emergence, innovation and how other actors, i.e. in the form of external relationships and alternate governance mechanisms, are used and managed. An applicable framework for that is arguably dynamic capabilities.

Dynamic Capabilities

Having set routines in the form of certain capabilities or capacities to perform to at least a minimally satisfactory level, as per the definition of organizational capabilities, could hardly, intuitively be seen as the main building blocks of a successful growing and internationalized firm. Such capabilities are fundamentally only concerned with making a firm able to produce and sell a static set of offerings (Al-Aali and Teece 2013). In response to this gap in the literature on capabilities, Teece et al. (1997) launched the concept of dynamic capabilities. The notion of dynamic capability is referring to the ability of the firm to build, integrate, and also reconfigure and extend internal and external competences in order to meet demands for radical change and to improve the overall performance of the firm.

Yet, what actually constitutes the concept of dynamic capabilities suggested by Teece et al. (1997), how they could be measured and operationalized, what they could provide to a firm and under which sets of contingencies they may or may not be effective, is still being seen as a great debate among strategic management scholars today.

For instance, there is yet no universally accepted definition of dynamic capabilities (Barreto 2009; Schilke 2013), although many of the ones being used tend to incorporate similar elements, ideas and attributes. To exemplify: recognize, assess and respond to opportunities and threats (Arthurs and Busenitz 2006; Barreto 2009; Drnevich et al. 2011); reconfigure the firm's resource base (Eisenhardt and Martin 2000; Zahra et al. 2006; Townsend et al. 2014); create new resources, creating value generating activities and re-configuring business processes/activities (Teece 2007; McKelvie and Davidsson 2009; Bingham et al. 2014).

The main argument of Teece et al. (1997) in regards to the effects and thus the potential attractiveness of dynamic capabilities, was, as has been previously touched upon, to improve the overall performance of the firm through providing a durable competitive advantage by the possession of dynamic capabilities. Scholars have since also attributed several other potential business benefits to dynamic capabilities, by claiming that dynamic capabilities could lead to or facilitate aspects such as restructure industry relationships (Bingham et al. 2015); foster and facilitate innovation, new business strategies, business models and value creation (Zahra et al. 2006; Teece 2007; 2010; McKelvie and Davidsson 2009; Bingham et al. 2015); enter new geographical and international markets (Zahra et al. 2006; Bingham et al. 2015); as well as financial gains like increased venture capital capitalization and improved stock market post-initial public offering (IPO) performance by the ability of dynamic capabilities to swiftly navigate through weaknesses and threats to the firm (Arthurs and Busenitz 2006; Townsend et al. 2014).

In regards to empirical measurements of dynamic capabilities based on definitions incorporating the above-mentioned elements and their proposed effects for firms, a plethora of constructs and proxies have been used to capture dynamic capabilities in actual firms. Those include new product development (McKelvie and Davidsson 2009; Drnevich 2011; Schike 2013); human capital of founders/top management teams (Townsend et al. 2014); creation of new customer relationships and alliance management (Drnevich 2011; Schilke 2013); mitigation of risk factors in management and products (Arthurs and Busenitz 2006); changes in ways of doing business and business processes (McKelvie and Davidsson 2009; Drnevich 2011) and innovation/disruptiveness (McKelvie and Davidsson 2009).

However, in parallel with possessing various dynamic capabilities, it is generally accepted in the literature that firms also have and need substantive capabilities. An approximate understanding of substantive capabilities (also called operational, functional, ordinary, or zero-level capabilities) is the capacity to perform specific assignments, the routines to get the daily operations to flow efficiently and these types of capabilities do not change the resource base of the firm (Zahra, et al. 2006; Helfat and Peteraf 2009; Ambrosini, et al., 2009; Al-Aali and Teece 2013). Thus, substantive capabilities could be argued to be interchangeable with organizational capabilities previously discussed in terms of functionality and deployment within a firm. So whereas substantive capabilities could be seen as undeniably vital for the established routines and processes of running a business, dynamic capabilities are of a different variety and have a different purpose. In this regard, Teece (2012) emphasizes the role of entrepreneurial managers for transforming the firm and/or re-shape its ecosystem, based on their skills and intuition rather than routines engrained in the organization.

Thus he would argue that dynamic capabilities are based on certain key individuals in the organization, whose skills and knowledge might be difficult to transfer into structured corporate routines without the presence of such individuals.

Recent empirical dynamic capability research also note that the positive performance effect of dynamic capabilities is higher in more dynamic business environments compared to environments with lower level of environmental dynamism (Schilke 2013), which is arguably congruent with the conceptual thoughts by Teece (1997; 2007), Zahra et al. (2006) and Zollo and Winter (2002). As previously discussed, INVs often tend to exist in business environments characterized by rather high levels of dynamism, which further adds arguments for the relevance of the dynamic capability lens in the study of these types of firms. As previously mentioned, Zahra et al. (2006) also argues that dynamic capabilities could have the effect of encouraging and facilitating the internationalization of entrepreneurial ventures, as operating internationally adds another layer of dynamism and uncertainty to the business.

Extending the view on dynamic capabilities further, McGrath (2013) states that firms in general today, due to a more rapidly changing business environment, do not have sustainable competitive advantages in the traditional sense. Instead, firms need to develop ever-changing transient competitive advantages and have the agility of swiftly moving from one transient advantage to another, as different windows open and closes in the marketplace. Much of this reasoning is well-aligned to the dynamic capability literature as previously overviewed here. Similar arguments are echoed by Baretto (2009), who notes that the average period where firms could maintain their competitive advantages have decreased over time and that long-term, specific, competitive advantage might be something quite hard to achieve in high-velocity, dynamic environments.

A decade after his first paper on the topic, Teece (2007) developed and expanded the concept of dynamic capabilities and discusses dynamic capabilities as firms' abilities to sense and shape opportunities, seizing opportunities and managing threats/re-configuring capabilities. This could in turn be interpreted as relating the concept of dynamic capabilities back to Shane and Venkataraman's (2000) view on entrepreneurship.

As stated by Teece (2007) in regards to what characterizes firms having strong dynamic capabilities:

"*Enterprises with strong dynamic capabilities are intensely entrepreneurial. They not only adapt to business ecosystems, but also shape them through innovation and through collaboration with other enterprises, entities, and institutions*." (Teece 2007, p. 1319)

Such a description can be seen as fitting for INVs and thus the subsequent sub-section will focus on dynamic capabilities in an INV context.

Dynamic Capabilities and INVs

On one side of the coin, dynamic capabilities could, and have indeed been seen as a tool mostly in the realm of larger corporations, due to their perceived organizational and technological resource slack, which would allow them, in a repeated fashion, to evaluate new and different potential business opportunities (Teece 2012; Sui and Baum 2014). Slack resources, meaning the availability level of a resource, e.g. man-hours for a development project, is more likey to be higher in larger companies (Sui and Baum 2014). Additionally, larger corporations can more easily absorb the shock of a failed new product launch, whereas the same type of failure can entail existential risks for a smaller venture (Rosenbusch et al. 2011). Thus, the availability of slack resources can be seen as enabling adaptability and dynamic capabilities in firms (Sui and Baum 2014).

However, on the flip side of that same coin, larger firms could be trapped in their own set of legacy routines and therefore be unable or reluctant to sense changes in the business or technological environment. This could be highlighted by the case of Kodak and the once dominant firm's laggard approach to the challenges posed to them by the technological change to digital photography (e.g. Teece 2010; 2012; McGrath 2013). Furthermore, Teece (2007) intertwines dynamic capabilities with the firm's external relationships, such as business ecosystems and various collaborative efforts for innovation with other organizations. Thus, that could be connected back to Oviatt and McDougall's (1994) notion of INVs relying on alternative governance mechanisms, which could be argued to be inherently dynamic in its function, as INVs arguably could have a need to over time re-configure and change these mechanisms and the external actors involved, due to changes in the business environments or different stages in the firm's development. The importance of fluidness and agility in external relationships is also, as previously mentioned, pointed out by McGrath (2013), while arguing for the importance of resource access rather than resource ownership, to increase flexibility and decrease capital intensity, capital costs and fixed costs in general.

As further noted by Nummela et al. (2004; 2014), INVs are not really in many cases independent in their decision-making and business model choices, which does make a dynamic management of their external relationships crucial for their continued growth and development. Thus it could be deduced that it is reasonable, in accordance to Teece (2007), that successful INVs possesses dynamic capabilities which allow them to not only adapt to, but eventually even shape, their ecosystems and build competitive advantages by engaging in relevant collaborations for innovation. This is further also arguably congruent with Bingham et al. (2015), who noted how dynamic capabilities of the focal firm aided in re-structuring its industry relationships over time.

While later conceptual work by Teece (2014) acknowledges, in line with his previous work on dynamic capabilities, that INVs as a concept are much in line with firms who should possess strong dynamic capabilities, also empirical work of others has continued to provide evidence in that direction. For instance, Turcan et al. (2014) discuss how experimentation is used as a dynamic capability to enhance INV growth over time and Gabrielsson and Gabrielsson (2013) link dynamic capabilities and the decision-making process of effectuation in providing a theoretical model of INV development based on case-study evidence. In a quantitative study, Sui and Baum (2014) stress the need for innovative capabilities, which could be seen as highly related to dynamic capabilities, for INV survival over time. A clear limitation of that study could however be the usage of new products launched for export as the sole proxy for innovativeness.

Taken together, drawing on past research and given the context of INVs in this dissertation, dynamic capabilities will for the purpose of this study be defined as:

The ability of an INV to sense and shape their external and internal environments, by continuous re-structuring and re-configuration of resources and capabilities to facilitate innovative behavior and value creation across international markets.

This definition of dynamic capabilities points out its role as a facilitator, enabler or independent variable, if one so would prefer, for accomplishing for instance new business models, business model innovation or re-configuration of external relationships related to the INV typical alternate governance mechanisms.

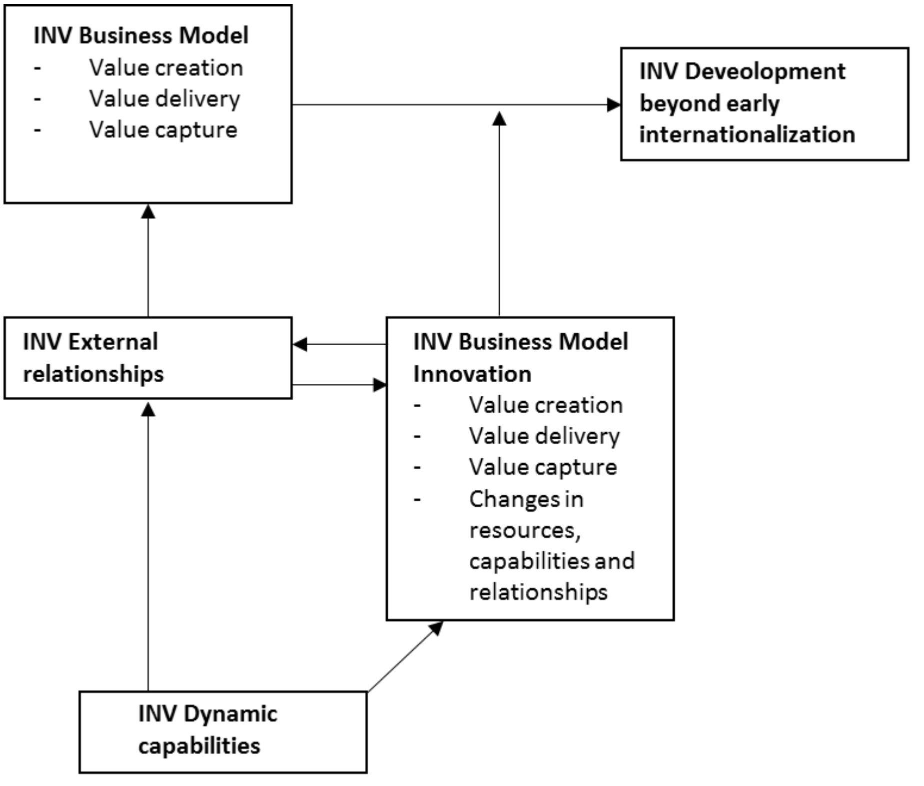
Integrative Framework

This section summarizes the vital points previously developed in this chapter and displays how these connect with the individual research papers of this thesis. While the business development over time of INVs lies at the heart of this study, the literature review has yielded a number of key insights for moving forward.

First, the business model is arguably a key resource for INV development and viewing it as such is well in line with the dominant RBV perspective in previous INV literature. Second, business models do not emerge or exist in a vacuum or on isolated islands. Relationships with other firms and actors matter for value creation, delivery and ultimately capture - in line with the notion of INVs and their alternative governance mechanisms. However, as a recent literature posits, these external relationships require timely and pro-active management and re-configuration to yield the desired outcomes for INVs. Arguably, INVs faces more difficult challenges than other internationalized firms to actually do this, due the inherent newness, both as such and on the international market (Autio et al. 2000), lack of legitimacy, which partnerships could mitigate (Maula and Makela 2005) and the overall highly competitive international market place. Thirdly, Teece (2007) states that business models needs to be adapted and re-configured according to new opportunities and changes in the business environment through the firm's dynamic capabilities.

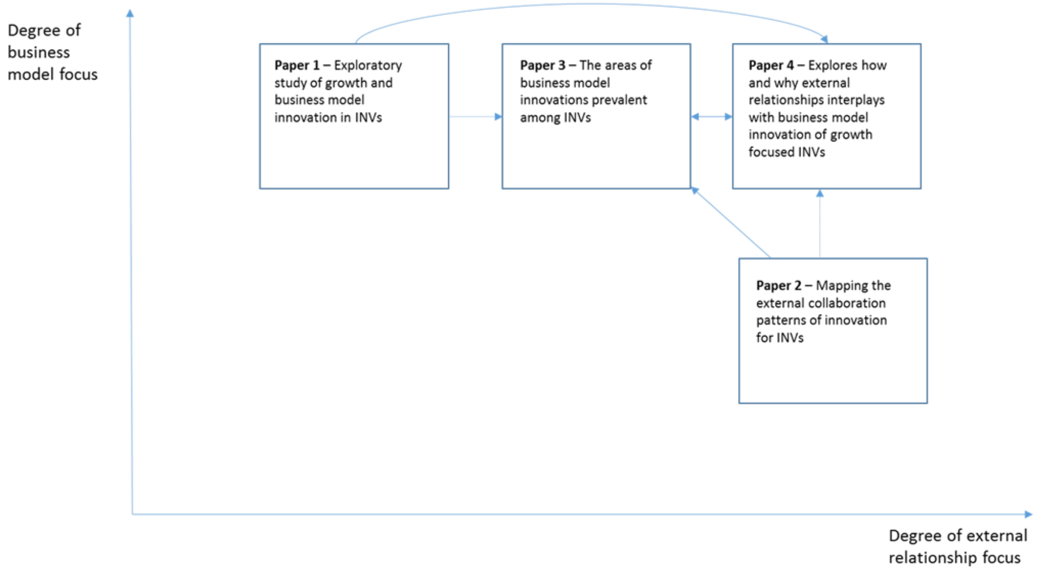
Furthermore, a business model may not be a so-called sustained competitive advantage for a firm, but its ability to swiftly re-configure and innovate the business model could be just that (Teece 2010; McGrath 2013). McGrath (2013) also further argues that the traditional notion of industry more or less have played out its role as a concept, as technology and innovation keeps pushing industries to change, develop and converge, such as entertainment, media and IT. Thus, firms are instead these days more competing in so called arenas than industries and these arenas are often global, which implicitly therefore make INVs actors in such dynamic, highly competitive, international arenas. One source of such transient advantages could be the firm's business model, which Teece (2007) highlights as a concept closely related to dynamic capabilities, as dynamic capabilities could serve as a foundation of the creation and innovation of a firm's business model (Achtenhagen et al. 2013). The discussion is further visualized in the conceptual model in figure 2, illuminating the suggested connections between the key concepts emerging from the theoretical framework. As previously argued, INVs are dependent upon external relationships in their business model configuration at the same time as business model innovation is likely to be needed over time for INV development beyond early its internationalization. Business model innovation in the context of INVs is however likely to be highly contingent on the external relationships involved, hence the noted interplay in the figure. Furthermore, dynamic capabilities of INVs can have the ability to fuel business model innovation and changes in external relationships.

Figure 2. Framework for the study



These arguments then clearly identify business models and external relationships as focal for this dissertation and that either of these focal concepts could be changed or re-configured by the INVs dynamic capabilities. Thus, according to the dimensions of business model or external relationship focus, the research papers are organized as in the figure 3.

Figure 3. Research paper inter-connectivity



A comprehensive summary of each paper is available in the summary of appended papers chapter of this dissertation, as well as the individual papers in their entirety. However, an overview of each individual paper's purpose is provided below, to aid the explanation of their inter-connectivity as visualized in figure 3:

Paper 1: To investigate how business models are used by born global firms to act upon new business opportunities and how they manage business model innovation over time to prosper and grow.

Paper 2: To examine the scope and pattern of inter-organizational collaboration of INVs of different age, size and organizational form.

Paper 3: To examine INVs' innovations within value capture and delivery dimensions of their business models in comparison with other internationalized firms with a global market presence.

Paper 4: To explore the dynamic interplay between external relationships and business models of INVs over time.

To further explain the figure 3 though, the arrows denote the relationships between the individual papers in different metrics. For instance, paper 1 and 4 are connected through a qualitative research methodology and paper 4 builds on future research suggestions highlighted in paper 1. Similarly, paper

2 and 3 share a quantitative research methodology and paper 3 answers further research ideas outlined in paper 2. Paper 2 further connects to paper 4 through an explicit focus on relationship dynamics of INVs.

Furthermore, paper 3 and 4 are tightly connected, as they both consider business model innovation of INVs in relation to actors that could be seen as related to alternative governance mechanisms. The difference between them, in a sense, lies in the methodologies and underlying data sets.

Whereas paper 2 might seem like an outlier due to its more implicit business model focus, it does however connect heavily to external relationships and have a high degree of inter-connectivity to the other papers as mentioned through its questions for further research and it further provides an overview of INV behavior regarding external relationships that the further papers could rely upon. Paper 1 on the other hand, has less of an external relationship focus. Partially this is due to it being an early and rather explorative paper in the dissertation process, but its findings provided new research avenues and ideas from which the other papers have built upon. Stated in a different way, the findings of paper 1 clearly emphazised the importance of external relationships and its impact on the business model design of INVs as well as the development over time of INVs, which subsequent papers in this dissertation took on further. As paper 1 and paper 2 came first in the research process, the findings in those papers jointly guided paper 3 and 4 in their subsequent directions, building on insights found regarding business models and external relationships of INVs.

Having provided the inter-connectivity of the included research papers of this dissertation, the subsequent chapter, methodology, will dwell into how to studies were done as well as the underlying research philosophy.

Methodology

Research Philosophy and Approach

This chapter aims to describe how the study has been conducted as well as its philosophical position. Or as quoted: *"Methodology can be viewed as the bridge that brings philosophical standpoint and method together. We, as the researchers, travel across this bridge throughout the research process".* (Hesse-Biber, 2010, p. 6) Research philosophy in business research generally refers to the author making a "confession" of sorts regarding his or her fundamental standpoints as a researcher, using terms such as ontology (rough typology of views of knowledge and reality) and epistemology (overarching view in regards to what is "acceptable" knowledge in a certain discipline). Traditionally for a researcher, the options included taking a more subjective stance or a more objective stance in terms of ontological and epistemological beliefs (Cunliffe 2010). Those chosen stances then normally direct the research in either a more qualitative direction, if a subjectivist stance is chosen, or a more quantitative one (Cunliffe 2010; Modell 2009).

While arguments exist for not really chosing a position and an associated research paradigm beforehand and instead purely let the individual research questions guide the choice of methods and just "get on" with the research (Modell 2009), there are however possibilities to integrate a rather pragmatic view upon research with existing philosophies and pardigms.

As I neither believe a fully subjective stance nor a fully objective stance will provide the best answers to the purpose of this dissertation, which focuses on INVs business development over time, I believe that the paradigm of realism (Perry et al. 2002) or also referred to as scientific realism (Hunt 1990) provides a useful middle-ground between the subjectivist and the objectivist positions and is therefore best suited for my research. Whereas the epistomoligical beliefs of an objective stance stipulates that research findings are true and a subjectivist stance stipulates that they are created or constructed, the realism paradigm posits that findings are probably true, but requires or at least benefits from verification through triangulation (Perry et al. 2002). Therefore, it can be argued that realism is well positioned to capture real-world complexity in contemporary business settings, which business research sometimes has been critisised for lacking (Perry et al. 2002).

The key concepts of realism argue that the world exists independently of its being perceived, that the task of science in general is to develop genuine knowledge about the world, even though the knowledge will never be known with certainty. Furthermore, realism states that knowledge claims needs to be critically examined and evaluated and tested to find out to what extent they may or may not apply to the real world (Hunt 1990). As can be deducted from the more practical descriptions of methods used in this dissertation in this section, the realism paradigm is hence quite well aligned with the mixed method research design and the abductive research approach that underpin this dissertation. More concretely, the alignment between the chosen research paradigm and the chosen research design manifest itself in a number of different ways throughout the dissertation. Firstly, the use of triangulation, as qualitative data collected for this dissertation does not only come from a number of different respondents, but also from different sources aside from interviews. Examples of such sources are business plans, marketing material and other internal documentation. Secondly, realism advocates that research issues can be interpreted both by qualitative and quantitative methods (Hunt 1990; Perry et al. 2002; Modell 2009), which is done in this dissertation's different papers. Thirdly, relating back to the previous points, triangulation could also be viewed as integrating qualitative and quantitative data to achieve further knowledge of the reality (Healy and Perry 2000; Perry et al. 2002; Modell 2009), which is mainly done through the discussions and conclusions found in the concluding chapter of this dissertation.

With regards to the research approach of the study, both quantitative and qualitative methods will be used, which is furthermore well aligned with the realism paradigm (Modell 2009). In business research methodology literature, this is defined as a mixed method research (Molina-Azorin, 2012, p. 33) and will in this research be used for the purpose of reaching the aim of the study. This is due to the ability of quantitative research to provide a large, overall picture of a problem and establish links between variables associated to the problem, such as in this research for instance between INVs and their pattern of external collaboration partners as compared to other firms. The knowledge gained from the quantitative research will then also be used to further strengthen the case study research in terms, for example, of asking more relevant questions in an interview situation and also choosing the relevant case study companies. To contextualize this in regards to this dissertation, quantitative research may show evidence for INVs utilization of a business model innovation in regards to their governance mechanisms, but not how and why that occurs. Thus it creates paths for further qualitative research, which then often could be used for additional explanation and expansion of the previous quantitative findings (Cortimiglia et al. 2015).

Molina-Azorin (2012) also states that this type of mix of methods gives the study both the processual perspective normally associated with qualitative research, as well as the static and regularity identifying perspective of quantitative research, which could strengthen and improve the research as a whole. Since this dissertation aims to investigate different aspects of business development of INVs and thus needs to fill a variety of different research gaps, mixed methods simply provide more opportunities to do so and thus allow for a more complete picture of the area studied. International entrepreneurship as a field has also over time been characterized by its output of both qualitative and quantitative papers (Jones et al. 2011), which hints at an inherent need and demand for both methods for understanding this particular area.

This is also acknowledged by Coviello (2015), who notes that further mixed methods research is needed in the domain of international entrepreneurship and INV research to attain richer and sharper insights and it can therefore be argued that this dissertation is addressing that methodological gap in the field.

More precisely, Bryman (2006) reviewed mixed methods research in social science and found commonly stated rationales for conducting mixed method research to include triangulation (corroboration between qualitative and quantitative data), complementarity (enhancement, illustration or clarification between different types of data) and expansion (extending the breadth and range of the study by utilizing different methods). All of these three given set of rationales are valid for this dissertation as well.

Hence, it can be said that combining qualitative and quantitative research methods in this dissertation have assured a methodological fit (Edmondson and McManus 2007). Methodological fit is achieved by considering the previous work in the field, the nature of the research questions as well as the individual methods chosen for the individual papers and then aligning the research approach accordingly. Again, previous research on INVs are fairly equally divided in qualitative and quantitative works over time, which shows that the phenomena could be looked at from both sides and that some issues are emerging and thus have the need for more qualitative oriented research questions of how and why a certain phenomenon is occurring. On the other side of the coin, calls for more solidifying INV research have been made in certain areas (e.g. Keupp and Gassmann 2009), prompting quantitative research to investigate how a larger set of firms are behaving given a rather strict theoretical framework. Subsequently, examination of business development of INVs over time yields research questions that, in some cases, could be looked at qualitatively and in other cases quantitatively. For this dissertation, in practical terms, this translates into a qualitative research approach for paper 1 and 4 and a quantitative approach for papers 2 and 3.

Given the fact that this research will rely on a mixed method approach of qualitative case studies and quantitative research and those case studies rely on a theoretical framework, based on previous studies, subject to change depending on the empirical findings, an abductive research approach is the most suitable concept for describing the dissertation as a whole. An abductive approach has the ability of generating a mix between the existing theories in the chosen topic and the new empirical information gained from those theories confrontation with “the real world” while gathering the data of the study, which in turn could add new theory to the field and update and supplement the theoretical framework with input from the empirical data (Dubois and Gadde 2002). Furthermore, Modell (2009) posits that a realism paradigm as an underpinning while doing mixed method research with abductive reasoning, has the ability to generate highly context-sensitive analyses. Hence, I believe that there is a fit between the chosen research design, the research approach and the theoretical framework in this study.

As for the qualitative part of the dissertation, this research will utilize a multiple case study approach, based on methodological ideas developed by scholars such as Eisenhardt (1989) and Yin (2009). The reasons for using a qualitative research tool as multiple case studies are that this study mostly aims to answer how and why questions and multiple case study also provides the opportunity for a so called replication logic, meaning that it could provide theoretical support for similar, as well as contrasting results between the cases studied. With a case study research design, the theoretical framework is responsible for directing when and where a certain phenomenon might be found (in this study INVs) and the theoretical framework is also the vehicle for advancing theory, i.e. if the cases do not display the expected results, modifications needs to made to the framework (Yin 2009).

To relate the above discussion about qualitative research more directly to the studies carried out in this dissertation, through the qualitative parts of this dissertation, it has been possible to generate new knowledge about how and why INVs have undertaken decisions regarding their business models and external relationships over time, as the longitudinal aspects are especially pronounced in paper 4 of this dissertation, where case firms are being tracked throughout a four-year period. Essentially, qualitative case study data here allows for a story to unfold, with an illumination of the actors involved and their motifs, which survey- or register-data scarcely could capture. Furthermore, the qualitative papers in this dissertation are used to develop propositions, aiming for later testing in quantitative research settings, which is an approach in line with Eisenhardt (1989). Thus, it could therefore be said that the qualitative papers are focused on the theory development rather than theory generation. In line with the purpose of generating propositions out of case studies, it should also be added that the case study work conducted in this dissertation has been instrumental in its nature as opposed to intrinsic. The difference being that in instrinsic case studies (mostly found in studies with a clear subjectivist stance), the case in itself is in focus whereas in an instrumental case study (in line with the realism paradigm), the case is being used to understand something else (Healy and Perry 2000). In this dissertation, the “something else” then relates to achieving an understanding of INVs business development over time, focusing on business models and external relationships.

Considering the quantitative parts of the thesis, which consist of paper 2 and paper 3, they allow for portraying INV behavior across a much larger sample of firms than would be feasible through qualitative research. Both those studies also involve, aside for a longitudinal aspect, examinations of Swedish INVs external relationships and business model innovation behavior, topics which has been receiving recent calls for further scrutiny in quantitative research settings (e.g. Keupp and Gassmann 2009; Hagen et al. 2014; Clauss 2016).

To conclude, the utilization of mixed methods in this dissertation is not an end as such, but is rather a means to deliver superior answers to the overarching research question of the thesis. Secondly, mixed methods, as discussed previously, provide the ideal methodological fit. As such, the choice of a mixed method methodology in this dissertation meets the criteria for usage of mixed methods as provided by Ihantola and Kin (2011).

Data Sources

As mixed methods will be utilized for this dissertation, it will naturally also rely on different sources of data. The quantitative data relies on the Swedish version of the Community Innovation Survey (CIS) from the years 2000-2009 and database data consisting of information from The Swedish Central Bureau of Statistics (SCB), containing information such as financial metrics, location, founding date and export/import numbers of individual companies.

The CIS survey and its main uses for this dissertation could be found in its data on a plethora of aspects of innovative behavior and external relationships in regards to innovation activities by INVs. Data is collected from participating EU and ESS member states every two years in a collaborative effort between OECD and Eurostat with the purpose of providing information on facets such as innovation activities in firms, different innovation types and innovation costs for firms (Eurostat 2016). Essentially, the CIS survey has the ability to for instance highlight innovation in business model aspects of INVs as well as its external relationship utilization. For the purpose of identifying INVs from the CIS survey, the survey was micro-matched with the SCB database and the firms could, therefore, be derived by an operationalization of INVs based upon their inception year and foreign sales quotas after their first three years of operation. Hence, the INVs found in the SCB database could be tracked in the CIS survey data and then matched with CIS surevy data on for instance innovation activities and external relationships. As such the merger of the data sets provided the opportunity to map out external collaboration patterns of INVs over time (paper 2) as well business model innovation activities over time of INVs (paper 3). Furthermore, by utilizing industry codes provided by Eurostat (Eurostat 2015), it was possible to group INVs in the sample according to the degree of technology or knowledge intensity of the industry. The so called NACE (standing for "General Industrial Classification of Economic Activities within the European Communities") (Eurostat 2015) codes provided by Eurostat were merged into seven new accumulated categories, namely high technology manufacturing, medium-high technology manufacturing, medium-low technology manufacturing, low technology manufacturing, high technology services, knowledge-intensive services and less knowledge-intensive services. More specific information on how the quantitative data sets have been used, analysed and their contents, can be found in the respective papers.

Primary qualitative data is collected through interviews with CEO's and top managers of INVs as well as people in managerial positions working in firms engaged in business relationships with the focal INV. Overall, the respondents have been in key-decision making roles in their respective organizations, working in areas concerning business development. In total, circa 30 hours of interview data have been collected for the purpose of this dissertation. In addition, several informal meetings, phone calls and emails were added to the overall bulk of primary data. The lion's share of that data comes from a longitudinal tracking of three Swedish INVs over a four-year period of time between the early Spring of 2012 through the late Fall of 2015. By obtaining multiple data collection points over time, this dissertation could therefore avoid a number of notable difficulties in qualitative data collection such as the insights given by the respondents being cyclical or highly idiosyncratical (Freeman and Cavusgil 2007; Dunford et al. 2010; Nummela et al. 2014). Commonly, it can be said the case firms are all active in dynamic business environments and in industry sectors that could be described as high technology services and medium-high technology manufacturing, in line with the previously outlined industry classification for quantitative purposes.

In addition to the collected interview data, this thesis has utilized secondary data for qualitative purposes such as annual reports, publicly available financial information, company web sites and social media channels as well as press releases and internal documentation such as business plans and strategic memos outlining current and future directions of the INV in question. Through obtaining and utilizing these various sources of secondary data, the statements given by interview respondents could thus be triangulated with multiple sources and thereby limit risks of respondent bias and securing internal validity (Eisenhardt 1989; Eisenhardt and Graebner 2007).

An overview of the data and how it was analyzed in each respective paper is provided in table 1 below, as well as in the individual papers themselves.

Table 1. Data description and analytical approach per paper

	Type of method	Data description	Data analysis
Paper 1	Qualitative	3 case study firms. Circa 17 hours* of interviews with CEOs and top managers of the firms. Secondary data such as press releases, annual reports marketing material and internal corporate documentation utilized.	Narrative analysis With-in case analysis Cross-case analysis
Paper 2	Quantitative	4623 Swedish firms, out of which 491 identified as INVs. Derived from CIS study matched with SCB data to identify INVs	Zero-inflated count model INV status independent variable, scope of collaborations for innovation dependent variable.
Paper 3	Quantitative	2132 internationalized Swedish firms, out of which 340 identified as INVs. INVs. Derived from CIS study matched with SCB data to identify INVs	Logistic regression, biprobit model INV status independent variable, BMI aspects dependent variables
Paper 4	Qualitative	3 case study firms studied for over four years. Circa 23 hours of interviews with CEOs, sales and marketing staff and key decision-makers in business partner firms of the case firms. Secondary data such as press releases, annual reports, business plans, social media and marketing material and internal corporate documentation utilized.	In vivo coding, aided by Nvivo 11 With-in case analysis Cross-case analysis Critical incidents

* A portion of the interview data refers to data collected by the paper's co-author for a project outside of this dissertation and is therefore not included in the total amount of interview data collected for this dissertation as such.

Research quality criteria

Arguably, different research methods, regardless of them being qualitative or quantitative in nature, have certain weaknesses embedded in them, affecting the quality of the results. For the purpose of assessing such weaknesses and how they could be mitigated or dealt with in the process of doing research, different terms or quality criteria are considered focal. With regards to quantitative studies, the most common of such terms are reliability and validity (e.g. Antonakis et al. 2010; Ihantola and Kihn 2011). Due to the inherently different nature of qualitative research, quality criteria could differ as a consequence. Commonly mentioned with reference to qualitative research are qualitative validity, transferability, dependability and confirmability (e.g. Miles and Huberman 1994; Hesse-Biber 2010; Ihantola and Kihn 2011).

Placing these concepts in the context of this dissertation, each individual paper in the thesis has addressed the relevant issues facing the individual paper. Regarding validity and reliability in the two quantitative papers, the essential role of these quality criteria is to ascertain that the right things have been measured and in an adequate fashion. In the process of working with both the papers, tools to ensure validity and reliability, such as the inclusion of various control variables and robustness checks have been utilized.

Regarding to the qualitative papers of this dissertation, a careful and theory-driven approach to constructing interview questions, triangulation of sources and the methodological fit to the research questions, assures qualitative validity (Hesse-Biber 2010). Furthermore, the qualitative findings of the papers could be considered transferable (Hewerdine and Welch 2013) across similar contexts, meaning here INVs operating from well-developed, small and open economies such as Sweden, while contexts which at least superficially could be seen as different, such as emerging markets or countries with larger domestic markets, may encounter different types of business model innovation challenges or external relationship dynamics. In accordance to Miles and Huberman (1994), the qualitative papers display dependability due to inclusion into peer review processes from academic conferences and academic journals as well as doctoral supervision. Additionally, confirmability is based on attempting to remove bias from the researcher when interpreting the results (e.g. Ihantola and Kihn 2011) and here again, peer input into the work serve as tool for that particular end.

However, since the overarching methodology of this dissertation is mixed method, a brief discussion regarding validity and reliability in the context of mixed methods is in order. A number of mixed method-specific terms are used in this context. Although to an extent previously addressed in this chapter, it could be re-stated that the study is having "design suitability", meaning that its usage methods are appropriate to answer the research question (Tashakkori and Teddlie 2008; Ihantola and Kihn 2011). Furthermore, the criteria of "analytical adequacy is met, through relevant usage of relevant and contemporary qualitative and quantitative analytical techniques in each paper (Tashakkori and Teddlie 2008; Ihantola and Kihn 2011).

Moreover, as could be seen later on in the chapter regarding discussion and conclusion, the dissertation also reaches, perhaps, the most unique mixed method criteria, namely "integrative efficacy". This concept refers to the ability of the study to integrate the findings and conclusions derived from each strand of research (qualitative and quantitative) into a whole, thus making the conclusions more meaningful than if just being treated separately (Tashakkori and Teddlie 2008; Ihantola and Kihn 2011). The notion of "integrative efficacy" is therefore also very much in line with the overall aim and spirit of this dissertation. It is displayed in the concluding chapter of the dissertation, where the findings and conclusions from two quantitative and two qualitative papers are in fact integrated and overall conclusions are drawn. Furthermore, the concept of “integrative efficacy” aligns quite well with the overall realism paradigm and the ability of qualitative and quantitative data to triangulate and to support each other.

Having established the overall research approach of the dissertation, its quantitative and qualitative data sources, research quality criteria and research philosophy, the actual findings and conclusions of the included papers are left for the last chapter of this thesis. Ahead of that chapter, the individual papers will each be summarized.

Presentation of the papers

Paper 1: Competing with the use of business model innovation- an exploratory case study of the journey of born global firms

The purpose of this article is to investigate how business model design is used by born global firms to act upon new business opportunities and explore how they manage business model innovation over time to prosper and grow. The study is based on three exploratory case studies of born global firms in IT/telecommunication, financial services and music distribution.

Three interrelated capabilities to manage business model innovation are articulated in the context of born global firms; sensing capabilities, entrepreneurial capabilities and relational capabilities. We further find that business model innovations are used as a tool by maturing born global firms to navigate the value chains and achieve international growth. In an early stage, the business model design is used to get a new innovation to the market. We suggest that born global need the capabilities to balance different business model designs simultaneously and to manage its business model innovation in a timely manner.

This article contributes to both the business model literature and research of international entrepreneurship. By putting business model research into the dynamic context of rapidly internationalizing born global firms, we contribute to the field of business model research with findings of how business models are used in the internationalization processes. Certain capabilities are needed to manage business model innovation for born global firms and dynamically use business models as a tool in the international growth overtime. This study further contribute with empirical evidence of how business models and business model innovation are used in business practice by internationally growing firms as well as broadening the understanding of how born global firms could grow and develop in international markets past their early internationalization efforts.

Furthermore, this study provides a set of practical implications for managers in growing and maturing born global firms. To an extent, we also believe that these implications could be transferable to other, similar types of firms as well.

Firstly, we see that without a carefully designed business model, relevant for the current stage the firm is in, technological innovations will fail to capture a market. Thus, the business model is at least as important for the success of ventures as the technical innovativeness. Secondly, as the firm evolves, so should the business model. The business model which allowed the firm to enter global markets in first place will likely not be the business model for sustained growth as the firm matures. This is due to ever-increasing global competition, technological advancements and changes in customer behavior, for instance.

Thirdly, as the cases in this study have highlighted, business model innovation is a process which needs to be managed carefully. At one hand, the firm needs to sustain competitiveness and avoid inertia, even at a rather young age, but at the same time not moving too fast and alienate customers. Finally, the firm's external networks and partnerships should be treated dynamically and hence be adjusted and/or re-configured as the firm's business model changes overtime.

Paper 2: Continuing corporate growth and inter-organizational collaboration of International New Ventures in Sweden

This paper examines the scope and pattern of inter-organizational collaboration of international new ventures (INVs) of different age, size and organizational form. To that end, we have identified 491 INVs that have participated in the fourth nation-wide Community Innovation Survey in Sweden.

By approaching firms' involvement in cooperative arrangements as a two-step process, we show that INVs are more likely to be involved in international cooperation than other firms and that INVs are also more likely to have a broader scope of international partnerships, both in terms of number of partners and geographic location of those partners. Mature INVs have a higher probability of being involved in international cooperation with at least one partner, while new INVs appear to have a broader scope of partnerships. The findings also suggest that firms that were formed as a spin-off or as fusion of two or more firms have a broader scope of international partnerships and are more likely to get into one.

We additionally conclude that the collaboration with national partners is on the same level for INVs and non-INVs respectively, while the INVs with distinct international ambitions need resource sharing and partnerships with international partners to a higher extent. The speed with which international business opportunities are discovered and act upon will also require dynamic management routines and direct links to foreign network partners (Oviatt and McDougall, 2005). We also propose, and with address for future research to study, that the incremental and long-term oriented internationalization processes of non-INV firms are not demanding the same extensive and dynamic types of collaboration with international partners. Instead when these firms follow the traditional step-wise model, where the internationali¬zation process is seen as successive learning and development over relatively long time periods, the potential of using already established and well-tested domestic network connections also for international business activities is seen as viable option.

To summarize, this study has shown that INVs engage in networking and international collaborations for innovation to a higher degree than non-INVs. INVs are generally a type of firm which undergo vast challenges at an early age, as it starts to compete on highly competitive international markets, facing a number of liabilities. Hence, this study highlights that INVs leverages various international partnerships for pursuing its international competitiveness through innovation. Strikingly, this behavior continues to be significant as the INV grows and matures overtime. Thus, these results contribute to the body of knowledge of how INVs develops and sustain their international competitiveness past early internationalization. Secondly, the study confirms the importance of networks for INVs, both at an early stage and through its development. Thirdly, few studies have previously distinguished between different origin types of INVs and their different development trajectories.

As for future research, potential avenues could be seen in how INVs manage their external network activities and to what effect. Additionally, the work of Hennart (2013) could be extended as to look at the role of networks and collaborations in the INVs business models. All of this could be done both through in-depth case studies and through quantitative survey work. Likewise, the role of dynamic capability and how such a construct may interplay with INV innovativeness and external collaborations also deserves further attention in research. Further research comparing different types of INVs in various aspects could also be fruitful for getting a better understanding of differences within the group of INVs.

Paper 3: Business model innovation of International New Ventures: An empirical study in a Swedish context

This paper aim to illuminate business model innovation in INVs compared to other internationalized firms, focusing on externally orientated business models elements geared towards value delivery and value capture, namely external relationships, sales channels and logistics (e.g. delivery, supply chain) methods.

In a conceptual paper (Hennart 2014) points towards an internationally viable business model as the distinguishing feature of INVs, which allow them an early and rapid entry into international markets. Business models could broadly be seen as conceptualizations of how firms do business (e.g. Zott and Amit 2007; 2011) and often includes dimensions such as value creation, value delivery and value capture as overarching building blocks (e.g. Teece 2010; Mezger 2014; Cortimiglia et al. 2015).

Nevertheless, while the original business model configuration is being noted as an initial driver for INV internationalization, that same business model might not be sufficient over time, as INVs develop and mature over time as an actor in the international marketplace. Thus, recent research calls have been made for scrutinizing business model change and evolution among INVs beyond their stage of early internationalization (Hagen and Zucchella 2014; Zander et al. 2015).

Thus, this paper aims to illuminate externally oriented elements of BMI in the context of INVs over time, focusing on the dimensions of value delivery and capture. The choice of externally oriented BMI elements, such as external relationships, sales channels, delivery and distribution, is to connect back to Oviatt and McDougall's (1994) original notion of externalized governance mechanisms as a defining feature of INVs, as compared to established multinational enterprises (MNCs) and their internalized governance structure, rooted in the theory of transaction cost economics.

The results of the study show that INVs are more likely to innovate these externally oriented elements of their business model compared to other internationalized firms and that the propensity for doing so among the group of INVs, is higher in more technology and knowledge-intensive industries. Put differently, INVs are more likely to shake up their overall external relationships, seek out new sales channels for their output as well as venturing into new methods for logistics, to cut costs (i.e. capture more value). And as this study shows, this is not only a trait for young INVs, but rather something they are able to sustain over time across the potential 8 years of international activity in this study.

Moreover, this study contributes with new empirical findings to the emerging debate of the importance of business models of INVs (e.g. Dunford et al. 2010; Hennart 2014) as well as how INVs are developing beyond the stage of initial international market entry (e.g. Hagen and Zucchella 2014; Hagen et al. 2014; Zander et al. 2015). This study merges these perspectives in a sense a carries on the torch from Hennart's (2014) study, which argues that an internationally scalable business model allows INVs to emerge initially. We extend that important contribution to the literature by showing that INVs do engage in business model innovation over time, after their initial international emergence and thus utilizes certain BMI elements to remain internationally competitive.

From a managerial perspective, this study highlights the importance of managing relationships dynamically for INVs as well as not getting locked into certain sales channels or logistical modes of operation which may ultimately impair international growth.

Paper 4: The Dynamic Relationships of INVs and their Business Model Implications

The original business model which allowed the INV a swift and early entry into international markets might not be sufficient for sustaining the growth and development of the firm over time. This is for instance noted in a conceptual paper by Zander et al. (2015), who finds that as the portfolio of offerings changes over time for an INV, the original business model likely needs to change as well. Thus the need for changing the business model characteristics through business model innovation.

Previous qualitative and quantitative research have shown that external relationships could drive the initial early internationalization of INVs (e.g. Coviello et al. 1996; Coviello 1997; Sharma et al. 2003; Torkkeli 2012), that they tend to collaborate more frequently with external actors over time (Abrahamsson et al. 2015) and that they also do tend to dynamically re-configure those external relationships more frequently (Abrahamsson et al. 2013). Little is however known regarding how this re-configuration is actually accomplished, the business model implications of this and its impact on INVs' development over time.

Thus, the purpose of this study is to explore the dynamic interplay between external relationships and business models of INVs over time. More specifically, this study focuses on INVs external relationships with customers, vendors, competitors and other marketing related relationships. Such relationships have been noted of being of particular importance for young internationalized firms by Li et al. (2015).

Considering the research purpose and questions to be examined in this study, a longitudinal, qualitative approach based on multiple case studies was consequently adopted. Based on this methodological approach, the study suggests firstly that business models could both act as an enabler and an inhibitor of international growth of INVs. The configuration of the business model which brought the INV to the international marketplace, could simply lack the durability to sustain growth at a certain point. Secondly, in line with Oviatt and McDougall (1994) and more recently Li et al. (2015), INVs relies heavily on so called alternative governance mechanisms in the form of external relationships, particularly in aspects regarding taking their offerings to the market and undertake marketing related activities. Those activities could include, but are not limited to licensing, outsourcing or vending of products in various international sales channels. Thirdly, to assure further international growth, this study displays that INVs needs to wrestle away degrees of business model control from these actors back to themselves and thus achieve a more centralized ecosystem position or climb higher in the value chain.

To broadly summarize the business model development over time for INVs, it can be concluded that value capture focused business model innovation, business model control, business model portfolio and proprietary data tend to increase in importance over time, whereas conversely upstream coopetition business models tend to decline.

Concluding Discussion

This dissertation opened up with an observation that current research on INVs might lack perspectives on INVs' business development beyond their early internationalization efforts, in particular via the business model lens. This chapter seeks to provide an overarching discussion and conclusion in regards to that central question of the thesis, as well as managerial implications and suggestions for future research avenues in the area.

Considering the four studies in thesis combined and in their entirety allows for intergtaive discussion in respect to the focal elements of the study, namely INVs, their external relationships, business models and business model innovation. For the purpose of overviewing the papers more on an individual basis, table 2 summarizes the key approaches within and insights from the studies.

Table 2: Approaches and key insights summary by paper

Paper	Research Approach	INVs	External relationships	Business Model (Innovation)	Contribution
Paper 1	Qualitative, case studies	Looks at the capabilities needed for INVs to manage BMI and how business model design is used by INVs to capture international opportunities.	The paper finds that external relationships can be a problem for maturing INVs, especially in a dyadic relationship with large vs. small INV firms.	The initial business model enables international market entry for INVs and INVs are using business model innovation over time as a tool to achieve further growth. Dynamic capabilities are needed to manage the process.	An exploratory study, where it can be seen that BMI and value chain navigation as important aspects for maturing INVs, when striving to achieve further growth.
Paper 2	Quantitative, survey- and register data	Finds that collaboration partnerships for innovation distinguishes INVs from other firms in a large data set.	INVs have a broader set of collaboration partners for innovation than other firms as well as a geographically more dispersed set.	Business models are used as part of a control variable and it can be seen that regardless of new business models of all the firms in the data set, INVs over time still have a different collaboration pattern for innovation.	INVs retain characteristics over time uniquely connected to being an INV, namely collaboration characteristics for innovation. Maps partnership behavior of INVs as compared to other firms.
Paper 3	Quantitative, survey- and register data	Notes that INVs have different BMI behavior over time than other internationalized firms, which can be related back to the notion of alternative governance mechanisms as proposed by Oviatt and McDougall (1994).	INVs are more prone to re-configure external relationships, relating to for instance sales channels and logistics than other internationalized firms.	INVs have different BMI focus compared to other internationalized firms, considering externally related BMI elements in the dimensions of value delivery and value capture. Namely, INVs innovate their external relationships, sales channels and logistical methods more frequently.	Identifies BMI characteristics over time uniquely connected to being an INV. Maps BMI behavior of INVs in the dimensions of value capture and value delivery.
Paper 4	Qualitative, case studies	INVs tends to shift focus in BMI dimensions' importance over time, focusing more on value capture as they mature.	Marketing-related external relationships needs to be dynamically managed by INVs. INVs strive for more control by changing relationship content/structure or partners. INVs needs a centralized ecosystem position to increase its value capture.	INVs are over time increasingly focusing on business model aspects such as value capture innovation, business model portfolios, business model control and proprietary (big) data to attain international growth and a more favorable ecosystem position.	Highlights BMI over time for INVs and the role of external relationships as both an enabler and an obstacle to INV growth. BMI and external relationships are intimately intertwined for maturing INVs seeking growth.
Synthesis	Mixed methods	INVs are a unique set of firms, with different characteristics in their partnership set-ups and BMI behavior than other firms. Due to heavy international competition and often larger partners and lack of control, they face substantial challenges for growth beyond early internationalization.	External relationships could be either a net positive or a net negative for an INV, depending on stage in development and how INVs are able to manage the relationships. Key relationships are marketing-related ones as well as product innovation-focused relationships.	Business models of INVs enables initial entry on international markets, but as INVs mature, BMI is needed for further growth. Through BMI, INVs can attain further control of its business model, become a more centralized ecosystem actor and thus capture more value and grow.	When considering the business development beyond early internationalization, this dissertation suggest that INVs should strive for a dynamic business model approach and utilize dynamic capabilities to design business models that put the focal firm more in control of the surrounding ecosystem, and reduce constraints that can limit the value capturing potential and thus the growth and development of INVs.

INVs

Relating to the INV types and classifications discussed in the literature review chapter, this thesis has found some key differences between INVs formed as corporate spin-offs compared to what could be referred to as "greenfield INVs", i.e. "pure" independent start-ups. INVs with a spin-off origin have a greater number of external partnerships for innovation compared to their greenfield counterpart, which might be due to its ability to leverage parental firm's partnerships and networks, in line with Phan et al. (2009). In the same vein, some differences between younger and older INVs could also be seen in regards to relationship scope and breadth, as older INVs have a more focused partnership structure at the same as its importance also increases as compared to its younger brethren.

Regarding INVs and the various sub-types of INVs presented in the thesis' literature review, it can be noted that the phenomena of born-again globals (Bell et al. 2001; 2003) once again gets empirically confirmed in this study through case study work. Here it is displayed as a generational ownership change in a family owned firm, prompting a rapid internationalization at that point, which is in line with extant theory. Furthermore, the firm in question behaves much as any other INV in terms of overall behavior beyond that born-again point, which points towards that INV characteristics may not have to be present from the point of birth or inception of the firm, but can be added on through a (business model) change process later on, in line with the notion of born-again globals.

Secondly, there have been debates in academic research as to where INVs are actually to be found industry-wise. While Oviatt and McDougall (1994) pointed towards technology as an enabler for INV emergence, they never excluded the possibility of INV existence in other industries. While a substantial amount of empirical work has been directed towards in high-tech or knowledge-intensive industries such as IT, life science and biotechnology (e.g. Luostarinen and Gabrielsson 2006; Hagen and Zucchella 2014; Melén et. al 2014), INVs have also been found in other industries, such as fashion and apparel (Bhardwaj et al. 2011), where the Spanish retailer Zara is a prime example of such an INV. This dissertation thus confirms and extends the notion of INVs being a multi-industry phenomenon, by looking at industry affiliation according to NACE classifications of a broad set of Swedish INVs over time. The dissertation shows that INVs do certainly exist in all the aggregated industry sectors provided in the thesis, including the less obvious ones, such as low-technology manufacturing and less knowledge-intensive services. However, their prevalence is indeed more pronounced in more technology intense manufacturing industries as well as in more knowledge-intensive service industries. INVs in these more technology-focused industries also conducts value capture and value delivery-focused business model innovation activities more frequently.

INVs and External Relationships

Overall, in regards to INV and external relationships, a solid takeaway from this thesis is that external relationships do matter as a key resource for INVs development over time. However, they do matter differently in different context and points of time for INVs and for better or for worse, as the studies in the dissertation have underscored. First of all, this thesis can show that INVs are more pro-active than other internationalized firms when it comes to managing their relationships, which is something recommend by for instance Sepulveda and Gabrielsson (2013). Managing relationships could here refer to change the actual partners as well as content and structure of the partnership (OECD 2005). In terms of INVs development, one partner set up might facilitate early and rapid internationalization, while another is needed for pursuing growth opportunities as a maturing firm on the international market. Both the qualitative and quantitative studies of this dissertation confirm that INVs recognize this issue and thus strive for pro-activeness and a dynamic approach to relationship management. This strive manifests itself for instance through for re-negotiating contractual terms from a position of increased relative strength, achieved via increased market legitimacy as well as on-going search activities to find international partners to enact upon new international business opportunities together with. Additionally, this pro-activeness and dynamism could also be seen in the evolution and breadth of INVs collaboration networks for innovation, as they tend to become more streamlined and focused over time.

Affirmed is also the notion of external collaboration for product innovation output purposes, as that is a key rationale for INVs to engage in external relationships. This finding slightly contradicts Li et al. (2015), who notes that rapidly internationalized technology firms (thus similar to INVs) tend to focus more on in-house R&D, which would then make external relationships rather redundant in terms of product innovation output.

That is not to say that external relationships that lack the explicit purpose of benefiting product innovation does not matter for INVs, far from it. This thesis displays a plethora of examples highlighting external relationships' importance in for instance opening up new international markets, facilitating new sales channels and providing INVs with legitimacy for doing business in other markets than the home market. These findings confirm and extend, by looking at dynamics over time for maturing INVs and not just the newly internationalized ones, mainstream INV literature (e.g. Makela and Maula 2005; Mort and Weerawardena 2006; Sepulveda and Gabrielsson 2013).

Furthermore, external relationships as a term can be seen as otherwise described or conceptualized in terms of value chains (a more hierarchical view, as presented by e.g. Shafer et al. (2005) or Magretta (2002)) or business ecosystems (less hierarchical, more based upon inter-dependencies, as viewed by Zott and Amit (2013)). Highlighted as essential in this study, is the ability of INVs over time to purposefully navigate through these structures, where they are surrounded by other firms and actors which they form different types of partnerships with.

INVs and their Business Models

Business models, as mentioned in the literature review earlier in this thesis, have fairly seldom been a focal component in studies of INVs and in international entrepreneurship in general. However, going back to the seminal Oviatt and McDoguall (1994) paper and their mentioning of alternative governance mechanisms as a distinguishing feature for INVs, it is rather transparent to make the connection between that concept and business models. Alternative governance mechanism simply represents how INVs do business and acknowledge that a variety of external actors are involved in the business operations. A few years after that paper, the so called dot.com craze broke out, which popularized business models as a concept (Magretta 2002; Teece 2010), which also represents how firms do business and that a variety of external actors tends to be involved.

In the present thesis, it can be said that business models represent a highly useful lens, in a way a modernization and a spiritual offspring to a degree of Oviatt and McDougall's (1994) discussion of alternative governance mechanisms, to express INV operations and business development. Looking at it differently, Oviatt and McDougall were describing that INVs were doing business in modes highly reliant on external relationships and acting in value chains or ecosystems where other actors perhaps owns assets such as factories or are in control of the main sales channels, thus providing different business models for INVs compared to MNCs. As this thesis have confirmed, there are also now empirical evidence for different business model innovation behavior among INVs as compared to other internationalized firms. This behavior could also be seen as congruent with Al-Aali and Teece (2014), who state that asset ownership is optional in the modern business environment, but that asset orchestration, even if the asset is external of the firm, is crucial. Asset orchestration refers to managerial search, configuration and selection of resources and capabilities, including buying, building and aligning assets (Teece 2007; 2012). Therefore, the business model innovation behavior of INVs as depicted here, could also be viewed upon as orchestration of external assets.

Put in terms of the resource-based view (e.g. Barney 1991; Peteraf 1993) of the firm as introduced in the literature review, this dissertation also highlights business models as a key resource salient for international growth for INVs as they mature over time.

As business models reflect partnership structures, changes and innovations in the business model necessitate changes in that structure, as again in line with Al-Aali and Teece (2013) and their notion of orchestrating external assets. Those changes may of course be divergent depending the firm-specific context studied. For instance, in some cases a growth inducing new business model may entail the necessity of shedding partners, while in other cases there is a need to add partners, for creating a business model facilitating dispersed geographical expansion and adapting to the local industry context, often then co-creating the new business model with local partners or customers. Obviously then it could be said that the INVs business models are conditional on the market offering. Certain products being exported on global markets demand certain business models set ups, which might allow for more or less in terms of for instance vertical integration. Additionally, INVs do seem to develop portfolios of business models (Sabatier et al. 2010) over time, which could look akin to the Boston Consulting Group's (BCG) growth matrix at certain points, where certain business models are cash cows, delivering the lion's share of the revenue, while others are stars, the upcoming, potentially great business model or dogs, who are yet to be removed, as being an obsolete but still existing business model.

Relating back to external relationships again, INVs over time do wrestle with the issue of business model control and the fact their decision making is not fully independent (Nummela et al. 2004; 2014) and consequently then often partially in the hands of relationship partners. Over time however, as shown in this dissertation, INVs could through for instance data knowledge, customer relationship and overall legitimacy and proven worth in the ecosystem, wrestle themselves more control of their business model(s). Put differently, the INV can through business model innovation over time achieve a position more to the core of the ecosystem or even create a whole new ecosystem (Autio et al. 2016) and therefore attain a higher degree of business model control. More business model control could then be seen as associated with a higher degree of value capture from the business model for the focal, maturing INV, and thus associated with a healthier growth trajectory for maturing INVs.

Moreover, the thesis has also addressed the issue of capabilities in relation to INVs business models. Capabilities in regards to sensing the external environment, relationship management and entrepreneurial ability are need for INVs to manage business model innovation. Similarly, INVs needs to strike a balance within their business model innovation, between what Zott and Amit (2001) would refer to as value capture focusing efficiency-based business models and arguably more value creation-focusing novelty-centered business models. As this dissertation portrays, INVs have a tendency to focus more at value capture innovations in the business model as they mature over time. Both qualitative and quantitative findings suggest that INVs do pro-actively strive to change value-chain or ecosystem set-ups surrounding them by for instance re-configure or create new relationships with customers, suppliers and distributors in order to capture more value and deliver it more efficiently. Bunz et al. (2016) notes that INVs utilize dynamic capabilities for organizational learning and adapt their practices accordingly during internationalization. Similarily, this dissertation displays INV dynamic capabilities for adapting during internationalization in terms of conducting business model experiments, sensing international opportunities and managing business model relevant external relationships dynamically.

The Development of Emerging and Maturing INVs

Considering the previous discussion, the answer to the overarching question of this dissertation, namely how INVs develop their business over time, could be illustrated in two steps or phases. Firstly, as seen in figure 4, this dissertation adds empirical evidence to Hennart's (2014) conceptual notion of an internationally viable business model being the main enabling variable of young and emerging INVs early rapid internationalization.

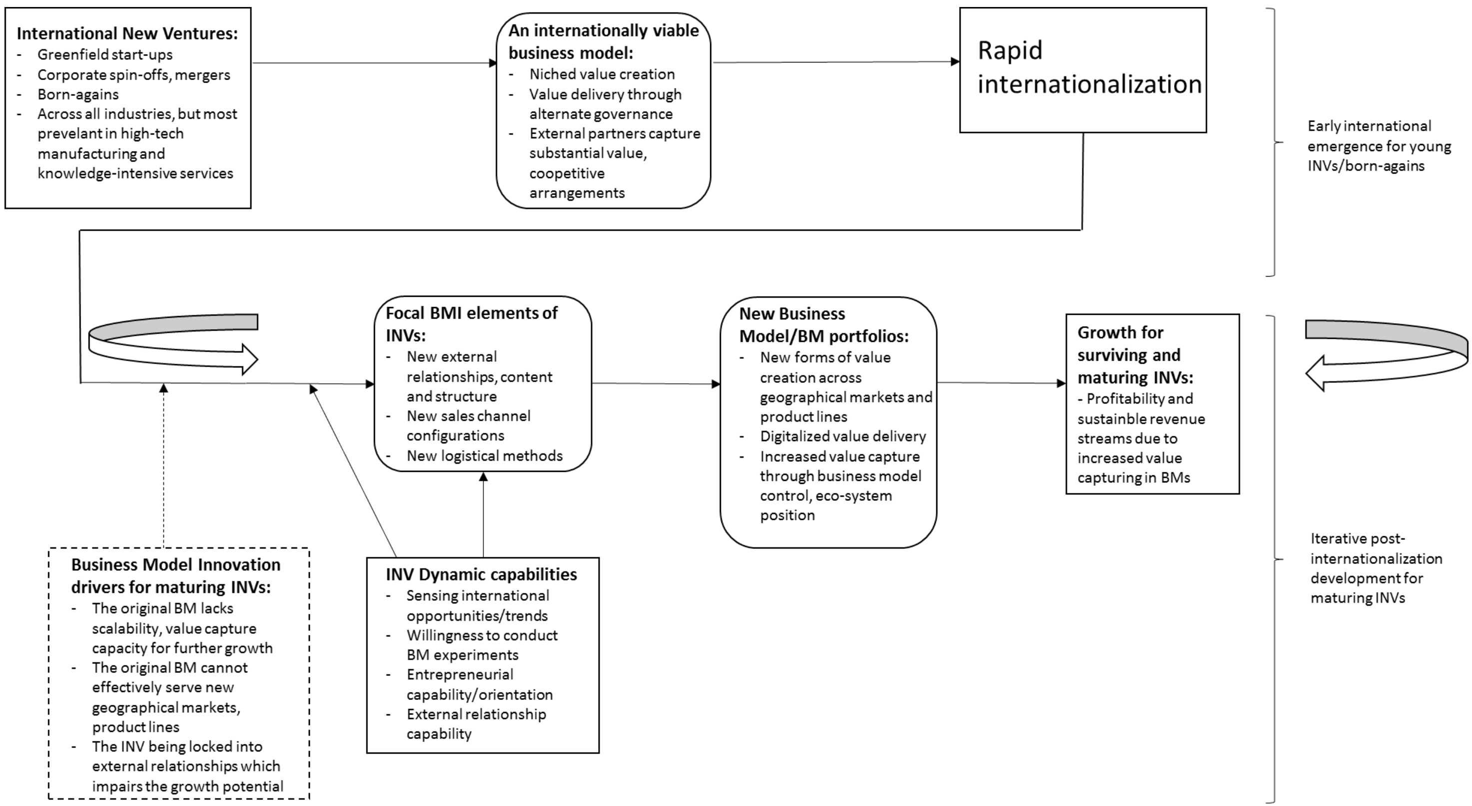
As this thesis shows, initial business models of INVs might for instance contain aspects such as highly specialized value creation to cater global niche markets. Furthermore, value delivery aspects are highly reliant on the INV typical alternative governance mechanisms (Oviatt and McDougall 1994), which often translates to a high degree of reliance on external relationships, both upstream and downstream a value chain. Partnerships similarly affect a value capture structure, where external partners scoop up a substantial part of the created value, often in coopetitive structures. As a consequence, relatively little of business model control is left in the hands of the focal INV at the emergent stage.

Such illustration does not take into account the inherent need for INVs to change their business model to sustain growth and international survival over time. Thus, for a maturing INV, striving for continued corporate growth beyond its early internationalization, the latter part of the figure becomes focal.

Highlighted in the figure is the ongoing process of business development of an INV, which of course needs to iterate continuously. At the core is the process of business model innovation, where the dynamic capabilities, manifested for instance in sensing trends and patterns on international markets and a willingness of the management to experiment with new business model options, across product lines and international markets, play a key role. Dynamic capabilities of INVs thus affect both the process of BMI and the formation of new business models as such. This in turn allows INVs to create new business models, often in portfolios and often focusing on innovation in external relationships, their content and structure, sales channels configuration or logistical methods. Over time and continuously iterated and maintained, this process could yield business models with a higher value capturing potential and degree of control for INVs, which in turn allows for profitability and sustainable revenue streams (Osterwalder et al. 2005) for surviving and maturing INVs.

Following this integrative framework, which has its purpose in illustrating the results relating to the dissertation's overarching aim, the subsequent section will address overall conclusions beyond this model as such as well as managerial implications and further research avenues in the area.

Figure 4. The development of emerging and maturing INVs



Concluding Remarks

From an overarching point of view, this thesis has striven to respond to calls for research into: a) INVs and their development over time (e.g. Keupp and Gassmann 2009; Hagen and Zucchella 2014; Zander et al. 2015) and b) Aspects of INVs business model creation, evolution and collaborative approaches leading to value creation and innovation (e.g. Onetti et al. 2010; Hagen et al. 2014; Al-Aali and Teece 2014; Zander et al. 2015).

By addressing both points, this dissertation has illuminated the issue of how INVs develop their business over time and yielded the following noteworthy insights.

Firstly, INVs have in the past mainly been identified through their early internationalization and various characteristics at that point, such as innovative offerings (e.g. Knight and Cavusgil 2004) or entrepreneurial capabilities (Karra 2008). However, this dissertation highlights that INVs retain certain characteristics over time as they mature and grow. Examples of such characteristics are INVs' propensity to innovate their business models in different ways compared to other internationalized firms, a higher degree of importance put into external partnerships for innovation and a broader scope of such partnerships. Coviello (2015) asks in a review paper for how long a firm starting out as an INV could be labelled as such, without reaching a definite answer. This dissertation contributes to that discussion by noting that since INVs appear to retain important characteristics over time regarding how they do business; such characteristics might be more relevant to distinguish INVs rather than age. As established in mainstream entrepreneurship research (e.g. Shane and Venkatarman 2000), entrepreneurship is a behavior and not a concept restricted to small or young firms. Neither is of course entrepreneurial behavior of firms doing business across borders and, therefore, it is relevant to suggest that firms starting out as INVs and over time still retain INV behavior in their business operations, are actually INVs until proven otherwise.

Secondly, while some INVs manage to go all the way to the top of the business pyramid and become industry leaders, such as Google, Facebook or Spotify, most INVs do not, just as most football players in the world will not reach the Premier League. However, many INVs do aspire for a healthy growth trajectory beyond their early internationalization. This thesis shows that growth is not a linear process and it requires a willingness to experiment (Sosna et al. 2010; Achtenhagen et al. 2013) and innovate the business model at certain stages, since the original business model that took the firm international might no longer have the inherent capacity for delivering the desired growth. Expanding on that, this dissertation notes that INVs do tend to have a stronger business model innovation focus in areas regarding external relationships, sales channels and logistics methods than other internationalized firms, which displays the inherent need for business model innovation in INVs, especially in areas which could related to their defining characteristic of alternate governance mechanisms (Oviatt and McDougall 1994). This thesis also finds that explorative search for new promising business opportunities also creates the demand for new business models within INVs, yielding empirical support to the conceptual paper by Zander et al. (2015).

Thirdly, this thesis concurs with research which advocates a dynamic management of external relationships by INVs (Sepulveda and Gabrielsson, 2013). Both the qualitative and quantitative components of this dissertation show that INVs are actively engaging in innovating and changing aspects of their external relationships, more so than other internationalized firms. While some empirical research (e.g. Hagen and Zucchella 2014) does not not find evidence of negative effects of external relationships on INV development, others have provided more mixed evidence (Sasi and Arenius 2008), and this dissertation would be in the latter category. Despite that INVs often internationalize through partnerships with larger, MNC-type firms, sometimes in an upstream coopetitive arrangement, those partnerships could hamper INV growth over time. Such partnership can simply lock an INV into a business model configuration with fairly limited value capture potential. This could sometimes be due to the larger firm using leverage and not wanting to create a competitor that would target similar end customers on a B2B market. Hence, the need emerges for INVs to break out of such proverbial partnership "shackles" through business model innovation, thereby achieving a better position in the industry ecosystem.

Finally, this dissertation provides explorative evidence that INVs could over time lay the foundation of business model innovation relating to breaking off from the dependencies of larger partners and attain a more favourable ecosystem position by using proprietary customer data, deepening the relationships with the customers, and proving and highlighting the value of the focal INV in the ecosystem. An illustrative example of this is what Microsoft swiftly became in the personal computing industry ecosystem in the 1990s. They moved into the position of the dominant ecosystem actor in personal computing by pivoting to a licensing business model of its operating system software rather than exclusive partnerships, which made Microsoft the focal ecosystem actor rather than Intel or OEMs such as IBM, which had that role previously. Microsoft then subsequently became the industry standard which other actors had to adhere to.

Taken together, this dissertation advocates that surviving and maturing INVs are capable of creating a highly dynamic business model approach over time, based on iterative and continuous adaptations, a fluid portfolio of business models to enact upon an array of international business opportunities across different product lines and thus through business model agility and control, deliver sustained value creation and scalability, in line with e.g. Sosna et al. 2010: Achtenhagen et al. 2013; Al-Aali and Teece 2014; Ziaee Bigdeli et al. 2016.

Through these insights, this dissertation contributes to the body of literature in international entrepreneurship, regarding the role of business models for INVs and INVs development over time. From an international business perspective, Teece (2014) finds the question of why some firms go global and grow insufficiently answered in IB research. By bringing in business model and business model innovation as lenses, this dissertation shed light upon the challenges for sustained international presence and how to maintain international growth over time. Additionally, the dissertation contributes to the business model literature regarding business models and business model innovation in the context of INVs and how business models is an entrepreneurial tool for enacting upon business opportunities in international contexts.

Managerial Implications

This dissertation provides a set of practical implications for managers in growing and maturing INVs, derived from the previous discussion of the findings and overall concluding remarks.

Firstly, without a carefully designed business model, relevant for the current stage (e.g. international emergence vs. post-internationalization) the firm is in, technological innovations, no matter how well engineered, will fail to capture a market. Thus, the business model is at least as important for the ultimate success of INVs as the technical innovativeness, if not even more so.

Secondly, as the firm evolves and aspires for further international growth, the business model needs to co-evolve accordingly. The business model which allowed the INV to rapidly enter global markets in first place will likely not be the business model for sustained growth as the firm matures. In part this is due to ever-increasing global competition, technological advancements and changes in customer behavior, but also due to partnership configurations that puts inherent limitations on the original business models ability to capture value back to the focal INV. Furthermore, a way to manage risks of changing from one business model to another, is to take the BCG-like business model portfolio approach and INVs should in that vein develop “star” business models, while still capturing a healthy value from “cash cow” business models and consequently quench the business models which could be seen as the “dogs” of the portfolio.

Thirdly, as the cases in this thesis have highlighted, business model innovation is a process that requires certain capabilities and needs to be managed carefully. The firm needs to sustain its innovativeness and avoid inertia, even at a rather young age, but at the same time not move too fast and minimize risk of alienating customers by new business models they might not be ready to embrace. This customer readiness may also differ across different international markets, thus making the aforementioned business model portfolio approach even more relevant in a context where business is international in its nature.

Finally, the firm's external networks and partnerships should be treated dynamically and hence be adjusted or re-configured as the firm's business model changes overtime. In many cases, such re-configuration is an actual pre-requisite to changing the business model of the focal INV, due to partner arrangements locking the INV into a business model which the value capturing of the focal INV and thus its overall growth potential.

Suggestions for Future Research

Whilst this thesis has highlighted a number of issues regarding INVs and their development over time, it obviously does not provide a complete or a full picture of the area in question. Several interesting research avenues are left to pursue for those inclined.

One such avenue is to further examine the coopetitive external relationships of INVs and scrutinize more closely the coopetitive business models that emerge between MNCs and INVs, for example. Secondly, while this dissertation has highlighted a number of business model aspects, more research is still needed, preferably quantitative and in larger samples, in regards to identifying relevant business model aspects and characteristics of INVs, perhaps not just in contrast to other internationalized firms, but to other entrepreneurial firms in general as well.

Thirdly, innovative product development is an important motif for INVs to engage in external relationships with other actors. Some research however, points towards a preference to internalize such development. A finer-grained qualitative research approach could perhaps shed further light of such balancing and trade-offs in regards to INV's product development. In what cases could product development with external partners be more beneficial and why and vice versa?

More work is also arguably needed considering INV specific dynamic capabilities. While this dissertation scratches the surface on that proverbial black box, further research could through quantitative and longitudinal means more stringently identify unique dynamic capability configurations of INVs in comparison to other sets of firms, which would further add to the understanding of INVs' business development over time.

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