MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

„Factors of accelerated internationalization of traditional SMEs in EU. Case of Aqipa GmbH."

verfasst von / submitted by

Yulia Solopova

angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of

Master of Science (MSc)

Wien, 2018 / Vienna 2018

Studienkennzahl lt. Studienblatt / degree programme code as it appears on the student record sheet:	A 066 914
Studienrichtung lt. Studienblatt / degree programme as it appears on the student record sheet:	Masterstudium Internationale Betriebswirtschaft
Betreut von / Supervisor:	Univ.-Prof. Dr. Oliver Fabel, M.A.

Acknowledgements

I would first like to thank Univ.-Prof. Dr. Josef Windsperger for guidance in the development of my topic. In addition to that, Professor Windsperger's advice on methodology has given the right direction to the whole field work, preceding the writing.

I am also grateful to Univ.-Prof. Dr. Oliver Fabel, M.A. for allowing me to present this thesis during the summer term 2018 and his very valuable comments on the presentation.

Contribution of the anonymous experts to the exploration of the business case is hard to overpraise.

Finally, I must express a very profound gratitude to my fiancé, Marco Decandia, for unfailing support and help with translations of information, relevant to my topic, from Spanish and Italian.

Table of contents

Abstract 3

Introduction 4

The importance of research 5

Theoretical background and concepts 7

Characteristics of Born Globals 9

Object of study 10

Propositions 11

Domain 15

Research objective 16

Research strategy 17

Measurement 19

Overcoming liability of outsidership: sub-case of Aqipa Iberia 23

Start of expansion outside mainland Europe: sub-case of Pure Ltd. 34

Sub-case of Aqipa Australia PTY LTD 43

Discussion of the results 53

Conclusion, theoretical and practical contributions 57

Table 1: description of case data 61

List of references 62

Deutschsprachiges Abstract 70

Abstract

Objective To discover, establish and evaluate the relations between structural and process elements of the internationalization process in a European SME established in the 1990s, an Austrian company with 300 employees, Aqipa GmbH, founded in 1993 is used as the case. In-depth knowledge about how resources and capabilities of the firm, qualities of management, foreign market factors, as well as strategic focus shape the way to the success of the object of study contributes to the theory, not fitting into Born Globals and gradualist models. *Setting and Methods* The research emerged from the cooperation of management consultants with the company immediately in the process of its expansion and aims practitioners as its ultimate users. A literature review has allowed to determine the focus of observations and theoretical framework to explain them in the exploratory case study. *Results* All the three sub-cases belong to different foreign market entry modes and we have considered theoretically proven advantages of chosen entry modes in combination with factors, present in particular sub-cases and suggested explanations of discrepancies found, which can be a question for further research. *Thesis contribution to the current state of knowledge* the current master thesis inherits a domain from the state of research on rapidly internationalizing SMEs in Northeast Italy, not fitting the criteria of born global, and provides an important evidence on such company in Austria. *Conclusion* We provide evidence on effects of different market entry modes, resources, capabilities, qualities of the management, foreign market factors, and strategic on a rapid internationalization of a SME. As a result, we develop practical advice and prove that a new paradigm between gradualist and born global theories is feasible and necessary as a framework for further theoretical research.

Introduction

In this Master Thesis we are carrying out a case study as an exploratory research, which contributes to the ultimate users of it, namely - practitioners. Moreover, exploratory case study research should have especially high impact in the domains of research lacking evidence and theoretical support. Thanks to usage of multiple sources of primary data, the validity of the propositions can be increased to the extent satisfactory to build a theory. Finally, new ideas in strategic management are often developed by management consultants, dealing directly with multiple cases, and this supports our motivation to convert practical experience into valuable contribution to the academical research, particularly when the existing theory does not answer all the questions in a satisfactory manner.

A theory must contain all the following four characteristics:

- object of study;
- concepts;
- relations between concepts (propositions);
- the domain to which the propositions apply. (Dul, J., and Hak, T, 2007)

So, we will describe all the four components for our theory in the first part of the paper and discuss them, providing evidence in the following parts.

The importance of research

According to the report of EUROSTAT, most of employment and value-added production in Europe are concentrated in SMEs.[1] This is why research on SMEs strategy is relevant for practitioners and not only.

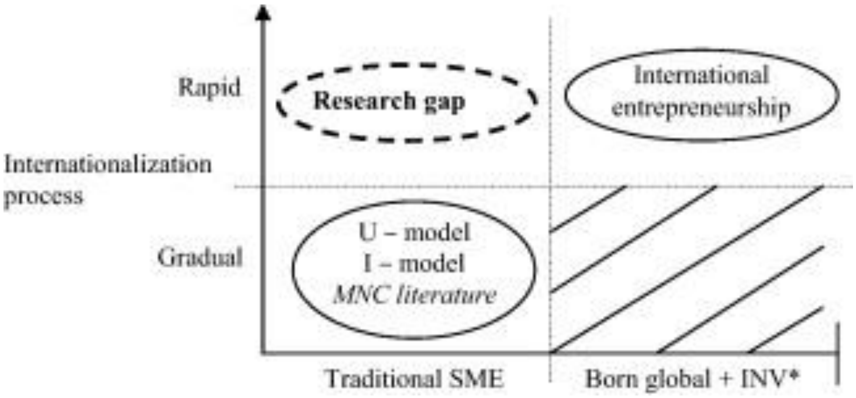

Figure 1: research gap. From: Kalinic and Forza (2012)

Following the definition of a traditional SME, outlined by Bell and co-authors (2003) and Kalinic and Forza (2012), who have examined the phenomena of these firms rapidly expanding operations into unknown foreign markets, we define traditional as firms with no especially developed organisational or technological know-how. It was found, that although CEO's characteristics and organizational capabilities of studied SMEs are in line with gradualist models, the strategic focus is the same as that of the born global firms. (Kalinic and Forza, 2012)

The observed composition of rapid internationalization and traditional SME, as well as limitations, set by Kalinic and Forza to their findings pose following research question:

What is the interdependence between the course of internationalisation, available tangible and intangible resources and the strategic focus of the decision-maker?

[1] Statistics on small and medium-sized enterprises - Statistics Explained. Retrieved on March 8, 2018, from ec.europa.eu/

Interesting will be to consider the development of international relations from the effectuation point of view, where the available information allows it, starting off from a concept of Sarasvathy (2008).

Theoretical background and concepts

Scandinavian academics have been in the avantgarde of the SMEs internationalisation's research, having started it in the early 1970s, which has resulted in gradualist or evolutionary models. We start off from the Uppsala model, developed and consistently updated by Johanson and Vahlne (1977, 1990, 2003) as the one providing most rich and full picture of processes. SMEs internationalization also interpreted as incremental involvement of a firm into foreign business networks with simultaneous acquisition, development and creation of knowledge of different types (Johanson and Vahlne, 2009).

Uppsala model builds-up on presumptions of risk-averse firm, aiming to be profitable in the long run, with limited knowledge, acquired experientially (Johanson and Vahlne, 1977).

However, this model is criticized for several reasons: the observation scope; inevitability and irreversibility of the internationalization, linked with incremental learning; the learning process, described as a cycle without a start, where tacit and specific knowledge and commitment are reciprocally triggering each other (Johanson and Vahlne, 1990).

In a later review, Johanson and Vahlne (2009) have stated, that their earlier postulates do not always hold to be true. The relevance of outsidership and psychic distance, previously thought to be the only determinant factors, now is considered to be lower. Kalinic and Forza (2012) found that international network is also not a prerequisite, as the SMEs can overcome the liability of outsidership, integrating unexpected stakeholders, for instance, hiring local managers or, as we also show in our case study, starting a joint venture with the local entrepreneurs.

Stopford's model of internationalization was derived from observations of 187 US MNCs and detected the steps from establishing an export channel to a wholly owned subsidiary. Stopford and Wells (1972) have developed a model of complicated dual diversification strategy: geographical and product one, putting it in a matrix structure.

Daniels and Radebaugh (1992) demonstrated intersections between the above two, as authors characterized efforts in foreign markets on 5 dimensions:

- active vs. reactive internationalization
- internal vs. external management of foreign trade operations
- level of similarity between domestic and foreign markets
- number of target markets
- scale, on that the companies gradually undergo internationalization from export through an agent to owning a subsidiary

Firms, not belonging to the domain of born globals, are supposed to internationalize slowly in the absence of a dense, well-developed network (Oviatt and McDougall, 2005). Oviatt and McDougall (2005) have brought in the evidence, proving that experience, knowledge-intensity, international networks have strong influence only on internationalisation of born globals. Other SMEs should be using different leverages to increase the speed and scope of internationalisation, as we will also prove in this thesis.

Characteristics of Born Globals

Starting with the report of McKinsey consultants (Rennie, 1993), the internationalisation literature of the 1990s has been constantly providing evidence, that firms with highly developed knowledge and business processes, can quickly internationalise right after establishment, refuting all the forecasts of gradualist internationalisation models. Further characteristics of such firms, as of McKinsey's report (Rennie, 1993) are:

- workforce of less than 500,
- sales of less than 100 million USD a year,
- highly-developed technological know-how,
- developed entrepreneurial spirit and strategic orientation of management.

Positive factors, intrinsic to the born globals, enabling or beneficial for their establishment: the existence of niche markets, break-through in business processes or production technology, flexibility characteristic of them as of any SME, global networks, availability of high-speed information exchange. (Rennie, 1993)

Rialp, Rialp, Urbano and Vaillant (2005) in their comparative case study research have identified three key peculiarities of the born globals: the team's mindset, capabilities, and strategic focus, differentiating born global strategy from traditional gradualist models, meaning export-based international firms. By referring to the characteristics presented in Table 1, it is possible to understand how our case is similar to the born globals. The attributes are the summary of an exhaustive literature review, including papers of authors from more than three decades of research, demonstrating a big range of views, on what a typical born global is.

Object of study

Instance, chosen to check our propositions, is an Austrian SME with 300 workers, based and started in Kundl, a market town with 4202 of the population, situated in the Austrian state of Tyrol. Aqipa was founded in partnership with a Swiss company Pataco AG, initially being its representative in Austria and selling anti-theft systems for retail industry. Ten years after the establishment, Pataco has started to develop own brand and in 2010 the name change has followed. Now Aqipa specializes in sales and logistics outsourcing for consumer electronics retailers. The first foreign market entry has happened in 2014 as an establishment of a fully owned entity, Aqipa Iberia S.L. in Barcelona, Spain. In the next years, the company has constantly expanded, entering Italy, establishing distribution centres in Belgium, Netherland, France. The current pinnacle of its development and our focus of interest in this case study is the Aqipa's market entry in Australia and New Zealand with its first venture in the APAC (Asia Pacific) region.

We draw on the assumption of Kalinic and Forza (2012), that strategic focus, on the first place, has stimulated Aqipa to enter and succeed in Spanish, British and Australian markets. Aqipa was not created by Trapl family with an aim to bring its business all over the world, so it belongs to the domain of traditional SMEs. Aqipa was not developing or changing its business model, which functioning was sustainable, till 2000, which is 10 years after the inception of the business. Still, Christian Trapl describes the story of his entrepreneurship as a story of one business, which provides a reason to test for the influence of his personality on the business model and success of Aqipa.

Propositions

The empirical evidence is found by the researchers, driven by information selection bias, in search of support for the side they have chosen in a discussion between gradualist and born global internationalisation theories. The border between traditional and BG shifts, their definitions become more diffuse, and it highlights the research gap in need of more evidence, brought in without presumption of proving one particular theory. We further in detail consider the propositions of both points of view to position Aqipa on the pole between BGs and gradualist models.

Since our hypotheses are contrasting sharply with existing frameworks to refute the gradualist theories and prove once again the changing realities, which were evidenced in earlier research, we are performing exploratory research, aiming to test new hypotheses. Since similar, but not equal propositions have been tested before, our research increases the robustness of the theory and makes it more generalizable with additional instances included into the domain. The initial domain covered in the paper of Kalinic and Forza is the universe of all instances of companies pursuing internationalization with restrictions in terms of geography (Northeast Italy) and economic sector (SME). We broaden the scope of instances, testing the case of a European company.

On the other hand, we also test Aqipa with the three sub-cases of Spain, UK and Australia for factors that are, characteristic of BGs and facilitate if are not prerequisite of rapid internationalization. After an exploration of the present state of research, we summarised the factors, used to choose the propositions for testing.

H1: unique intangible assets are necessary for successful internationalisation.

H2: high value creation is necessary for successful quick internationalization.

H3: some close or direct customer and client relationships are necessary for foreign market entry as a fully-owned entity.

H4: early internationalization requires involvement of local intermediaries.

H5: adjustment of organisational structure and business model are inevitable to enter a new foreign market.

We need to comment on the hypotheses, to better define the research questions, we are aiming to answer, contrasting two concepts and outlining the position of Aqipa as a traditional SME between them. To start with, Born Global concept includes special founder's characteristics, like a managerial plan to go global from inception. On this point, Aqipa is definitely not a Born Global, as it was founded to be merely a sales representative of Pataco – Swiss producer of antitheft systems - in Austria. Instead, we observed internationalization equal to the gradualist model, as international markets were entered after a significant domestic market and knowledge base. However, the speed of knowledge acquisition and entry mode – directly as a full-owned entity – are incoherent with gradualist models.

Founders usually bring a substantial prior international experience and hire managers with the consistent relevant knowledge. Aqipa had knowledge of the local market, which was irrelevant for Australia. It is remarkable, how Aqipa has radically changed the strategic focus in 2009, which supposedly, could be caused by the uncertainty of an economic situation in the European Union. Before that point it was totally aligned with descriptions of a gradualist models' object. Managers were aiming at sustaining the existing market position with the commitment to the general objectives and tasks, among which internationalization or acquisition of international customers was not a direct aim.

The last point to founder's characteristic is the way of networking. Before conducting an interview, it is unknown, how Trapl and his managers used personal networks to achieve the network density, crucial for the firm if it engages in internationalisation early, intends to succeed in it quickly and in big scope, as Aqipa did. However, foreign distributors have never been relevant to Aqipa, since it has not internationalised incrementally in terms of commitment level.

Organisational capabilities, distinguishing born globals, include extensive knowledge of a new country's market and ability to start market entry with high commitment. As noted above, it was characteristic of Aqipa only in the sense of commitment to foreign business partners. Due to lack of superior internationalisation knowledge at inception, Aqipa has fully relied on entrepreneurial intuition developed out of domestic market knowledge.

Unique intangible assets are created on the basis of knowledge intensity, which means effective knowledge management processes, allowing a firm to grow specific knowledge quickly. A firm can reach competitive advantage in the chosen industry and market through a new value curve, risking not to find the customer segment, or by improving the value proposition, understood as the ratio between price and utility, as perceived by the clients. Aqipa is delivering products of other brands, so it can be rather qualified as a reseller. If the firm is undergoing internationalisation, as described by gradualist models, the presence of valuable, rare, inimitable intangible resources is less crucial.

To conclude the description of Aqipa on the scale between BG and gradualist models we focus on the dimension of strategic focus. With internal or external motives to internationalise, the company takes up a proactive or reactive strategy, whereas the latter is characteristic of the gradualist models. Moreover, it foresees incremental foreign markets' entry, into the possible countries ordered by psychic distance. So Aqipa holds only on the second part of gradualists' proposition, having established in Germany and Italy, which border on Austria, then in Spain, moved over the continental part of Europe - to the UK, and consequently after a successful acquisition of Pure Ltd. performed another one in Australia and also in order of presumable psychic distance, choosing markets more similar to the already known ones.

Relationships with foreign customers were established the same way as at the home market, partners were chosen to maintain the same product portfolio strategy. The company itself defines their niche as the consumer electronics accessory market, which is not really narrowly defined, as it should be characteristic of BGs with strong customer orientation and precise customer groups. Aqipa is acting on a B2B basis and its target customers are electronic retailers. Only recently the company started the implementation of SAP Hybris software, planning to target private consumers, using the capabilities of omnichannel commerce. On the other hand, as said above, Aqipa has never considered local agents or intermediaries, even at the earliest stages of internationalisation, as gradualist models foresee it.

Domain

We inherit a domain from the state of research, as observed in the theoretical part and want to test the evidence from Northern Italy on a case from Austria, aspiring that our propositions could apply to all SMEs in the European Union. In other words, the theory embraces companies undergoing internationalisation soon after its establishment, not relying on the network and solid relations with foreign agents.

Research objective

To contribute to the development of internationalization theories, which cannot be static, as the economical processes change too, we are testing new propositions, based on a case of the last 10-20 years in a new setting. Hence, this case study could be characterized as exploratory research aiming more multi-faceted model of a new concept on the verge of born globals and evolutionary internationalization models. While fulfilling our objective, we can probably detect postulates, that turn out to be not true in the particular case of Aqipa and might need further research on a broader data basis, applied to business case analysis.

As a conclusion of retrospective analysis, we will analyse the compatibility of Aqipa's business model and corporate rules with potential foreign market to enter yet another country. Extrapolating the sub-case of Aqipa market entry in Australia, which refuted the theory of geographically gradual expansion, suggestions will be made regarding the worthiness of entering remote markets.

Research strategy

In order to fulfil the research objective of this study an observational research method as case study will be implemented. The advantage of an observational research method is that questions may arise in the course of the study, allowing more multifaceted picture of the studied object. Moreover, in order to analyse and compare theory and practice a qualitative in-depth interview will be conducted with the consultants, who supported the establishment of Aqipa's entities abroad, to explore the company's considerations on entering international markets and choosing an entry mode. This way it will be possible to understand whether certain strategic focus predefines success of internationalization.

The preferred strategy is a parallel one, in which we sequentially test a set of propositions and then choose the next case, which should prove or refute the generalisability of propositions. Luckily, the big scope of Aqipa's internationalisation offers enough sub-cases to perform the named strategy. The propositions question necessary conditions for successful internationalization in an early stage after the establishment of an entity. The hypothesis is confirmed if a factor was present in the case of success. The credibility of such proposition can be raised by multiple case-studies, unless one is found for that the hypothesis does not hold.

Relating to theory, we need to investigate, how Aqipa changed its product matrix, adjusting to foreign markets. Next, we need to test if Aqipa has maintained the original business model and organisational structure in the new branches. We will also find out if the knowledge of Aqipa prior to entry was sufficient to guarantee it success in a new market with the chosen level of commitment, as it is prescribed by the U-model.

We need to find out, what instruments and methods has company used to resolve international issues, without any internal knowledge, as even legislation of European countries differs a lot.

We will look at the specifics of Aqipa's business in markets, chosen for entry. In the following part we will find arguments for Aqipa being a niche-focused company. Also, without an interview it is unknown, if motives for internationalization were internal or external, which distinguishes proactive and reactive strategies.

The responsible for customer relations will be interviewed on the level and specifics of their client relationships' initiation and maintenance, as this is one of the important dimensions of internationalization. Further we need to investigate the organisational and business model of Aqipa to decide on the level of its flexibility and adaptability in an unknown situation. All along the research possible attitude of decision-makers towards the uncertainties will be considered.

Measurement

Following the research on the relation between international experience and insidership (Hilmersson, 2013), the dimensions of the internationalization are: scale, scope and speed, and we qualitatively asses these dimensions in the measurement process, which has been the same for all sub-cases, and processed information from the following sources:

- open interview with the project leading IT and management consultant to get familiar with the business process established in the HQ of Aqipa GmbH and the newly-launched subsidiary.
- open interview with the managers, who participated in the establishment of the subsidiary, to find out which assets, tangible and intangible, including relations with local agents, and knowledge, relevant to the chosen market, were in disposal of Aqipa GmbH by the moment of decision to enter in a new market.
- reading company business-process standardizing documentation to detect the independence of a subsidiary from the HQ.
- e-mail or telephone contact in case clarifying or additional information needed.

The duration of the interviews cannot be strictly defined, because we have collaborated on various projects with the employees of Aqipa GmbH, which served as a perfect opportunity to also collect data about a variety of factors interesting for our research: capabilities, key objectives, communication and adaptation, success, specifics of customer relations and marketing point of view.

The list of interview questions was based on the data necessary to test the hypotheses and the points we needed to clarify the interdependencies between the strategy and dimensions of the internationalisation, as specified in previous part of the thesis. Long-term relationship with the interviewees allowed to collect a lot of multi-faceted, tacitly rich information, ensuring that information about main competitors, substitutes of value proposition, customers and suppliers in the relevant markets, will be also obtained. Relying onto the Porter's 5 forces, shaping the market competition (Robert M. Grant, 1991), we supposed that this information will be sufficient to provide a view on the specific market, as perceived by the company, deciding on market entry. Extensive summaries with our comments were made of each interview and merged into descriptions at case level.

Specifically, to investigate what tangible and intangible resources and in what way were in posses of the HQ before the opportunity of market entrance was seen, the following questions were asked in each interview, paying thorough attention to the IT base of the discussed processes:

- What departments and functions are involved in managing the supplier, what are communicating with retailers (customers)? Who are the counterparts of these functions on the business partner's side?
- What are the functions of departments in Belgium, the Netherlands, Luxembourg? Are they contacting customers or suppliers?
- What functions were replicated in new markets? What managers were hired and what were moved from the existing human resources of the company?
- How are usually partnerships with new brands concluded? How have you got in contact with each of suppliers and customers?
- When was each decision to enter a new market made? The preparedness to risks and uncertainties was assessed based on acquired human resources, the network, tangible resources or knowledge? How was the rivalry assessed?
- How was knowledge of institutions and legal field in new markets acquired? Are the legal and financial departments internal in subsidiaries or these functions are outsourced?

- How does approval of decisions in subsidiaries work? Which decisions are made by managers on the spot?
- Since Aqipa is serving retail chains, has it followed the internationalization paths of the customers?
- How was Aqipa looking for service companies in the new market, for example, to build up the warehouse?
- On which stage is the plan of entering the B2C market? Will this sector substitute the existing B2B transactions to a substantial extent?

A control item asking for an overall judgement of the case (launch of a new subsidiary) was also included. We asked: "Do you think that it is the strategic vision of the CEO, which allowed Aqipa to make bold internationalization decisions?".

We have also considered the possibility, that the subsidiary is only a form of offshore outsourcing. To differentiate operational and revenue-producing subsidiaries we also relied on the information provided by the Aqipa's employees. Questions comparing set of functions and departments, generating revenue in the business model of Aqipa, and those, situated in the subsidiary, are serving this purpose to select the sub-cases.

During the interviews, we assessed the strategic importance of the new subsidiary as well, considering it as probably required for long-term plans and not solely increasing revenues. For each sub-case we determined the strategic vision and checked for five factors, embraced by our hypotheses (unique intangible assets, high value creation, some valuable partner relationships, involvement of local agents, adjustment of organisational structure and business model), returning to informants, if evidence was not exhaustive.

To sum up the methodology part, our prior experience with the observed industry and the studied company has generated a lot of additional data by means of observation and informal conversations. However, because of recent information security agreement we promised respondents to keep their data and any data they will provide confidential.

We have spent 5 days in the HQ of Aqipa to conduct all the interviews in person and 18 months cooperating with various employees in each subsidiary, taking part in the business process consulting and IT systems implementation.

Overcoming liability of outsidership: sub-case of Aqipa Iberia

Aqipa Iberia SL was registered as an entity in 2013, under a name Skype invest SL[2] and is a fully-owned subsidiary of Aqipa GmbH.[3] Aqipa Iberia is a medium-sized enterprise, since there 11-50 employees, its juridical form is limited liability company. The company's sales are exceeding 2500000 Euro. It is importing, reselling, distributing and representing the high-end consumer electronics.

On of strategies for opening a wholly owned subsidiary is greenfield investment, which was chosen by Aqipa to found a daughter company Aqipa Iberia. Greenfield investment as well as strategy of acquisition include both advantages and disadvantages. Greenfield investment can be more precarious, also due to higher costs, and slower, but is providing full control to the firm and in accordance with the theory, risk of investment is directly proportional to the return. A fully controlled entity is corresponding with the personality and previous managerial methods of the Aqipa's CEO, Christian Trapl. As the evidence has shown, he is tending to take the full control of business processes worldwide. The managers of Aqipa Iberia, we have happened to know, are professionals with international background, always with some cultural ties to Austria, so it seems, that there is more trust to employees with Austrian roots. In addition to that, they must be contributing a lot to organisational knowledge. Even though, research states, that greenfield investment is more likely preferred where capital-intensive production is planned, Trapl has chosen this form also for Aqipa Iberia, performing sales, to maintain full control of the business and compliance with the headquarters' standards. Another reason for greenfield investment can be absence of companies to buy or there are competitive advantages and capabilities, constituted by competencies, skills, business processes and culture the parent company wants to replicate also in a new branch (Christopher A. Bartlett, and Beamish, P. W.

---

[2] http://www.infocif.es/empresa/aqipa-iberia-sl Retrieved on July 23, 2018
[3] https://www.axesor.es/Informes-Empresas/7769498/AQIPA_IBERIA_SL.html Retrieved on July 23, 2018

(2014). In fact, Aqipa GmbH has experience of acquisition, so it could not be avoided for the reason of higher risk when the outcomes are unknown, and the latter statement holds for it, as it also true that Aqipa GmbH has definitely developed intangible assets in form of business processes, company culture and industry know-how, that it was willing to transfer to a daughter company.

In addition, according to the market report, there were no competitors with the equal activities, which acquisition could be aimed. B2B distribution of consumer electronics in Spanish market is by 51% dominated by three companies: Esprinet, Tech Data and Ingram Micro.[4] There are other players, entering B2B consumer electronics distribution market now, like CMS Distribution from UK. The named companies represent brands, different from the portfolio of Aqipa. Moreover, according to research, since several years, Italy and Spain have ratio of IT spending on GDP lower than other European countries, especially in public sector and commercial companies. We interpret it as a potential for growth, detected by Aqipa GmbH in time, since market is not satiated yet. Another advantage of Spanish market, according to Bain and Co. is the recovery of Spanish economic, which was described as prodigious in the study of 2016 at 2,6% GDP growth, at a higher pace than the 2% Western Europe average with forecasted further speedup.[5]

According to the same study of Bain and Co., Spanish distribution market was worth 6,2 billion Euro in 2017, with 48% of the total end market generated by value distributors. This numbers have growth potential, as resellers look for increased efficiency and value added. [6] Spanish market is perfect for Aqipa's entrance, because it concentrates on increasing value added through provision of distribution, procurement, reporting, logistics and marketing. Multifaceted

[4] The European Market for Wholesale B2B Distribution in IT and Consumer Electronics TCA white paper – June 2017. Retrieved on July 27, 2018, from technologychannelsalliance.org
[5] Ibid.
[6] Ibid.

distribution services, for instance, comprise outsourcing of rack jobbing, promotions and other functions of field sales force even for decentralized customers, thanks to "exceptionally large sales team", as Aqipa claims in pitch for potential clients, which is doubtful. We have observed high organisational efficiency and mobility of staff, enabling the support on every POS to make sure that Aqipa's products are prominently displayed everywhere. The function scope extends to implement individual services such as store conversions, POS placements, regular sales and product training sessions, transferring the competencies of Aqipa's highly motivated and well-trained coaching team, so that retailers can provide consulting and sales services in a competent and confident manner. Next, Aqipa has a strong key account team as the basis for providing product support for each category, by an agile and responsive expert who has a close relationship with the individual customer, established through a lot of, also multilateral, appointments together with supplier and retailer, to discuss the important details of a market launch or a special sales campaign. After the launch, Aqipa can take over sales controlling keeping both supplier and retailer up-to-date on current sales, stock levels and customer-tailored statistics.

Even being a technology-savvy company, Aqipa puts a high value onto labour force, hiring promoters, who provide customers with the shopping experience, first-hand contact with products, professional advice, which is important when it comes to arousing emotions, which create end-customer experience and they, in turn - sales. Another application of labour force, Aqipa is foregoing is mystery shopping service, offered to the retailers in order to ensure that everything works as planned and foreseen by the designed campaign at the POS and that product advice, placement, availability correspond to the wishes of partners. This is carried out by staff of a mystery-shopping company, but specially trained by Aqipa, in order to detect possible weaknesses and to initiate countermeasures at the same time.

Technological aptitude of Aqipa is showing in its continuous implementation of all SAP modules, highly integrated into operations. One of the instruments, developed on the basis of SAP and provided as a value-adding service is SalesGear. With thousands of products in total and hundreds of new articles each month, the app keeps track of all sales operations, encompassing tour planning, product catalogues, new products and promotions, delivery scheduling, auto-replenishment on behalf of the retailers. Since Aqipa's business model is strongly customer-oriented, there is a hotline for resellers. Operators of this hotline provide information on stocks availability, product specifications, facilitate order placement, track delivery or return status, and are accessible every day by email and telephone, in accordance with the branch standards of support hotlines. Aqipa's customer service team is highly-skilled to combine all the services which are necessary for successful order processing, without differentiation of sales generated by the retailer or Aqipa's staff. Orders can be placed by email, telephone or high-fidelity EDI[7] connections, established on request of a client or supplier. EDI is used for automated processing of big numbers of orders, reducing labour costs, supported by software platform, it is speeding up the operations to then forward documents to logistics section or an external logistics provider with zero chance of mistakes by human factor. Aqipa has established customer service centres in many countries, and in Spain as well, providing support without language or cultural barriers to the end-users on a new market, which demonstrates full commitment of Aqipa to the foreign market, putting the development of organisation onto the same level of the parent company and ensuring success of internationalization.

On the other hand, turning to supplier relationships management, Aqipa is placing substantial offers, aggregating the demand of even smaller retailers. The economies of scope are playing a role her, producing higher margin for everyone along the value chain. Aqipa takes the time with

[7] Electronic Data Interchange

its customers to create an individual product and service offer and to forecast sales both for retailers and production planning of suppliers to meet sales volumes. The data is provided by Product Management and Marketing and Communications departments, located in the subsidiary Aqipa Iberia. Purchasing, planning, communicating can be implemented on behalf of local customers. Apart from setting up a minimum inventory level, calculating customs duties and transport costs or getting the goods to Aqipa's distribution warehouses in Spain as fast as possible, Aqipa also offers accurate planning for B2B promotions. Acting as a link between producer and retailer, Aqipa takes over bonus processing, promising more beneficial marketing terms and conditions, achieved through its economies of scale. Customers bill Aqipa as agreed, and as the next step Aqipa invoices retailer on more beneficial price offer. In this way lower transaction costs of operations are ensured and the customer has a direct contact person without any time lost, developing commitment to the Aqipa's value-added service offer.

As mentioned above, one of the Aqipa's 3 strategically placed, European distribution warehouses is in Spain, what can guarantee the fast and efficient delivery of goods. Scheduling is the most important aspect to inform customers of the availability of the products, so that end users can exclusively access the product on the release day. This means that Aqipa Iberia determines in advance the needs on Spanish market per channel and area, so as to take care of everything in the supply chain. Logistical operations on a high scale mean over 4 million products or 200000 parcels leaving Aqipa's warehouse every year, which also means incoming processing in the same amounts and some part or return management processing. These quantities are processed through pick-and-pack processes, reverse logistics, display and bundles assembly by a logistics section which reaches 99,9% of accuracy, facilitates the shortest delivery times and the fastest incoming goods processing.

Alongside with already mentioned strong international customer relationships of Aqipa GmbH, used to assure sales of Aqipa Iberia, there are also supplier relationships. We have found out, that Beats by Dr. Dre and Marshall are distributed by Aqipa as well as by Esprinet. We know, that this state of things is not satisfying the CEO of Aqipa, who puts a big value on absolute advantage, contented in exclusive agreements, like that concluded with Pioneer this year.

Aqipa has run a high risk, choosing greenfield investment entry mode, since the costs of establishing a new business are related not only to assets cost, but also intangible costs and efforts, that can become sunk costs, if the internationalization fails. Aqipa needed to acquire knowledge and expertise of the existing market by third parties and overcome the liability of outsidership in the local business network. Hence, costs of the market entry strategy, chosen by Aqipa are normally very high, due to time, needed to establish operations, distribution and to learn how to achieve the competitive advantage in a new market (Christopher A. Bartlett, and Beamish, P. W., 2014) Aqipa GmbH overcame the mentioned disadvantages, since its business partners in existing countries of operation are international companies (Media Markt, Amazon.com, Saturn, Zalando, Spar, O_2, Vodafone). Business model of Aqipa GmbH was successfully replicated in a new market, with little adjustment needed, since its main partners were same as on home market. Time of roll-out was reduced, because operational staff was trained according to the standards of a parent company. With these well-established partnerships and efficient operations, the sales in a new branch were assured. This way, Aqipa has extended its business to serve the needs of customers globally, which was a mutually beneficial step both for Aqipa and its customers.

Sarasvathy (2008) developed a point of view, adjacent to the network point of view and adding weight to it, focusing on the inter-subjective nature of entrepreneurship, as opposed to the relations between company and market. In other words, entrepreneurship is not a construct of market, but is a process of new realities' construction by committed parties. The rivalry might be high, but this trait of reality is negligible due to the strong relations with big customers, sustaining and assuring the business of Aqipa GmbH worldwide. Second, Sarasvathy (2008) elaborated a concept, explaining that steps taken by an entrepreneur are formed with the knowledge exchange and mutual negotiations between partners, interdependent and interested in each other's success. We are referring to Media Markt as an instance, demonstrating connection between evidence of Aqipa GmbH and theories, because, according to our observations, most of the business travels of Christian Trapl are organised to conduct negotiations with Media Markt. We see it as willingness to continuously align symbiotic expansion, as Aqipa provides portfolio of Media Markt with new brands, like Jays and Kygo, for instance, in 2018, cutting transaction costs of Media Markt, related to search of products and its procurement. If we look at the strategic focus of Aqipa's CEO from the effectual, as opposed to causal, framing, we see, that it was neglecting and redrawing the challenges of market into new opportunities and focusing on detecting them. For instance, key partnerships with customers, positioning substantial orders worldwide, were possible due to contingencies of stakeholders from both sides, and from the effectuation point of view they have potential for further analysis and investigation of chain of events, which sustained them.

Sarasvathy (2008) concluded, that entrepreneurs "see the world as open, still in-the-making. They see a genuine role for human action. In fact, they see both firms and markets as human-made artefacts." In other words, market is created by entrepreneurs, where the value still can be added. In fact, higher value added is one of the BGs' characteristics, leading to success of rapid internationalization of a young firm. Distributor value added is the degree to which a distributor increases the value proposition of the supplier to the end user by optimised channel function. When distributor value added is high, the sales volume is not the most important performance criterion, since the distributor like Aqipa GmbH is not utterly performing basic channel functions like assuring product availability. Short-term sales performance does not characterise how the supplier and shops benefit from the distributor’s services, related to the representation of brands, what Aqipa, in fact, focuses attention of potential partners at. In addition, efforts tactically aiming at increased sales performance, are destructive to a specific successful strategic focus, similar to that of BGs. Reducing the bottom line of the operations, putting less effort into technical support and marketing activities can in the long run reduce satisfaction of the customers and consequently result in worse value proposition. The following point is in accordance with the effectuation point of view, highlighted above, and the self-positioning of Aqipa, performing distribution, procurement, reporting, logistics and marketing: when several functions are performed, focus shifts onto distributor behaviours, because due to the complex tasks the distributor must perform the relationship between distributor activities and sales might be hard to establish, in other words predictability of outcomes is low. Low predictability causes high risks of causal attitude to the internationalization strategy and effectuation point of view becomes more preferable. (Celly and Frazier, 1996)

Moreover, high value added, innovative value curve, combined with long-term relationship made Aqipa distributor with a value offer, which is difficult to substitute, creating incentives for the internationally operating partners to ensure distributor support, guard against opportunism, and even to share risk (Celly and Frazier, 1996). If a proven vendor like Aqipa is preferable for Media Markt to have uniform purchasing processes worldwide, consultations and legal support could be provided by them, since Media Markt has entered Spanish market in 1999.[8]

Ability to create value added reassured Aqipa of its position in the global market, so Trapl seems to have been following the principles of effectuation, avoiding to spend the resources on predicting future when it can be dealt with, using other resources and capabilities (Sarasvathy, 2008). Substantial turnovers and revenues of business in Austria and Germany are the power, allowing to "control the future" of Aqipa in a new market, since they would cover the probable losses or help to establish the new subsidiary without ROI for longer time, which is completely

[8] http://www.mediamarkt.com/ Retrieved on July 29, 2018

in line with the way traditional companies underwent the internationalization in gradualist models. Lack of calculations and forecasting, performed in highly ambiguous situation, is explained by previous research findings, claiming that neither supplier familiarity with distributor markets nor distributor value added is related to the use of outcome-based efforts. Moreover, in these studies partners appeared unconcerned about the signals that an outcome focus gives about distributors performing a large number of value-added functions, like Aqipa (Celly and Frazier, 1996).

However, KPIs are of higher importance, if not only the partner but also the market is unknown. For potential relationships with a lower level of trust and a performance-oriented retailer, there is forecasting supported by hard numbers such as coverage analysis, extending the image, built up on knowledge of what has been sold and what stocks are available. Coverage analysis reveals growth potential of a retailer, delivering extrapolated figures over a defined period in the form of a forecast. For establishing new partnerships in Spanish market, without previously developed trust, Aqipa is offering other services, oriented at hard numbers: sales analysis, stock analysis, and this all is represented as infographics. Graphic processing of statistics and data analysis on behalf of customers, provision of clear, easy-to-understand, graphic reports, and no confusing statistics promotes development of trust in a new partnership by means of clear communication. Advantage in comparison to the other market players' is achieved by means of in-house developed software, Aqipa uses for analysis of existing data from merchandise management system and other data sources This software is replacing a team of data analysts, putting numbers and dynamics together in complex algorithms to provide insights, enabling the partners to manage their business successfully, which is an attractive value-adding offer. In particular, Aqipa's offer cater to sales-oriented companies, providing detailed sales figures in terms of turnover and quantities, aiming at discovering growth potential. Insights into inventory, sell-in, sell-through and coverage provide a global overview of business on the basis of KPIs developed for a particular partner.

Here we must comment on the contract type offered by Aqipa: a retailer buys and stocks products from Aqipa, which is called sell-in. Sell-through is denoting a successful purchase by the end-customer at the retailer’s shop. In case of no sell-through retailer can return unsold items to Aqipa for a refund or credit. A sell-in agreement attracts small businesses to Aqipa, since it is carrying most of the risks and expenses, related to storage and transportation and is also bearing responsibility for timing in a segment of high-end consumer electronics, where product lines change quickly. In fact, Aqipa Iberia is selling the product through retailer to the customer. When vendor managed inventory is a usual offering of Aqipa's rivals, it has gone one step further and developed their own system, ASRS (auto stock rotation system). This software ensures, that Aqipa always has the latest products in the most optimal position on the shelf for maximum sell-through - and in case a particular product does not sell, the constantly updated stock and exchange of slow-selling goods by new products and best sellers completely without any effort on part of the retailer. To further raise sales success, multifaceted value-adding offer of Aqipa Spain comprises functions of a financial service provider, since it is acting as a link between retailing and industry and ensuring that revenue generation does not stop thanks to sufficient liquidity.

On top of all the measures taken to reduce risks and ensure success of a retailer, reverse logistics, including return management is handled by Aqipa Iberia, using the local Spanish distribution centre. Sell-in arrangement reduces the efforts and risks, bound with market analysis, as it allows a retailer to return units, which were not sold, because there is no demand for it. Still, the retailer bears some responsibility to assure sell-through, as it usually pays return shipping. Although, it is a common practice to conclude an agreement, requiring that the goods must be returned in condition, allowing Aqipa to attempt a sell-through via another retailer, Aqipa accepts all returned units, noting in the SAP system the reason for return, because long-term mutually beneficial partnerships are a goal and basis of its business. There may be different reasons, why a product comes back to Aqipa and it handles all the warranty and guarantee cases directly with the producer and takes care of discarded goods for recycling. Waste management is green-washing the image of Aqipa Iberia and is another huge advantage for Aqipa's partners in Spain, because despite good laws, the nation has one of the worst appliance recycling records in Europe. Till 2015 Spain was failing to meet the objective of the WEEE Directive, set in 2012 at 4 kg of WEEE gathered per capita in order to promote reuse, if possible, and separate collection and recycling, otherwise, to by all means reduce the quantity of electronic devices to be disposed.[9] Future targets are also growing, but still, normally, retailers and delivery firms dropping off new appliances do not typically receive any money from product distributors for taking away the old ones, but simply get to keep them as payment.[10] This is not the case of Aqipa Iberia and in Spanish market it, having introduced higher operational standards, has another advantage, securing a stable position of new subsidiary in a foreign market.

[9] Waste statistics - electrical and electronic equipment - Statistics Explained. Retrieved on July 2, 2018, from ec.europa.eu
[10] Spain’s electronic waste mountain | In English | EL PAÍS. Retrieved on July 2, 2018, from elpais.com

Start of expansion outside mainland Europe: sub-case of Pure Ltd.

This subsidiary of Aqipa was established in course of an acquisition and in this part of our research we will analyse the reasons for the choice of this market entry mode and what factors have facilitated its success. Pure International Ltd. Was founded in 2002 and is designing digital radios. Research and development unit is based in Kings Langley, Hertfordshire, and production is China.[11] Following features distinguish Pure radios as the high-end devices: digital tick on all products, three years' warranty,[12] membership in World DAB (digital audio broadcasting).[13] Currently, with input of Aqipa's channels, Pure products are distributed via online suppliers worldwide and by electronics shops in the United Kingdom and seven countries of the mainland Europe.[14] Of course, orders are made in other countries too, taking international shipping in charge. After acquisition, Pure has quit Irish market, but Aqipa has given it broader presence, bringing it to Australia.

Pure has started as a division of Imagination Technologies, which specializes in development of central processing units and graphics processing units. The first Pure radio was constructed to demonstrate a DAB decoding chip, assembled by Imagination Technologies and was not aimed to be sold to the end customer. This DAB receiver, Evoke-1, was the first to cost less than 100 pounds in production, and led to the development of further innovative products, reducing the size to portable, adding features to record the stream and rewind it, and the first digital radio with voice feedback for visually impaired users (Figure 2). Next, keeping up to the benchmark of an innovative leader in its niche, Pure has produced as always, the first-of-a-kind in-car digital radio adapter and to be in a fair trade trend and European Roadmap 2020, an Energy Saving Trust approved radio range with lowest negative environmental impact and

[11] http://technosoc.blogspot.com/2010/03/interview-with-pure.html Retrieved on July 24, 2018
[12] https://www.pure.com/de/about-pure Retrieved on July 24, 2018
[13] https://www.worlddab.org/ Retrieved on July 24, 2018
[14] https://www.pure.com/uk/country-select Retrieved on July 24, 2018

power consumption, using only materials from recycled and sustainable sources, paying the Chinese factory workers salaries higher than average for the local job market.

Figure 2: PURE SONUS-1XT[15]

Till 2016 Pure was the best-selling DAB brand, shipping more than five million digital radios worldwide, however it was showing losses since 2009, and its revenues reduced by 10 percentage points[16] so that Aqipa had enough bargaining power to close a beneficial agreement with Imagination Technologies in September 2016 and to buy Pure[17] in the name of AVenture AT, formed specifically on this purpose. After this acquisition Pure became Pure International Ltd.[18] [19]

2013 Pure has entered German market, partnering with renowned classical music label, Deutsche Grammophon, which has predefined the possibility of future acquisition by the German investment company, belonging to Aqipa, AVenture AT in 2016. Aqipa's capabilities are incomparably more developed than the ones of Pure, and with their application to the Pure's

---

[15] PURE SONUS-1XT DAB Digital Radio with Voice Feedback Technology: Amazon.co.uk: TV. Retrieved on October 15, 2018, from https://www.amazon.co.uk

[16] https://www.radiomagonline.com/industry/uk-digital-radio-manufacturer-sold-to-aventure-gmbh Retrieved on July 2, 2018

[17] https://www.ft.com/content/87b0a856-8650-11e6-8897-2359a58ac7a5 Retrieved on July 2, 2018

[18] https://www.whathifi.com/news/pure-radio-business-sold-to-austrian-firm-ps26-million Retrieved on August 25, 2018

[19] Imagination Technologies sells loss-making Pure radio business for £2.6m. Retrieved on August 25, 2018, from https://www.telegraph.co.uk

intellectual property, it was made a yet another profitable business of Aqipa. However now, Aqipa has kept very few of former 65 Pure's personnel. Radio ratings with DAB+ were available in Germany for the first time in Autumn 2016,[20] so the product market was created in geographically close market as well, which was a reason for Aqipa to identify a new opportunity when they have met Pure representatives at an annual IFA, International radio exhibition in Berlin. It was not difficult to foresee, that when the DAB standard will be presented in Austria in 2019, Aqipa will be the one step forward the competitors. And generally, in the world the DAB technology is consistently replacing the analogue one.

Before the acquisition Pure was constantly foregoing marketing activities, such as rebranding in 2012, launch of the special editions cobranding with Marshall Amplification, signed by rock stars and auctioned for the music therapy charity purposes, trying to reach broader segments of end users. However, more was reached by means of channel marketing, when Aqipa made customers recognize Pure thanks to its blog, media communications management, such as direct mailings, newsletters, advertisements in print media as well as radio and TV spots, content management with PCM (Product Content Management) software, which is extending all articles' information with points of sales locator, explanatory descriptions, range of delivery, available and suggested accessories, colour variants, photos, including image-creating lifestyle ones, videos, showcasing Pure's products. The scope of marketing services is as broad as of logistical ones, so Aqipa's competency in this field is extending to the contact point with the end-user at the POS, which are also setup and maintained by Aqipa for Pure. Merchandising knowledge allows to plan the sales floor, taken by Aqipa in big retailers' shops, so that Pure radios are catering to the shop visitor. A team of account managers is also operating on spot, regularly checking, if products are always properly demonstrated as shown in the latest

[20] https://www.worlddab.org/country-information/germany#receiver_market Retrieved on July 5, 2018

planogram specifications. Merchandising is integrated with logistics in a way, that the right product range is shipped and put onto the assigned shelves in the right quantity, and stocking operations is considering the data from shelf optimization with in-house developed software.

Aqipa has taken over all distribution activities of Pure, keeping all ranges of products, including basic line Evoke, representing models in all price segments with all standard features, normally integrated into modern gadgets, such as: internet radio, Spotify, Bluetooth and connection to CD-ROM. Other collections include One, Pop, designed with a single control element for all settings, Highway range, working with a vehicle's existing audio system via in-house developed application, Bluetooth, Spotify Connect, then, alarms, automatically updating the time from the radio signal. All the devices are produced in China, and Aqipa had to integrate these channels and corresponding operations, such as international drop-shipping, into own business processes.

Before the acquisition Pure was constantly foregoing marketing activities, such as rebranding in 2012, launch of the special editions cobranding with Marshall Amplification, signed by rock stars and auctioned for the music therapy charity purposes, trying to reach broader segments of end users. However, more was reached by means of channel marketing, when Aqipa made customers recognize Pure thanks to its blog, media communications management, such as direct mailings, newsletters, advertisements in print media as well as radio and TV spots, content management with PCM (Product Content Management) software, which is extending all articles' information with points of sales locator, explanatory descriptions, range of delivery, available and suggested accessories, colour variants, photos, including image-creating lifestyle ones, videos, showcasing Pure's products. The scope of marketing services is as broad as of logistical ones, so Aqipa's competency in this field is extending to the contact point with the end-user at the POS, which are also setup and maintained by Aqipa for Pure. Merchandising knowledge allows to plan the sales floor, taken by Aqipa in big retailers' shops, so that Pure radios are catering to the shop visitor. A team of account managers is also operating on spot, regularly checking, if products are always properly demonstrated as shown in the latest planogram specifications. Merchandising is integrated with logistics in a way, that the right product range is shipped and put onto the assigned shelves in the right quantity, and stocking operations is considering the data from shelf optimization with in-house developed software.

Regarding to our research purpose, it is interesting to analyse, why has not Aqipa repeated the same internationalization strategy, which has proven to be successful in Spain? As previous empirical research has proven, characteristics of CEO, both intrinsic and acquired, affect the strength of overestimation, overconfidence, overplacement biases and hence, weighting of probabilities and attitude to risks when deciding on the market entry mode. In case of Pure's acquisition by Aqipa, we take into consideration successful experience of Spanish subsidiary and, on the other hand, Brexit, planned for 2019, adding another uncertainty factor. However, Herrmann and Datta (2002), in line with an image of an entrepreneur with effectual logic, argue that learning advantages of internationally experienced CEOs increase the likelihood of successful strategic choices. So, Aqipa's CEO has only chosen the best strategy in a particular situation (Slangen, 2013) avoiding to fall into "success trap", when previous good experience is affecting the decision more than the rational analysis of the state of things. For instance, the risks of chosen entry mode differ and have been considered by Aqipa's CEO. The risks depend also on the host country and the CEO's ability to analyse tacit information (Herrmann and Datta, 2006). There are controversial findings on relation between CEO's tenure and entry mode he prefers. On the one hand, research has consistently proven that longer experience with the same firm, which is the case of Aqipa with 28 years, since Trapl is also the founder of the company, results in preference of entry modes with lower commitment and exit costs. Such risk aversion is explained by status-quo bias and more reactive motivation, than proactive. (Herrmann and Datta, 2006). This might be different for Aqipa, as a family-owned company, without agent-principal relationship between the CEO and the shareholders. Another evidence from previous research are that CEOs, who have previously succeeded in equity-based entry mode, stick to this strategy, as Trapl has done. As we have shown by now, CEO's personality plays a big role in Aqipa's strategy, where he is the main decision-maker. These factors are considered by to various points of view, also when investigating SMEs' internationalization, since entrepreneurship is an intersubjective matter. However, for older CEOs, objective environmental forces, such as firm's international experience, have proven to have greater importance, because CEOs with experientially developed intuition, are able to process more information, tacitly presented by the context, and adapt their strategic actions to it, choosing different entry modes for a specific situation, not relying on previous successful pattern. When a combination of Trapl's tenure is combined with a vast geographic scope - for Aqipa by 2016 it was a coverage of bigger part of EU market - previous research (Laufs, K., Bembom, M., and Schwens, C., 2016; Casson, M. C., 1982), predicts that a CEO makes riskier decisions with higher commitment, backed up by confidence in success, which is a case for all Aqipa's internationalization endeavours. Long-tenured CEOs are even more flexible in their strategies, than just older CEOs, making very diverse decisions, better tailored to a specific situation. Our suggested explanation is in the decision-making theory, saying that with the experience overconfidence and fallibility to intuitively choose status-quo over unknown risks increases, despite the rationality. It lays in older CEOs being convinced of organization's capabilities and business processes, as well as of their own decisions, as also effectuation point of view has supposed, that an entrepreneur specializes in the perception and processing of not only tactically relevant quantitative information, but also of qualitative, potentially influential factors. This helps him to foresee long-term trends of competition degree, as he does in emerging DAB market in mainland Europe with upcoming change of transmission format. Effectual logic explains, that the personality, knowledge and connections of an entrepreneur are transformed into new ventures, as well as that entrepreneurs are attracted into networking groups to achieve their goals, like Trapl has done, replacing Pure's staff with new managers.

Previous researchers have argued that since purchasing a company requires all the capital investment to be done at once, while greenfield entry allow them to increment the commitment, however, this entry mode has advantage over acquisitions only in the beginning, leaving less sunk cost in case of failed market entry (Slangen, A. H., 2013). In addition to the risk of not getting a return on 2,6 million pounds, paid for Pure, there was a probability, that integration will fail due to psychological distance and low appropriability of processes (Dikova and van Witteloostuijn, 2005). That is another point of view on Aqipa replacing most of Pure's staff as soon as possible and integrating them in an SAP system very rapidly, investing also in a team of consultants. Since these risks were mitigated with the help of Aqipa's organisational capabilities, the advantages of the acquisition strategy stand out more. Since Aqipa did not have any business partners acting in UK already, buying an overseas business simplified the overcoming of liability of foreignness. For example, Pure was looking for the buyers and has provided them with local legal assistance, it has already had its own labour and management with a place in a local business network — allowing Aqipa to reduce labour and training costs. In addition, Pure has contributed its well-known brand, research and development base, providing all conditions to build up a good customer base quickly with the application of Aqipa's sales and distribution channels as well as marketing practices.[21] Finally, coverage of population with DAB technology in the UK is 97,3%, which means market almost saturated, and in this case buying an existing company was the only efficient entry mode. In June 2014 Digital Radio UK launched the Tick Mark, due to soon elimination of analogue radio in the UK. The "Tick Mark" is on all devices of Pure and reassures the consumers that they are buying

[21] Green Field vs. Acquisition to Enter New Country? | Investopedia. Retrieved on July 5, 2018, from https://www.investopedia.com

radios, that will not outdate soon and will receive the available DAB, DAB+ and FM radio stations.[22]

In fact, we see, that the acquisition of Pure is much like adding the capabilities of Aqipa to Pure's resources, facilitating the sales and market entry of Pure in countries, where Aqipa was operating. The difference from the cooperation with the client is that in this case Aqipa is adding value to its own subsidiary, not to an external entity. Aqipa has opened distribution channels in its existing markets of operations to Pure, made logistical know-how, that is making it stand out, available to Pure. Other services provided by logistics department are including but not limited to repacking goods, applying marketing materials to them, updating software, attaching security stickers or tags, providing other contents of the package like instruction - all individually tailored and processed parcel by parcel. The price offer is calculated individually by clear price-breaking program implemented in SAP platform, which is constantly extended by Aqipa.

Not only Aqipa has entered UK market with the acquisition, but also Pure has gained access to more customers, since their products are taking part in trade shows of Aqipa at the specialized fairs. And representatives of Aqipa GmbH are visiting all relevant trade fairs, taking this part of job, aimed at creating, sustaining and maintaining the business network, as a very important part of internationalization strategy. There Aqipa creates the platform for multilateral meetings of all its partners, reducing the chance of mediation failure, when it is the only connection between the supplier and the reseller. It is very unlikely, that this way it can be excluded from a network, because its mediation will not be necessary anymore, since Pure does not possess any facilities in the mainland Europe, to sustain the sales, achieved by Aqipa. With Pure's products and previous marketing efforts and Aqipa's warehouse facilities and direct shipping to

[22] United Kingdom | Country Information | WorldDAB. Retrieved on July 5, 2018, from https://www.worlddab.org/

the end customer, like via Amazon, when Amazon is only generating the sales, Pure has got access to broader market. Very few operations, like research, design, development and construction, are sustained by Pure International Ltd., as well as customer relations, since after acquisition any mentioning of relation to Aqipa GmbH in any source is prohibited and complicated scheme of acquisition by an investment company Aventure AT has served this purpose.

Sub-case of Aqipa Australia PTY LTD

Aqipa Australia is a joint venture between Aqipa GmbH and former Convoy executives, Cameron Greig and Sohan Karunaratne. Karunaratne and Greig have left Convoy to build their new business and have established a relationship with Aqipa, to bring several of the brands they used to work with at Convoy, into the Australian market with the help of Aqipa's capabilities. Aqipa Australia has been integrated into IT architecture, similar to that Aqipa GmbH uses in European operations. Executives of a new joint venture have entered this alliance, because of Aqipa's business process know-how and international network. Aqipa, specialising in electronics distribution for almost three decades, has built up resources and capabilities needed to provide best service and support to partners of Aqipa Australia in retail and supply to become a local market leader. Sohan Karunaratne has acknowledged, that this is an alliance of Aqipa's distribution knowledge and network with strong brand relationships and Karunaratne's as well as Greig's local network, which is essential to market entry success. [23]

The local office is Aqipa's first move into the APAC region, already exclusively representing high-end brands, some of them also being in its European product portfolio. The company has brought back to Australian market the brand previously distributed by Westan, PureDigital, which acquisition was an object of the second case-study, as well as several of the brands Aqipa distributes in Europe and also Pioneer. In case of this market entry, there were no direct customer relations in Australia, since European customers of Aqipa have not gone to such a remote market yet. So Aqipa GmbH has chosen to establish a joint venture and already at its inception, has concluded contracts with retail partners, including local, not represented outside

[23] EXCLUSIVE: Brand New Distributor Snares Top Brands After Cutting EU JV – channelnews. Retrieved on July 25, 2018, from https://www.channelnews.com.au

Australia, ones, and had an opportunity to start negotiations with several retailers, designing and producing their own electronics. [24]

Since close customer and supplier relationship are proven to offset the liability of foreignness upon market entry, communication is the basis of network creation, and as shown by Saraswathy (2008), contingencies of possible partners, not the markets, are creating the entrepreneurship, we turned to yet another aspect of communication and knowledge exchange. There is a theory, drawing on the same theoretical framework, that we do, explaining preference of greenfield or acquisition entry, by analysing communication costs. It supports the idea, that Aqipa GmbH must verbally transmit organisational capabilities and knowledge, enforce compliance and integrate into the local business network. A language barrier increases communication costs, aroused, for example, through employment of linguistically skilled, more expensive employees, time lag, due to information interpretation, and the additional costs are not limited to these. Research has shown, that predictably, acquisitions, requiring more negotiations and integrative clarifications between the two existing complexes of business process, cause higher costs. In case of greenfield investment, Aqipa has just replicated and implemented already existing set of business processes. So verbal communication barriers increase preferability of greenfield investment over acquisitions. Therefore, also geographic distance makes greenfield entry more preferable, due to less uncertainty and better control in the absence of partner’s contingencies. However, the situation is opposite for joint ventures (Slangen, A. H., 2011), which Aqipa Australia is. This peculiarity of entry as a joint venture will be analysed in detail in the current part of our thesis.

Two former executives of Convoy, Cameron Greig and Sohan Karunaratne, were onboarded to Aqipa as Managing Director and Sales and Marketing Director, bringing access to their business

[24] https://www.smarthouse.com.au/master-dynamics-mw60-confirmed-oz/ Retrieved on July 25, 2018

network to Aqipa. Convoy established in 1965 is an Australian market leader, with value chain similar to Aqipa, but representing a slightly different product portfolio in segment of consumer electronics. Aqipa has chosen the strategy of differentiation, selling high-end gadgets with niche customer segment, ensuring higher margin. Convoy was "stuck in the middle", focusing neither on cost leadership nor on differentiation, and has lost its suppliers of expensive amplifiers, media players, and audio-video digital accessories to Aqipa, keeping the mass-market brands.

While working as Sales Director at Convoy, Sohan Karunaratne had an opportunity to include in his own network representatives of all brands, Convoy was distributing all over Australia over a network of Authorised Dealers.[25] The acquisition of such a network is the best possible opportunity for Aqipa, which is now taking over its share on the perfectly same market. Already four months after its opening, Aqipa has bought, having spent over a million dollars, stock of old, not possible to be sold due to technological progress, electronic accessories to replace it with a new range of high-price segment products, as all the assortment of Aqipa. The observations show, that Aqipa does not adapt its business model, bringing the same category of high-end consumer electronics to the new market.

According to the interview on ChannelNews with Cameron Greig four months after the inception of the joint venture, it had so many requests from producers, willing to be represented by Aqipa, which can completely manage their business in Australia, that almost all requests are rejected. It can be a sign that either capacities of Aqipa are insufficient, which can lead to loss of possible revenues, or Aqipa is acting as a selective niche company, composing its portfolio according to well-developed in the other countries image of the value-added reseller. Since according to market research, retail volume sales of overall consumer electronics were falling in 2017 and are expected to continue the trend in the next five years, we suppose, that Aqipa Australia, having only 50 staff, does not want to expand extensively, making only safe bets in

[25] https://www.convoy.com.au/our-history/ Retrieved on August 2, 2018

supplier relationship. We can confirm that Aqipa is demonstrating strong marketing capability, since categories, composing most of its portfolio, such as small gadgets, lifestyle electronics are gaining in sales volume. Big home electronics are in decline and are not included into Aqipa's product management strategy. Only internet retailing, due to its different cost structure, is viable in the turbulent market situation. In Australia sales of all consumer electronics categories distributed through this channel demonstrate consistent growth, so Aqipa's experience with the biggest internet retailers, such as the Amazon, is very much in demand now.[26]

Staff costs are reduced due to high technology implementation level. All suppliers and resellers have access to the SAP system that is delivering information on stock levels, sales and returns to a Windows PC or an Android app as well as supports functions of Customer Service, Product and Key Accounts Management, Purchase Control, Finances, Logistics. Aqipa has invested into its own fully automated, managed by only two personnel, warehouse in Dandenong South close to where Amazon is setting up their Victorian operation. Document flow is substituted with EDI, established with all key accounts, what again saves time, reduces errors and thus costs, benefiting also Aqipa's partners.

One of the theories, which can explain how was Aqipa able to develop their competitive strength dynamic capabilities. Apart from the mentioned network point of view, also VRI (Valuable Rare Inimitable) framework, assume that resources are firm-, market- and partnership-specific. Market specifics mean knowledge being encoded locally and interpretable by insiders only. Insidership provides privileged window to intuitive detection of market opportunities, to understanding and appropriating capabilities, generated by the network as a system of relationships, competitive and cooperative. The authors of Uppsala theory claim, that

[26] http://www.euromonitor.com/consumer-electronics-in-australia/report Retrieved on August 25, 2018

success of internationalization depends on how an entrepreneur is able to detect, take up and develop opportunities in the constant interactions. Heterogeneity of resources of firms, forming a joint venture is the basis of its success, from this assumption there is a conclusion, that a multinational company is a network itself (Forsgren, Holm and Johanson, 2005). This implies that there is not always a consensus in the firm. Subsidiaries depend on resources of HQ and their existence without it and its maintenance of IT systems, like in case of Aqipa, is impossible (Andersson, U., Forsgren, M., and Holm, U., 2015). Aqipa Australia, has gained access to resources inflow, such as network, which are prone to faster erosion, because they cannot be maintained by the CEO due to big geographical distance. Joint venture relationship with Aqipa’s strong position due to its strategical value to the coalition.

The dynamic capabilities theory, as more advanced, implies, that a given set of resources can be developed in its adaptation to the situation and must be exploited to bring advantages. Intangible resources of Aqipa would have had little value for its internationalization, if not for Aqipa's superior dynamic capability. After establishing onboarding Australian executives, Aqipa has obtained access to their network and can make the most of it, what they alone would not be able to do. Finally, reconfiguration of resources' constellations with processes create dynamic capabilities (Helfat, C. E. et al., 2009). This interchange between state - resources and change - dynamic capabilities is similar to Uppsala model’s ideas (Johanson and Vahlne, 2009). Internationalization starts with the decision, driving the expansion. The reasoning of this decision is that Aqipa committed resources to an idea of two former Convoy executives, who wanted to start their own company. Commitment has taken the shape of a tangible investment in this case, and its degree is the opportunity costs of the same resources denied for another project (Johanson and Vahlne, 2006). However, commitment may also be intangible. Commitment decisions for Karunaratne and Greig were to leave their executive positions in an own company and bring partners of their previous employer to Aqipa's business.

If we look at operations of a joint venture with Aqipa Australia, this alliance required reconfiguration of resources available from both sides and redesign of coordination systems and their content. According to the view of the firm and its subsidiaries as a network, decisions an allocation of efforts and resources should be made about both internal and external scope of them, meaning that Aqipa GmbH has to some extent “forced” Aqipa Australia to commit its contacts with the retailers to their joint venture. Aqipa Australia, represented by two natural persons following the effectuation logic, has committed within the limits of loss, allowed by their attitude towards risks. For our topic supplier relationship management is of the foremost importance, since all the customer connections are contributed by Greig and Karunaratne, and can be, that they had better ideas, on which brands must be resold by Aqipa Australia. However, we have found out, that portfolio approval is done by Aqipa GmbH.

Capability of developing opportunities, internationalization capability and networking capability are highlighted by the Uppsala model, as necessary to rule the process of international development (Johanson and Vahlne, 2009; Teece, 2012), most efficiently for opportunities’ exploration and exploitation, allowing to adjust business and organisational model in a way most suitable for specific markets and circumstances and to coordinate relationships, also in a network of HQ and subsidiaries (Johanson, J., and Vahlne, J. E., 2013). Aqipa GmbH has proven to possess all of these capabilities, since it was able to explore the network of two former Convoy executives and detect an opportunity of using it, while Karunaratne and Greig were representing their own start-up already at the moment of the encounter, which means representative of Aqipa had a trustful, hence committed, connection to them. Next, CEO of Aqipa GmbH was ready to face a challenge of entering such a remote market, relying on the local managers to drive the company in an agile way. Seeing an opportunity and probability of its successful exploitation is in sum the strategic vision, facilitating accelerated internationalization.

As emphasized above, Aqipa is very affine with the IT and has invested a lot in developing and sustaining its advantage in comparison to the competitors, contained in home-developed software, which is a unique intangible resource, and in involvement of all departments and employees into software-supported operations, which is a dynamic capability, adjusted to the strategic needs of an internationalizing SME. The complex of resources and capabilities, based on IT, enable Aqipa GmbH, as well as its new subsidiaries, to maintain a competitive advantage, resisting the threat of substitutes, thanks to its unique value curve. There are previous studies on conditions under which specific resources, also IT in particular, can have margin revenue higher than the average of industry and market. Already twenty years ago Hitt has provided empirical evidence and supposed, that in the future the IT knowledge will be a key corporate asset, which will make coordination costs asymptotically approach zero, almost eliminating the negative effect of the coordination cost in determining the boundaries of an internationalizing firm (Hitt, L. M., 1999). Aqipa Australia as a joint venture is also offering greater information benefits than contractual agreements - another option, available, when the market is so remote. Cooperation of the two organizations in the same enterprise makes coordination and joint problem-solving easier. Moreover, a uniform software architecture allows Aqipa GmbH to track the operations and performance of Aqipa Australia remotely, and take measures in an agile manner to align the venture's tactics with own strategic vision. As discussed above, IT knowledge capability is a unique intangible resource, which enabled Aqipa GmbH to control the information without enforcement that is important to grow trust. The IT capability would not be of such importance and a resource, making Aqipa stand out of many competitors, if the coordination mechanisms in partnerships make the same information readily available to firms. There are also studies, which results have proven, managerial IT capability is in direct proportion with benefits of alliance, since such an unfailing link between partners, increases their joint performance, as a result of better coordination to achieve common objectives and to provide higher value to each other. When Aqipa was analysing the opportunity of entering an alliance, it expected that alliance will also contribute to its financial results, brand recognition, size and density of the network. The plans set by Aqipa for a new market entry are already enumerated in the previous research, describing the proactive motivation for starting a subsidiary (Schreiner, Kale and Corsten, 2009). For example, Aqipa's objective was to enter the APAC region and get closer to the direct networking with many Japanese and Chinese high-tech brands, and the alliance has helped it to achieve agreements with Pioneer Onkyo, which will be distributed in Europe solely by Aqipa, starting from 2019. Now with this agreement, impossible without entering the Australian market, which is close to Japanese one, and cooperating with Japanese transport companies to serve the Australian customers, the turnover of Aqipa GmbH will double. Though achieved not directly by means of joint venture with Aqipa Australia, further expansion was enabled and facilitated by presence in APAC region. Aqipa's managerial IT capability was convincing for Pioneer Onkyo Europe, willing to unify and control their distribution in a remote market and has positively affected overall performance of Aqipa GmbH when it has engaged in Australian business, inhibited by the physical distance, or in case with Japanese partners, also by psychological. These circumstances present significant informational and coordination needs to include new partners into uniform logistical, distribution and sales tracking and analysis system, for which IT capability matters. (Lioukas, C. S. et al., 2016)

It has been proved by research, already included into basis of business studies, that international joint ventures, succeeding in appropriation of each other’s capabilities, achieve sustainable competitive advantage (Porter, 1986). Factors, derived from absorptive capacity are the primary constraints on amount of knowledge, a subsidiary is able to acquire from Aqipa GmbH and apply. Transferring knowledge between organizations is a complicated process, but theory also suggests that the priority of a strategic relationship, free of conflicts, threatening with an impasse, as in case of joint venture, allows trust to develop and this facilitates learning.

Consequently, all parties aim to enhance learning processes in the new entity to develop common resources and performance of a joint venture, this way improving overall performance of Aqipa GmbH. Drawing on research of Tiemessen and colleagues (1997) let us simplify learning in an international joint venture as mutual iterative knowledge flow between Aqipa GmbH and Aqipa Australia. IT knowledge acquired from Aqipa GmbH is the foundation of success Aqipa Australia, as it is the basis of value offer to the customers. Knowledge from Aqipa helps Australian joint venture to convert network resources into an enterprise. Before Aqipa Australia was able to implement knowledge developed by the parent company, however, it had to be able to understand it. On this purpose a team of Austrian SAP consultants has spent two weeks in Australia to test the full business cycle and to teach few personnel, working for Aqipa Australia. There is research on organisational learning, describing the appropriation of complex organizational knowledge, which required, for instance investment of Aqipa GmbH in form of paying the consulting services, and certain level of absorptive capacity. The absorptive capacity by Lyles and Salk depends on two factors, as we said above and these factors are composed by several other variables. So, ability to understand knowledge brought in by Aqipa GmbH was predefined by trust established between representatives of two companies, cultural compatibility, which does not show big discrepancies in case of Austrian and Australian collaboration, and the fact, that Cameron Greig and Sohan Karunaratne were already versed in terms of value added distribution, being former executives of the oldest Australian electronics distributor. As we see, the know-how developed by Aqipa GmbH in course of 27 years was not difficult to understand, as well as it was not difficult to assimilate, since Aqipa GmbH has provided training and management support. With all the knowledge, Aqipa Australia was able to percept, it has started to function, and at this point other factors began to affect the performance, depending on the obtained capabilities: business strategy, and new staff training competence (Lyles and Salk, 1996) These factors affecting learning capability were proven to explain well the transfer of firm-specific experientially developed business processes knowledge, in the opposite to patents and technologies, highly irrelevant to Aqipa’s business model. This suggests that with the time, learning from foreign parent grows exponentially, due to higher learning efficiency. The influence of Aqipa's knowledge on performance may decrease later as Aqipa Australia begins to develop its own capabilities and resources, which is very probable, as due to the physical distance CEO of Aqipa GmbH cannot keep control of the whole supplier and customer network.

Discussion of the results

In the three preceding parts we have tested three sub-cases of internationalization strategies, performed by Aqipa GmbH. We tested establishment of new subsidiaries for presence of five factors, which are claimed to accelerate internationalization:

- unique intangible assets
- high value creation
- close or direct relationships with customers and clients
- involvement of local intermediaries
- agile adjustment of organisational structure and business model

All three sub-cases embraced different entry strategies, namely: greenfield investment with establishment of a wholly-owned subsidiary, what we have taken into consideration to understand the connection between the existing theoretical framework and the results of our observational case-study.

From the analysis, it emerges that all sub-cases have both traits of born globals and gradualist models' firms as we have presumed in the introduction to this case-study. Thus, the test of hypotheses has given the following results:

H1: unique intangible assets are necessary for successful internationalisation.

The hypothesis holds for our case, since IT capability and, for instance SAP system, functioning without fall-outs is, firstly, an important part of value offer to the customers, and, secondly, an instrument, increasing transparency of operation in all the three studied subsidiaries. Transparency is a factor, facilitating growth of trust, which was especially important in case of acquisition of Pure and establishment of a remote subsidiary in Australia.

H2: high value creation is necessary for successful quick internationalization.

Higher, in comparison to the local market players, value added is one of the factors, which allowed Aqipa to take over part of existing satiated market of consumer electronics distribution in Australia. Before acquisition value offer of Pure Ltd. was attractive only on the British market, where digital radio technology was the only one viable, which was not the case for the mainland Europe. Value chain, created by Aqipa has allowed products of Pure International become profitable in the markets of continental Europe.

H3: some close or direct customer and client relationships are necessary for foreign market entry as a fully-owned entity.

The major reason to enter Spanish market and establish distribution in other European Union countries was close partnership with customers, operating in the scope of same markets, like Amazon and Media Markt. Another incentive was also willingness of customers to maintain the same assortment and operational model all over the Europe. These mutually beneficial partnerships are strong and assuring viability of Aqipa's business due to interdependence between them and Aqipa GmbH.

In the United Kingdom and Ireland Aqipa has kept all the distribution channels of Pure Ltd. Bringing products of Pure to the existing customers, Aqipa calculated with the existing demand and better value offer in case of Acquisition.

In Australia, where no customer relations existed, the liability of foreignness was overcome by onboarding new managers, bringing in the network, they have developed working in the past for a direct competitor of Aqipa GmbH, Convoy.

H4: early internationalization requires involvement of local intermediaries.

In Spain the existing customers have supported Aqipa in legal and organisational issues, in case of Pure an existing and functioning since 2002 business did not need intermediation, and in

Australia local managers have assured compatibility of a new subsidiary with the local requirements.

H5: adjustment of organisational structure and business model are inevitable to enter a new foreign market.

Due to characteristics of Aqipa's CEO the organisational structure and business model, developed in course of more than 20 years in Austria and Germany were implemented in a course of greenfield investment in Spain. In course of two years after acquisition the same has been done in Pure International. Aqipa Australia is also successful due to implementation of efficient business model and unified business process, predefined by the underlying SAP system, implying same value creation chain and ways to execute the orders and contracts.

To sum up, we see that the H4 and H5 do not hold in case of quick internationalization performed by Aqipa GmbH.

Drawing on the literature analysis, carried out by Kalinic and Forza (2012), which summarizes the born globals' characteristics identified since the conceptualization of this research field, we have checked the conformity of Aqipa GmbH case as a whole with the born globals model. The results are presented in table 1. We find it necessary to comment on the elements of the table. Born globals are internationalizing early, various findings indicate time from inception to 10 years after it, however this prolonged timeframe was specified for biotechnology industry, which has longer research and development cycle. It has taken Aqipa 13 years to start functioning in Spanish market. Though, before Aqipa, named Pataco GmbH, has opened a subsidiary in Germany in 1994, we consider it a move to a market with almost absent psychic distance and with another business model, because current strategy, related to distribution of customer electronics was implemented in 2009. International sales ratio, according to our data is 50% now and with integration of Pioneer Onkyo Europe the sales will double with even distribution all over Europe, which should increase the ratio. These numbers fit characteristics of born globals, accepted by most researchers. Managerial global vision was not present from the inception, we can characterize it before opening of Aqipa Australia PTY LTD[27] in 2017 as international, but not transcontinental. So Aqipa has developed its strategy consistently, with the initiative of CEO, in the opposite to born globals, aiming explosive expansion from the start. Managerial commitment is to be understood as proactive internationalization, which is a trait of born globals and a case of Aqipa. Although Aqipa is concentrated on high-end lifestyle gadgets and consumer electronics, her products are not unique and thus strategy is not a niche one. This trait together with preference of wholly owned subsidiaries differentiate Aqipa from born globals, which usually do not have enough resources and choose low commitment entry modes. Choosing to immediately invest a lot in a new market, Aqipa refutes the gradualist models, at the same time, following the paths of ascending psychic distance, so this characteristic puts our case study into the research gap, defined in the introduction. International networks as a trait of modern business have been the precondition of Aqipa's success throughout her internationalization, as it is for the born globals. Still, methods of Aqipa's management are very traditional, including implementation of a successful business and organisational model in all new markets.

[27] Proprietary Limited company has 1 to 50 shareholders, whose liability is limited to the value of shares

Conclusion, theoretical and practical contributions

Our results confirm the positive effect of the CEO's global vision on financial performance, measured as volume of sales, and high value added. It means, that internationalisation can be accelerated, if there is a strategical vision of further development. According to the effectual logic, a vision of a long-term scenario enables exploration of the opportunities, perception of the world market as a whole, but exploit these opportunities, relying onto well-developed capabilities. We consider that high value creation, innate to the business model of Aqipa GmbH, acting as value added distributor, unique intangible assets, not restricted to in-house developed software, also included in the offer, provided to the customers, strong partnerships with international companies, extended to the markets of entry and eliminating the necessity of local intermediaries, due to knowledge exchange in the network and onboarding of stakeholders, enabled Aqipa to overcome the liability of outsidership. The persistent big supplier and customer relationship management, the proactive internationalization to keep up with the customers, who are also multinational companies and might prefer a distributor, able to cover all their zone of operation and consistently high quality of services, speed up internationalization of Aqipa GmbH by increasing the commitment to the entered market. According to the revised Uppsala theory, this facilitates a reciprocal creation of new organisation- and market-specific-knowledge, which in sum is a network-specific knowledge, part of intangible assets.

In addition, we have found, that proactiveness and IT capability are sustaining international performance of a firm, exporting its business and organisational model, since it remained stable in all the sub-cases. Thus, it suggests that a deeply integrated IT architecture, providing a clear and flawless workflow may reduce the liability of foreignness, since this channel of communication and cooperation in the organisation is not imprinted by any cultural peculiarities. The study also found, that reduction of human and cultural factors due to electronic workflow is improving service quality, which is essential to be successful in a differentiation strategy, offering higher margins. Differentiation strategy implies competition on quality, and better value proposition due to higher value, not less cost, has shown to be more effective to gain a market share in a new foreign market. Evidence also suggests that Aqipa mainly gained advantages, representing new brands or achieving exclusive distribution agreements, to provide a unique range of articles to retailers, not competing on price with other value-added distributors. We conclude with *advice to managers* to develop high-quality services and new value curve to stand out in new international markets.

Customer relations management and international fairs preceded internationalisation sub-cases, which we have observed. Specifically, participation in international trade shows, followed by meetings with international partners, have been key contingencies to explore the opportunities. Hence, *we recommend managers* to strengthen their market presence and develop relationship-specific knowledge by regularly communicating with international partners. Our findings encourage further examination of role of trade shows in internationalisation of SMEs, supporting the opinion of Evers and Knight (2008) on importance of this factor in rapid internationalisation.

To sum up the *advice for practitioners*, we aimed to develop, as stated in our research objective, findings of our exploratory case study cover different factors of accelerated internationalisation and thus are also useful and relevant for practitioners. Our results indicate that IT capability can be applied for better transparency and thus, trust, to develop an organisational model, valid across cultures, supporting uniform information flows, task division and allocation, as well as to provide high-quality services. Other important practical advice is to network and leverage presence in the market, attending international trade shows, and positioning as "guru" in your business rather than an "exporter”.

To sum up the *contribution of this thesis to the theory*, we focus again on the research domain and question, we aimed to answer. On the purpose of answering our research question, we have applied instruments, developed from resources and capabilities points of view and suggested by strategic management, such as framework of Valuable Rare Inimitable resources, value curve, Porter's 5 forces. This allowed multifaceted assessment of Aqipa's performance and competitive position on the market.

The domain of case study is inherited from the state of research, as observed by Kalinic and Forza (2012) in Northeast Italy. The domain covered by the theory includes companies undergoing internationalization soon after the establishment, not relying on the network and solid relations with the foreign agents. We have re-contextualised the concept, introduced by Kalinic and Forza (2012) and tested the hypotheses in a new geographical setting, contributing another instance to the domain. This aims to confirm the previous findings, and expand underlying empirical evidence (only 5 cases, studied by Kalinic and Forza (2012)) of specific strategic focus being of the paramount importance for rapid internationalization. Our study has particularly shown, that strategic focus is more important than the resources, since there is no evidence of resources accumulation in Aqipa GmbH prior to the explosive expansion to the foreign markets. Our case-based methodology is especially appropriate for the research gap, where is still a lot of evidence to be gathered.

Apart from having increased credibility of the new concept, we contradicted several aspects of both existing internationalisation paradigms: gradualist and born globals. As shown in table 1, and discussed above, the dichotomy, established in this field of studies is insufficient to explain a substantial number of cases. Revealing aspects of both theories in the case of Aqipa GmbH, we have shown, that old theories, for instance, Uppsala theory even revisited by its own authors 30 years later, are insufficient, and concept of born globals, though newer, might be too diffuse even after 25 years of active research, as literature research has proven, hence, a new concept between gradualist and born global theories is feasible and necessary as a framework for further theoretical research.

Table 1: description of case data

	Time until internationalisation	International sales ratio and age of firm	managerial global vision	management committed to the internationalization	niche strategy	low commitment enry mode	limited applicability of the stages model and psychic distance	usage of networks	flexible organisational attributes	Multiple entry modes
Aqipa GmbH	13 years	50%, 28 years	yes	yes	no	no	psychic distance - yes, stages model - no	yes	no	yes
Born globals, as to previous research	0 (Oviatt and McDougall, 1994) to 10 years (Gassmann and Keupp, 2007)	At least 5% (Zahra et al, 2000), establishment after 1990 (Moen, 2002)	Specified by McKinsey and Co. (1993), Oviatt and McDougall (1994), Moen (2002)	Specified, for instance, by McKinsey and Co. (1993), Oviatt and McDougall (1994), Moen (2002)	Yes (Moen, 2002; McKinsey and Co., 1993)	Yes (Moen, 2002; McKinsey and Co., 1993)	Supported by Oviatt and McDougall (1994). Not supported by Fan and Phan (2007)	Supported by all, who has specified	Supported by all, who has specified	Specified by Freeman et al. (2006)

List of references

Articles:

1. Andersson, U., Forsgren, M., and Holm, U. (2015). Balancing subsidiary influence in the federative MNC: A business network view. In Knowledge, Networks and Power (pp. 393-420). Palgrave Macmillan, London.
2. Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. Journal of Management, Vol. 17, pp.99–120
3. Bell, J., McNaughton, R., Young, S., and Crick, D. (2003). Towards an integrative model of small firm internationalisation. Journal of International Entrepreneurship, 1(4), 339–362
4. Bouncken, R. B., Schuessler, F., Kraus, S. (2015) The Theoretical Embedding Of Born Globals: Challenging Existing Internationalization Theories. International Business and Economics
5. Casson, M. C. (1982). 1999. The Entrepreneur: An Economic Theory.
6. Cavusgil, S. T. (1980). On the internationalization process of firms. European research, 8, 273-281
7. Celly, K. S., and Frazier, G. L. (1996). Outcome-based and behavior-based coordination efforts in channel relationships. Journal of marketing research, 200-210.
8. Christopher A. Bartlett, and Beamish, P. W. (2014). Transnational Management: Text, Cases and Readings in Cross-border Management. McGraw-Hill Education.
9. Daniels, J. D., Radebaugh, L. H., and Ricks, D. A. (1992). International dimensions of contemporary business. PWS-Kent Publishing Company.
10. De Clercq, D., Sapienza, H. J., and Crijns, H. (2005). The internationalization of small and medium-sized firms. Small business economics, 24(4), 409-419.

11. Dikova, D., and van Witteloostuijn, A. (2005). Acquisition versus greenfield foreign entry: diversification mode choice in Central and Eastern Europe.
12. Dul, J., and Hak, T. (2007). Case study methodology in business research. Routledge.
13. Evers, N., and Knight, J. (2008). Role of international trade shows in small firm internationalization: a network perspective. International Marketing Review, 25(5), 544-562.
14. Falahat M., Migin M. W.; Chuan C. S., Kong P. F. (2015) Conceptualizing the Early and Rapid Internationalizing Firms. Procedia - Social and Behavioral Sciences, 25 November 2015, Vol.211, pp.612-618
15. Fan, T., and Phan, P. (2007). International new ventures: revisiting the influences behind the 'born-global' firm. Journal of International Business Studies, 38(7), 1113-1131.
16. Forsgren, M. holm, U., and Johanson, J. (2005). Managing the embedded multinational: A business network view.
17. Freeman, S., Edwards, R., and Schroder, B. (2006). How smaller born-global firms use networks and alliances to overcome constraints to rapid internationalization. Journal of international Marketing, 14(3), 33-63.
18. Gassmann, O., and Keupp, M. M. (2007). The competitive advantage of early and rapidly internationalising SMEs in the biotechnology industry: A knowledge-based view. Journal of World Business, 42(3), 350-366.
19. Helfat, C. E., Finkelstein, S., Mitchell, W., Peteraf, M., Singh, H., Teece, D., and Winter, S. G. (2009). Dynamic capabilities: Understanding strategic change in organizations. John Wiley and Sons.
20. Herrmann, P., and Datta, D. K. (2002). CEO successor characteristics and the choice of foreign market entry mode: An empirical study. Journal of International Business Studies, 33(3), 551-569.

21. Hilmersson, M. (2013). The effect of international experience on the degree of SME insidership in newly opened business networks. Baltic Journal of Management, 8(4), 397-415.
22. Hilmersson, M. (2013) Small and medium-sized enterprise internationalisation strategy and performance in times of market turbulence. International Small Business Journal Vol 32, Issue 4, pp. 386 – 400
23. Hitt, L. M. (1999). Information technology and firm boundaries: Evidence from panel data. Information Systems Research, 10(2), 134-149.
24. Hollensen, S. (2007) Global marketing: A decision-oriented approach. Harlow: Financial Times Prentice Hall
25. Johanson, J., and Vahlne, J. E. (1977). The internationalization process of the firm – a model of knowledge development and increasing foreign market commitment. Journal of International Business Studies, 8(1), 23–32.
26. Johanson, J., and Vahlne, J. E. (1990). The mechanism of internationalization. International Marketing Review, 7(4), 11–24.
27. Johanson, J., and Vahlne, J. E. (2003). Business relationship learning and commitment in the internationalization process. Journal of International Entrepreneurship, 1, 83–101.
28. Johanson, J., and Vahlne, J. E. (2006). Commitment and opportunity development in the internationalization process: A note on the Uppsala internationalization process model. Management International Review, 46(2), 165-178.
29. Johanson, J. and Vahlne, J. E. (2009) The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. Journal of international business studies, 40(9), 1411-1431
30. Kalinic, I., Forza, C. (2012) Rapid internationalization of traditional SMEs: Between gradualist models and born globals. International Business Review 21, 694–707.

31. Laufs, K., Bembom, M., and Schwens, C. (2016). CEO characteristics and SME foreign market entry mode choice: The moderating effect of firm’s geographic experience and host-country political risk. International Marketing Review, 33(2), 246-275.
32. Lioukas, C. S., Reuer, J. J., and Zollo, M. (2016). Effects of information technology capabilities on strategic alliances: Implications for the resource-based view. Journal of Management Studies, 53(2), 161-183.
33. Lyles, M. A., and Salk, J. E. (1996). Knowledge acquisition from foreign parents in international joint ventures: An empirical examination in the Hungarian context. Journal of international business studies, 27(5), 877-903.
34. Moen, Ø. (2002). The born globals: a new generation of small European exporters. International marketing review, 19(2), 156-175.
35. Oviatt, B. M., and McDougall, P. P. (1994). Toward a theory of international new ventures. Journal of international business studies, 25(1), 45-64.
36. Oviatt, and McDougall (2005). Defining international entrepreneurship and modelling the speed of internationalization. Entrepreneurship Theory and Practice, 29(5), 537–553
37. Porter, M. E. (1986). Changing patterns of international competition. California management review, 28(2), 9-40.
38. Rennie, M. W. (1993). Born global. The McKinsey Quarterly, (4), 45.
39. Rialp, A., Rialp, J., Urbano, D., and Vaillant, Y. (2005). The born-global phenomenon: A comparative case study research. Journal of International Entrepreneurship, 3(2), 133–171
40. Grant, R. M. (1991). Porter's ‘competitive advantage of nations’: an assessment. Strategic management journal, 12(7), 535-548.
41. Sapienza, H. J., Autio, E., George, G., and Zahra, S. A. (2006). A capabilities perspective on the effects of early internationalization on firm survival and growth. Academy of management review, 31(4), 914-933.

42. Sarasvathy, S. D. (2008). Effectuation: Elements of entrepreneurial expertise. Cheltenham, UK: Edward Elgar Publishing.
43. Schreiner, M., Kale, P., and Corsten, D. (2009). What really is alliance management capability and how does it impact alliance outcomes and success? Strategic Management Journal, 30(13), 1395-1419.
44. Slangen, A. H. (2011). A communication-based theory of the choice between greenfield and acquisition entry. Journal of Management Studies, 48(8), 1699-1726.
45. Slangen, A. H. (2013). Greenfield or acquisition entry? The roles of policy uncertainty and MNE legitimacy in host countries. Global Strategy Journal, 3(3), 262-280.
46. Stopford, J. M., and Wells, L. T. (1972). Managing the multinational enterprise: Organization of the firm and ownership of the subsidiaries (Vol. 2). Basic Books.
47. Teece, D. J. (2012). Dynamic capabilities: Routines versus entrepreneurial action. Journal of management studies, 49(8), 1395-1401.
48. Tiemessen, I., Lane, H. W., Crossan, M. M., and Inkpen, A. C. (1997). Knowledge management in international joint ventures. Cooperative Strategies: North American Perspectives, 370-399.
49. Vahlne, J. E., and Johanson, J. (2017). The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. In International Business (pp. 145-154). Routledge
50. Zahra, S. A., Ireland, R. D., and Hitt, M. A. (2000). International expansion by new venture firms: International diversity, mode of market entry, technological learning, and performance. Academy of Management journal, 43(5), 925-950.
51. Zahra, S. A., Sapienza, H. J., and Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. Journal of Management studies, 43(4), 917-955.

Online resources:

1. Statistics on small and medium-sized enterprises - Statistics Explained. Retrieved on March 8, 2018, from http://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_small_and_medium-sized_enterprises
2. Actos inscritos de AQIPA IBERIA SL en el BORME. Retrieved on July 23, 2018, from http://www.infocif.es/empresa/aqipa-iberia-sl
3. Aqipa Iberia sl - Informe comercial mercantil financiero y de riesgo AXESOR. Retrieved on July 23, 2018, from https://www.axesor.es/Informes-Empresas/7769498/AQIPA_IBERIA_SL.html
4. The European Market for Wholesale B2B Distribution in IT and Consumer Electronics TCA white paper – June 2017. Retrieved on July 27, 2018, from http://technologychannelsalliance.org/wp-content/uploads/2017/06/TCA_white_paper_June_2017.pdf
5. MediaMarkt: Europe's Number one consumer electronics retailer. Retrieved on July 29, 2018 from http://www.mediamarkt.com/
6. Sell-Through Vs. Sell-In | Chron.com. Retrieved on June 30, 2018, from https://smallbusiness.chron.com/sellthrough-vs-sellin-34397.html
7. Waste statistics - electrical and electronic equipment - Statistics Explained. Retrieved on July 2, 2018, from http://ec.europa.eu/eurostat/statistics-explained/index.php/Waste_statistics_-_electrical_and_electronic_equipment
8. Spain's electronic waste mountain | In English | EL PAÍS. Retrieved on July 2, 2018, from https://elpais.com/elpais/2015/10/16/inenglish/1445008652_183379.html
9. Techno: Interview with Pure. Retrieved on July 24, 2018, from http://technosoc.blogspot.com/2010/03/interview-with-pure.html

10. About Us – Find out more about what we do | Pure. Retrieved on July 24, 2018, from https://www.pure.com/de/about-pure
11. WorldDAB. Retrieved on July 24, 2018, from https://www.worlddab.org/
12. Country select | Pure. Retrieved on July 24, 2018, from https://www.pure.com/uk/country-select
13. Retrieved on July 2, 2018, from https://www.radiomagonline.com/industry/uk-digital-radio-manufacturer-sold-to-aventure-gmbh
14. Retrieved on July 2, 2018, from https://www.ft.com/content/87b0a856-8650-11e6-8897-2359a58ac7a5
15. Pure radio business sold to Austrian firm for £2.6 million | What Hi-Fi? Retrieved on August 25, 2018, from https://www.whathifi.com/news/pure-radio-business-sold-to-austrian-firm-ps26-million
16. Imagination Technologies sells loss-making Pure radio business for £2.6m. Retrieved on August 25, 2018, from https://www.telegraph.co.uk/business/2016/09/29/imagination-technologies-sells-loss-making-pure-radio-business-f/
17. Germany | Country Information | WorldDAB. Retrieved on July 5, 2018, from https://www.worlddab.org/country-information/germany#receiver_market
18. Green Field vs. Acquisition to Enter New Country? | Investopedia. Retrieved on July 5, 2018, from https://www.investopedia.com/ask/answers/06/greenfieldvsacquistion.asp
19. United Kingdom | Country Information | WorldDAB. Retrieved on July 5, 2018, from https://www.worlddab.org/country-information/united-kingdom
20. EXCLUSIVE: Brand New Distributor Snares Top Brands After Cutting EU JV – channelnews. Retrieved on July 25, 2018, from https://www.channelnews.com.au/exclusive-brand-new-distributors-snares-top-brands-after-cutting-eu-jv/

21. Master & Dynamics MW60 Confirmed for Oz - SmartHouse. Retrieved on July 25, 2018, from https://www.smarthouse.com.au/master-dynamics-mw60-confirmed-oz/
22. Our history | Convoy. Retrieved on August 2, 2018, from https://www.convoy.com.au/our-history/
23. Consumer Electronics in Australia. Retrieved on August 25, 2018, from http://www.euromonitor.com/consumer-electronics-in-australia/report
24. PURE SONUS-1XT DAB Digital Radio with Voice Feedback Technology: Amazon.co.uk: TV. Retrieved on October 15, 2018, from https://www.amazon.co.uk/SONUS-1XT-Digital-Radio-Feedback-Technology/dp/B0007UB4Z8

Deutschsprachiges Abstract

Ziel der Masterarbeit ist die Beziehungen zwischen Struktur- und Prozesselementen des Internationalisierungsprozesses in einem in den 1990er Jahren gegründeten europäischen KMU zu entdecken und zu evaluieren Als Beispiel dient ein österreichisches Unternehmen mit 300 Mitarbeitern, das im 1993 gegründete Aqipa GmbH. Ein fundiertes Wissen darüber, wie Ressourcen und Fähigkeiten des Unternehmens, Managementqualitäten, Faktoren der ausländischen Märkte, sowie strategischer Fokus den Weg zum Erfolg des Studienobjekts ermöglichen, trägt zur Theorie bei. Als Methode wurde die Fallstudie ausgewählt. Der Fall befindet sich in der Forschungslücke zwischen „Born Globals“ und „Gradualist“ Modellen der Internationalisierung. Die Forschung entstand aus der Zusammenarbeit von Unternehmensberatern mit dem Unternehmen, das sich unmittelbar im Expansionsprozess befindet, und richtet sich an Praktiker als ultimative Nutzer. Eine Literaturrecherche hat es ermöglicht, den Fokus der Beobachtungen und den theoretischen Rahmen zu bestimmen, um sie in der explorativen Fallstudie zu erklären. Alle drei Teilfälle gehören zu verschiedenen ausländischen Markteintrittsarten, und wir haben theoretisch nachgewiesene Vorteile ausgewählter Eintrittsmodi in Kombination mit Faktoren, die in bestimmten Unterfällen vorhanden sind, und Erklärungen gefundener Diskrepanzen berücksichtigt. Die gefundenen Diskrepanzen können der Formulierung weiterer Forschungsfrage dienen. Die aktuelle Masterarbeit erbt eine Domäne aus dem Forschungsstand zu schnell internationalisierenden KMU in Nordost-Italien, die nicht den Kriterien von „Born Globals“ entsprechen, und liefert einen wichtigen Beweis für ein solches Unternehmen in Österreich. Wir liefern Nachweise über die Auswirkungen verschiedener Markteintrittsformen, Ressourcen, Fähigkeiten, Qualitäten des Managements, ausländische Marktfaktoren und strategische Aspekte auf eine rasche Internationalisierung eines KMU. Als Ergebnis entwickeln wir praktische Ratschläge und

beweisen, dass ein neues Paradigma zwischen „Gradualist“ und „Born Globals“ Theorien als Rahmen für weitere theoretische Forschung fassbar und notwendig ist.