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**The fall protection industry: case
study on the internationalisation of
Genesi Protection**

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ABSTRACT:

Internationalisation is a central theme of international business research. However, studies examining the internationalisation of small and medium enterprises (SMEs) are limited, especially in regulated and safety-critical industries. Established internationalisation theories and frameworks like the Uppsala Model, network approach, and Resource-Based View (RBV) have been tested in the context of large multinational enterprises. However, their applicability to smaller firms with resource constraints or operating in complex institutional environments has not been examined in depth. Moreover, the role of industry context and influence of regulatory regimes in international strategies constitutes a gap in the existing literature.

This study will address these gaps by examining the internationalisation process of an Italian SME that operates in the fall protection industry, a highly regulated segment of the global safety equipment market. A longitudinal qualitative single case study design is adopted based on the collection of primary data through semi-structured interviews with the founder and CEO, sales director, and product manager. Additionally, secondary data sources are used such as industry reports and regulatory documentation.

The findings reveal a non-linear internationalisation trajectory that was influenced by crisis and disruptions. Six different phases have been identified from founding and domestic growth to future planned expansion in extra-EU markets. They also reveal that the most significant transition from reseller to manufacturer was the result of the abrupt termination of a key partnership, which emphasises that crisis can function as mechanisms to develop new capabilities in SMEs.

Overall, the theoretical discussion demonstrates that there is not one single internationalisation theory that can explain the company's internationalisation trajectory. The Uppsala Model's experiential learning mechanism is supported by the findings, but the gradualist assumptions are challenged by the presence of disruption that shape the internationalisation of the company. The network approach is extended by the identification of a disabling function and strategic risk of network dependency because deep embeddedness in a single partnership can suppress autonomous capabilities. The RBV provides an account of how an integrated service can generate competitive advantage but needs to be integrated with dynamic capabilities. Finally, the regulatory and institutional lens is the most original contribution of the study as the findings demonstrate that regulatory distance is a market selection determinant, and that regulatory change can be both a compliance requirement and an opportunity for competitive positioning.

KEYWORDS: SME internationalisation, regulated industries, fall protection industry, institutional distance, qualitative case study, Uppsala Model, network approach, Resource-Based view

ITALIAN TITLE :

Il settore della protezione dalle cadute dall'alto: caso studio sull'internazionalizzazione di Genesi Protection.

ABSTRACT :

L'internazionalizzazione è un tema centrale della ricerca sul business internazionale. Ciò nonostante, gli studi con oggetto l'internazionalizzazione delle piccole o medie imprese (PMI) sono limitati, specialmente in industrie regolamentate e in cui la sicurezza è fondamentale. Le teorie e i modelli consolidati in materia di internazionalizzazione, quali il Modello di Uppsala, l'approccio di rete e la Resource-Based View (RBV), sono stati verificati nel contesto delle grandi imprese multinazionali. Tuttavia, la loro applicabilità alle imprese di dimensioni più ridotte, con risorse limitate o operanti in contesti istituzionali complessi, non è stata esaminata in modo approfondito. Inoltre, il ruolo del contesto settoriale e l'influenza dei regimi normativi sulle strategie internazionali costituiscono una lacuna nella letteratura esistente.

Il presente studio intende colmare tali lacune esaminando il processo di internazionalizzazione di una PMI italiana che opera nel settore della protezione dalle cadute dall'alto, un segmento altamente regolamentato del mercato globale dei dispositivi di sicurezza. È stato adottato un metodo di studio qualitativo longitudinale basato su un singolo caso, che prevede la raccolta di dati primari attraverso interviste semi-strutturate con il fondatore e amministratore delegato, il direttore commerciale e il responsabile di prodotto. Inoltre, vengono utilizzate fonti di dati secondari quali rapporti di settore e documentazione normativa.

I risultati evidenziano un percorso di internazionalizzazione non lineare, influenzato da crisi e sconvolgimenti. Sono state individuate sei fasi distinte, dalla fondazione e dalla crescita sul mercato interno alla futura espansione pianificata nei mercati extra-UE. I risultati rivelano inoltre che la transizione più significativa dal ruolo di rivenditore a quello di produttore è stata il risultato della cessazione improvvisa di una partnership chiave, il che sottolinea come le crisi possano fungere da stimolo per lo sviluppo di nuove capacità nelle PMI.

Nel complesso, la discussione teorica dimostra che non esiste un'unica teoria dell'internazionalizzazione in grado di spiegare il percorso di internazionalizzazione dell'azienda. Il meccanismo di apprendimento esperienziale del Modello di Uppsala trova conferma nei risultati, ma le ipotesi gradualiste vengono messe in discussione dalla presenza di fattori di disturbo che influenzano l'internazionalizzazione dell'azienda. L'approccio di rete viene ampliato dall'identificazione del rischio strategico legato alla dipendenza dalla rete, poiché un profondo radicamento in un'unica partnership può sopprimere le capacità autonome dell'azienda. La RBV spiega come un servizio integrato possa generare un vantaggio competitivo, ma debba essere integrato con capacità dinamiche. Infine, la prospettiva normativa e istituzionale rappresenta il contributo più originale dello studio, poiché i risultati dimostrano che la distanza normativa è un fattore determinante nella selezione del mercato e che il cambiamento normativo può essere sia un requisito di conformità sia un'opportunità per il posizionamento competitivo.

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ABBREVIATIONS

APEC: Asia-Pacific Economic Cooperation

BGs: Born Global(s)

DIBT: Deutsches Institut für Bautechnik

EU: European Union

FSAs: Firm-Specific Advantages

G-20: Group of Twenty

GDP: Gross Domestic Product

I-model: Innovation-Related Internationalisation Model

IB: International Business

INAIL: Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro

INVs: International New Venture(s)

IP: Intellectual Property

MCSs: Management Control Systems

MNEs: Multinational Enterprise(s)

OECD: Organisation for Economic Co-operation and Development

OLI model: Ownership, Location, Internalization model

PMI: Piccole e medie imprese

PPE: Personal Protective Equipment

RBV: Resource-Based View

SMEs: Small and Medium Enterprise(s)

U-model: Uppsala Internationalisation Model

UK: United Kingdom

US: United States

VRIO: Valuable, Rare, Inimitable, Organisationally Embedded

1 INTRODUCTION

Internationalisation has been a central theme for the past three decades. Despite this, there is no officially recognised definition, as it can be viewed from different perspectives. Welch and Luostarinen (1988; Rosário et al., 2021, p. 879), as well as Calof and Beamish (1995; Ruzzier et al., 2006, p. 479), describe it as the “process of increasing involvement in international operations”, whereas Dutot et al. (2014; Rosário et al., 2021, p. 879) argue that “the internationalization of a firm is the outward movement of its operations and the process of mobilization, accumulation, and development of a specific set of resources to achieve greater performance” (Rosário et al., 2021, p. 879).

Before the 21st century, the international economic scenario was mainly characterised by large corporations, but nowadays Small and Medium Enterprises (SMEs) no longer remain local and share the same competitive space as Multinational Enterprises (MNEs) (Dabić et al., 2019, p. 706). Over the years, SMEs have increasingly undertaken internationalisation paths thus determining a need to study their behaviour and strategies (Mammadov & Wald, 2025, p. 1). However, contrary to the predominant research on MNEs, research is fragmented (García-Álvarez de Perea et al., 2019, p. 1) and they have attracted a broader interest rather than being the focus of in-depth studies (Miesenbock, 1988; Ruzzier et al., 2006, p. 477). Until the early 2000s, literature portrayed SMEs as passive actors in the internationalisation process, but this view has shifted towards the recognition of SMEs as active players capable of pursuing international opportunities and establishing operations in foreign markets (Gjellerup, 2000; Ruzzier et al., 2006, p. 477). This change in understanding highlighted the need for further research concerning the mechanisms and determinants of SME internationalisation. Moreover, even though both MNEs and SMEs now compete internationally, differences persist both in terms of market strategies (García-Álvarez de Perea et al., 2019, p. 1) and challenges due to the limited resources and knowledge available for the latter (Popovic, 2024, p. 592), which make their expansion path incremental and context dependent. Some theories have been transferred onto SMEs internationalisation such as the incremental perspective of Uppsala Model (Johanson & Vahlne, 1977), the network approach to internationalisation (Johanson & Mattsson, 1988), the Eclectic Paradigm (Dunning, 2000), and the international entrepreneurship perspective (Oviatt & McDougall, 1994) (Costa et al., 2017, 1184).

However, given the structural difference of SMEs compared to MNEs, it is not possible to simply transfer the theories from the latter onto the first, but smaller enterprises adopt different internationalisation paths that need to be studied on their own (Lu & Beamish, 2001; Costa et al., 2017, p. 1183). Globalisation has facilitated internationalisation, but industry factors can sometimes represent barriers and constraints for SMEs, especially given their lack of resources (Andersson and Wictor, 2003; Laurell et al., 2013, p. 299). The industry context should therefore be included in research, especially in highly regulated industries in which companies need to comply with different regulations to ensure safety, security and efficiency (Laurell et al., 2013, p. 301). The resource constraint of SMEs can be seen as a negative thing when it comes to the enormous amount needed for internationalisation, but also as a positive factor because it enables them to be flexible and adapt quicker to changing market conditions (García-Álvarez de Perea et al., 2019, p. 8). Therefore, current studies need more understanding of the internationalisation path of SMEs, examining how industry related factors and the challenges they face compared to MNEs influence their strategic choices and foreign market engagement (García-Álvarez de Perea et al., 2019, p. 2).

The Italian industrial model is characterised by a prevalence of SMEs, which are grouped in specialised industrial districts successful for integrating local craftsmanship and “Made in Italy” with high-quality manufacturing and innovation (Schilirò, 2017, pp. 7-8). This is taken as an example worldwide because it demonstrates that achieving a developed and large economy is possible also by relying on small firms instead of being dependent on large enterprises (Bianchi et al., 1997, p. 6). In Italy, SMEs represent approximately 92% of companies, contribute to 41% of GDP and 48% of exports (CorCom, 2022; Berné Manero et al., 2025, p. 2) and have access to numerous innovation ecosystems. In 2021, they accounted for 80% of employment, 70% of value added, and 99% of the total active companies (European Investment Bank, 2021, p. 6). Italy’s economic structure is therefore characterised by small businesses that drive Italian exports and compete in niche manufacturing industries. Thus, they are an ideal empirical setting to understand how SMEs leverage different strategies to navigate complex regulatory and international markets.

1.1 RESEARCH GAP

Although research on MNEs is extensive, there is limited literature on SMEs internationalisation and research on how SMEs internationalise in comparison to MNEs is secondary in comparison to the one available for large corporations (Mammadov & Wald, 2025, p. 1). Moreover, Paul et al. (2017, p. 337) argue that insufficient research has focused on the industry context and how operating in regulated and safety-critical industries has influenced the internationalisation process of SMEs. In the context of regulated markets, firms must comply with stringent regulatory standards and certification requirements, which are not fully captured by established frameworks like the Uppsala Model or Dunning's OLI paradigm that were developed based on traditional and less regulated sectors. Additionally, this study answers the call of Dabić et al. (2019, pp. 719-721) who note that current research is often fragmented and overlooks the processual and temporal path of internationalisation by saying that “more longitudinal studies could be helpful in examining SMEs over an extended period” to achieve a holistic view. Discontinuities, strategic adjustments, regulatory challenges, and learning effects require a longitudinal view that analyses internationalisation as a process that occurs over time rather than a set of isolated decisions and events, this dimension though has been neglected (Welch and Paavilainen-Mäntymäki, 2013, p. 15). Lastly, scholars argue that qualitative methods of analysis are not often used but hold promise in this field (Birkinshaw et al., 2011; Marschan-Piekkari & Welch, 2011; Paul et al., 2017), as they are more suitable to address “why” and “how” questions (Shavelson & Towne, 2002; Paul et al., 2017).

To address these gaps, the thesis will explore the internationalisation path of SMEs in regulated industries such as telecommunications, construction materials and PPE, with attention to strategic choices and entry modes in comparison to established internationalisation frameworks. By focusing on SMEs, the study contributes to understanding how resource constrained firms navigate complex institutional environments. Furthermore, by adopting a longitudinal qualitative approach, the thesis will highlight how internationalisation strategies evolved over time and how decisions were taken at different stages by looking at both historical milestones and consequences of past decisions from 2018 to current days. The longitudinal qualitative study will therefore provide a more holistic and process-oriented perspective to SME internationalisation.

1.2 RESEARCH QUESTION

The purpose of this study is to tap into this research opportunity by answering the following research question:

How does the internationalisation process of an SME operating in a regulated, safety-critical industry unfold over time, and to what extent does it align with established internationalisation theories?

More precisely, the research adopts a process perspective on internationalisation, analysing the key stages, turning points, and possible setbacks that shape the international expansion of a small or medium enterprise over time. Furthermore, the setbacks and turning points are examined in relation to the constraints associated with operating in a regulated and safety-critical industry to understand how the regulatory environment may influence the internationalisation process. To answer this question, this research employs a single case study of Genesi Protection, which has successfully internationalised in the highly regulated and competitive fall protection industry. Genesi Protection serves as a significant case study since it is an Italian SME operating in the fall protection industry, a mature and regulation-intensive segment of the overall global safety equipment market, concerned with equipment to reduce risks of a fall or reduce harm if and when a fall occurs (Mishra, 2024). In 2023, workplace falls accounted for 20% of non-fatal accidents and around 15% of fatal accidents, reaching the second and third most common causes for workplace accidents (Eurostat, 2025). With workplace falls remaining one of the leading causes of occupational fatalities worldwide, the global fall industry market size has reached USD 3.82 billion in 2024 and is estimated to reach USD 7.07 billion by 2033 with a CAGR of 7.1% (Growth Market Reports, 2024). This industry offers a unique analytical context due to its high 'institutional duality', which makes internationalisation complex due to the requirement to adapt to diverse regulations. Unlike unregulated markets where firms primarily adapt to consumer preferences, firms in safety-critical sectors must simultaneously navigate complex, often conflicting, national regulatory regimes (Kostova & Zaheer, 1999, p. 70). Consequently, success relies heavily on 'non-market strategies' (Doh et al., 2012, p. 25), where the ability to influence and interpret safety standards is critical. Overall, firms in regulated markets face higher administrative and

adaptation costs, but the influence of regulations depends on how they adapt to them (Kitching et al., 2013).

1.3 INTENDED CONTRIBUTION

This study contributes to the literature in three ways. First, it contributes to the international business literature by examining the internationalisation of SMEs operating in regulated and safety-critical industries as it is an empirical context that remains unexplored and can influence decisions. Second, the study contributes to internationalisation research of SMEs by adopting a longitudinal, dynamic and process-oriented perspective rather than treating the internationalisation path as a series of separated independent decisions. Through the longitudinal qualitative approach, the study captures learning mechanisms and discontinuities to have a more holistic understanding of how SMEs navigate foreign markets. Finally, it offers a comparison between a firm internationalisation pattern and the path suggested by the most established internationalisation theories to assess whether the expansion process of SMEs in regulated industries can be explained or differs from major frameworks.

The remainder of the thesis is organised as follows. Chapter 2 covers the theoretical background on SME internationalisation and outlines relevant existing theories. Chapter 3 describes the research methodology. Chapter 4 presents the case study of Genesi Protection, the analysis of its internationalisation process and the presentation of the results. Chapter 5 will be focused on discussion and interpretation of the findings. Chapter 6 outlines the main implications and directions for future research.

2 LITERATURE REVIEW

2.1 INTERNATIONALISATION

Internationalisation is the geographical expansion of economic activities outside a country's borders. Internationalisation can be defined as "firm-level behaviour that crosses national borders and can be evidenced at specific points in time" (Jones and Coviello, 2005; Kuivalainen et al., 2012; Olejnik & Swoboda, 2012, p. 467). This term started being used when interactions between different market economies started in the 1920s. This process then accelerated after the Second World War until the 1970s when the discussion shifted towards globalisation (Gjellerup, 2000; Ruzzier et al., 2006, p. 477). Nowadays, globalisation characterises the world economic system, which means that agents and firms are exposed to internal influences and must compete with foreign firms and agents as well as domestic ones. Globalisation also led to the availability of low-cost communication technologies and transportation which led to international business opportunities not only for large and mature corporations, but also for new and small corporations with limited resources (Oviatt & McDougall, 2005, p. 29).

There is not one universally accepted definition of internationalisation, as it can be seen as a state, result, or process, as can be observed in Table 1. López Morales (2020, pp. 95-96) argue that internationalisation can be seen as something other than just selling abroad, but as an important element for the development of a business. He shares the view of Li Sun (2009) who states that internationalisation refers to the degree of revenues gained, and operations conducted outside the domestic market. Overall, research has focused on internationalisation from different points of view, such as operations and activities carried out by the firms (Luostarinen, 1979), networks importance (Johanson and Mattsson, 1993) or evolutionary process of further commitment (Johanson and Wiedersheim-Paul, 1975; Ruzzier et al., 2006, p. 478). Process is related to the fact that internationalisation is ongoing and requires continuing effort, Calof and Beamish (1995, p. 156; Ruzzier et al., 2006, p. 478) define internationalisation as "the process of increasing involvement in international operations", whereas Johanson and Vahlne (1990; Ruzzier et al., 2006, table I) describe it as "a cumulative process in which relationships are continually established, developed, maintained and dissolved in order to achieve the firm's objectives" and shift

the focus on relationships. This is further developed by Lehtinen and Penttinen (1999; Ruzzier et al., 2006, table I) who define internationalisation as “developing networks of business relationships in other countries through extension, penetration and integration”.

Table 1. Selected definitions of internationalisation classified by their focus (adapted from Ruzzier et al., 2006, p. 479).

Author	Definition	Focus
Johanson and Vahlne (1977, p. 23)	Internationalization of the firms is a process in which the firms gradually increase their international involvement.	Process, international involvement
Welch and Luostarinen (1993, p. 156)	Internationalization is the outward movement of a firm's international operations	Process, firm's operations
Calof and Beamish (1995)	Internationalization is the process of increasing involvement in international operations	Process, firm's operations
Johanson and Mattsson (1993)	Internationalization is the process of adopting firm's operations (strategy, structure, resources etc.) to international environments	Process, firm's operations
Johanson and Vahlne (1990)	Internationalization as a cumulative process in which relationships are continually established, developed, maintained and dissolved in order to achieve the firm's objectives	Relationships, process
Lehtinen and Penttinen (1999)	Internationalization a developing networks of business relationships in other countries through extension, penetration and integration	Networks, relationships
Lehtinen and Penttinen (1999)	Internationalization concerns the relationships between the firm and its international environment	Relationships, firm's operations, process, international involvement

Author	Definition	Focus
Ahokangas (1998)	Internationalization is the process of mobilizing, accumulating and developing resource stocks for international activities	Resources, process
Li Sun (2009; López Morales, 2020, p. 95)	Internationalization refers to the degree in which a firm's sales revenue or operations are conducted outside its home country	Firm's operations

At the end of the 20th century, different theories have tried to explain and study trade patterns to provide insight into the internationalisation pattern of companies. Different scholars have tried to identify the factors influencing firms' internationalisation (Table 2), the ones we will concentrate on in this thesis will be Johanson and Vahlne (1977) who explain internationalisation through knowledge learning, Dunning (1988) who believe firm's internationalisation is influenced by market imperfections, transaction costs and localisation advantages, and Johanson and Vahlne (1990) who corrected their model and included networks as factors of firm's internationalisation. Knickerbocker (1973; Andersson, 2004, p. 853) also started talking about the industry perspective by stating that the internationalisation of firms is influenced by oligopolistic situations.

Table 2. Factors influencing firms' internationalization (adapted from Andersson, 2004, p. 858).

Internationalization literature	Factors influencing firms' internationalization
Smith (1776), Ricardo (1817) and Heckscher and Ohlin (1991)	Factor conditions
Vernon (1966)	Technological development
Porter (1990)	Technological development, industry structure, domestic rivalry, company strategy
Hymer (1960) and Kindleberger (1969)	Market imperfections

Internationalization literature	Factors influencing firms' internationalization
Knickerbocker	Oligopolistic reactions
Dunning (1988)	Market imperfections, transaction costs, localization advantages
Hörnell et al. (1973) and Johanson and Wiedersheim-Paul (1975)	Psychic distance
Johanson and Vahlne (1977) and Luostarinen (1979)	Organizational learning
Forsgren (1989) and Johanson and Vahlne (1990)	Networks, organizational learning
Bell (1995)	Sectoral targeting, client followership, industry trends
McDougall et al. (1994)	Niche strategies
Oviatt and McDougall (1994), Knight and Cavusgul (1996) and Madsen and Servais (1997)	Previous experience of founders/entrepreneurs and individual networks
Andersson (2000)	Type of entrepreneur

Etemad (2004; Popovic, 2024, p. 591) states that there are push factors, pull factors and interactive push-pull factors. Push factors are forces that drive international activities and drive companies to take advantage of international opportunities, they are usually factors internal to the company. Pull factors are external and represent incentives in international markets. Interactive factors result from the interaction between pull and push factors with the company itself. Internationalisation speed and sequence are firm-specific factors. However, there are some models that argue that firms follow a gradual expansion process and models that recognise the possibility of a rapid internationalisation of firms (McDougall et al., 1994; Huang, 2025, p. 158). Many academic theories try to explain internationalisation processes of companies in theory, but there is no right or wrong when it comes to the actual process in practice. Depending on the firm, different actions may be needed such as adapting the product or service for different markets depending on

industry characteristics, cultural distance or strategic objectives (Dunning, 1988; Huang, 2025, p. 158). Moreover, no matter the process that the firm follows, it is important to build relationship networks which facilitate internationalisation by providing access to knowledge, opportunities and resources, as argued by Johanson and Mattsson (1988; Huang, 2025, p. 158). The geographic spread of involvement in different foreign markets can also provide opportunities to learn and gather knowledge from different environments and cultures that can be later used for further internationalisation (Fariborzi et al., 2022; Pangarkar, 2008; Elbanna et al., 2023, p. 306).

Nowadays, SMEs are the majority of firms in most countries and are important for their economic growth, which is why their internationalization process has been studied over the years in terms of academic, political, and governmental research (Crick and Jones, 2000; McDougall and Oviatt, 1996; Nakos and Brouthers, 2002; Musso & Francioni, 2014, p. 301). Thus, we can say that their increasing importance in the economic environment has led to a shift in academic literature in more recent years towards studies on SMEs internationalisation. Traditional SMEs start internationalising because the demand in the domestic market decreases, they receive unsolicited orders from abroad or other external factors (Olejnik & Swoboda, 2012, p. 471). A firm's involvement in international markets starts by selling products in foreign markets, buying products from foreign markets or start cooperating with foreign firms. For this reason, operations can be divided into "inward", "outward" and "cooperative" (Korhonen, 1999; Ruzzier et al., 2006, pp. 479-480). There are usually three stages in the internationalisation process of SMEs, since they usually expand gradually. The first is the pre-engagement phase in which firms operate in the domestic market and start to plan exporting their products or service, this phase is followed by the initiation phase in which the firm starts to export and then in the deepened phase the company starts to export regularly and gains experience by doing so (Burakovsky & Voloshyn, 2021, p. 4).

2.2 DIFFERENCES BETWEEN MNES AND SMES

SMEs are important for the global economy as they drive employment, growth and innovation (Jafari-Sadeghi et al., 2023; Mmadubuko et al., 2025, p. 1). However, they face challenges and barriers because of resource constraints, as argued by Ferreira et al. (2025;

Mmadubuko et al., 2025, p. 1) and because of difficulties in establishing their position in foreign markets (Ranjan, 2024; Mmadubuko et al., 2025, p. 1). Leonidou (2004; Popovic, 2024, p. 592-593) classifies these barriers as internal or external and domestic or foreign. There are then two types of barriers which are important for the internationalisation process in terms of perception of cultural differences and the cost of doing business in international markets (Baym et al., 2013; Popovic, 2024, p. 592-593). Nurfarida et al. (2022; Popovic, 2024, p. 592-593) believe that human resources, product quality and financial resources are internal barriers of SMEs, whereas the external ones are the business environment, governmental barriers and socio-cultural barriers. SMEs in general face barriers at the micro and macro level. In the former, they encounter difficulties due to their export departments, limited experience in international activities, lack of information and experience on foreign markets, high investments needed to be competitive, and insufficient starting capital. At the macro level, they may be discouraged by political instability, legal problems, insufficient demand, and imperfections or absence of trade regulation institutions. (Burakovsky & Voloshyn, 2021, p. 7).

The principal assumption in international business is that what can be applied to MNEs can also be applied to SMEs, but this is not true given their differences amongst each other. One of the main observable differences is related to their size, which is important because it shapes market power of the firm, leverage over other organisations, visibility and reputation, and network possibilities. Moreover, size also affects smaller firms' governance, decision-making and leadership which needs to be taken into account in internationalisation theories. Child et al. (2022, pp. 23-24) believe that IB (international business) literature on SMEs internationalisation should identify and challenge assumptions on the existing literature and create alternative research questions that lead to new theories. However, they believe that existing literature should not be applied strictly to the internationalisation process of SMEs without being adapted first.

SMEs have recently started sharing the same competitive space of MNEs (Dabić et al., 2019, p. 705). Etemad et al. (2001, p. 481; Dabić et al., 2019, p. 705) observed that the belief that smaller companies remain in the domestic market while big companies compete in international markets is no longer true, the world is globalised, and companies compete amongst each other. Indeed, SMEs have traditionally been considered as passive

actors, but they have become active players in international markets in the last decades (Gjellerup, 2000; Ruzzier et al., 2006, p. 477). Dialogue about global strategies, alliances and diversification is more focused on MNEs, while the discussion about SMEs is more related to internationalisation through different stages (Ruzzier et al., 2006, p. 480). However, Olejnik and Swoboda (2012, p. 467) believe that SMEs do not strictly follow internationalisation patterns identified by literature, but there are firm-specific factors that lead to SMEs internationalisation process. Researchers have tried to apply large firms' internationalisation theories to smaller firms, but they do not always work because of the differences amongst them (Chen and Hambrick, 1995; Ruzzier et al., 2006, p. 480).

As can be seen in Table 3, there are similarities between SMEs and MNEs given by the fact that they are both firms with business nature, thus customers are fundamental for their success, innovation is important, and they are considered international if they are present in many countries. However, there are also many differences. For example, SMEs are more flexible and can adapt quicker to changes, use informal methods of gathering information, value the importance of public policy support, and usually internationalise in the European territory (García-Álvarez de Perea et al., 2019, p. 17).

Table 3. Similarities and differences between SMEs and MNEs (adapted from García-Álvarez de Perea et al., 2019, p. 17).

	Similarities	Differences
Customers	Central and key to their long-term survival. Trust relationships	SMEs are more flexible to adapt to changes in social trends
Distribution Channels	Mostly retailers	MNEs have more direct customers
Information	Constant flows of information	SMEs use more informal methods to gather information
Innovation	Key for all of them	Focus in product innovation on MNEs; focus on demand-side innovation on SMEs

	Similarities	Differences
Internationalization degree	60-80% international sales; fitting the Uppsala model	Only one SME fitting the Born Global model
Internationalization presence	Consolidated in many countries	MNEs are worldwide, SMEs are restricted to Europe
Key competitive factors	Innovation, product quality, suppliers control, adaptation skills	Size and being present worldwide are important in MNEs; flexibility to adapt to customer changing requests more important in SMEs
Public Policies Support	Support is needed	Far more important for SMEs, in order to open and settle in new markets
Suppliers	Long-term relationship, trust	SMEs use informal controls on suppliers

SMEs face liabilities in international markets characterised as liability of smallness, foreignness and outsidership. The liability of outsidership is a firm-level concept that relates to a specific country, a network within that country or a wider region (Rugman & Verbeke, 2007; Johanson & Vahlne, 2009, p. 1421). Indeed, in IB literature, firms external to networks are called outsiders (Johanson & Vahlne, 2009; Schweizer, 2013; Guercini et al., 2017, p. 150) and face the liability of outsidership. The liability of foreignness is identified as the cost of doing business abroad and the difficulties faced in foreign markets (Guercini et al., 2017, p. 134, p. 150). The liability of smallness is a firm-specific liability related to the fact that smaller firms are more likely to fail because of a lack of resources (Guercini et al., 2017, p. 136, p. 165). Because of the lack of financial and information resources, SMEs face this liability (OECD, 2018; Child et al., 2022, p. 2) and usually have to make up for it by joining networks that provide external resources (Parthasarathy & Gupta, 2017; Child et al., 2022, p. 2). Indeed, networks should be used by SMEs to

counteract the lack of extensive knowledge, capital and technology (Jaklic, 1998; Ruzzier et al., 2006, p. 485).

There are always risks and costs that come with the expansion of operations across various countries that differ in terms of culture and institutions. The costs are both in terms of investments and acquisition of knowledge on foreign markets (Eduardsen and Marinova, 2016; Pedersen and Tallman, 2023; Elbanna et al., 2023, p. 307). These costs are higher for SMEs that lack organisational structure and previous knowledge acquired for other expansions (Mun 2019; Elbanna et al., 2023, p. 307). Differences in the internationalisation process of MNEs and SMEs derive by the increasing speed, quality and efficiency of MNEs that have an elevated number of managers and sources of international finance and mobility of human capital (Oviatt and McDougall, 1994; Popovic, 2024, p. 589). SMEs usually have limited financial resources, managerial capacity and market knowledge which make it more difficult to compete in foreign markets with domestic firms and international large firms (Ferreira et al., 2025; Mmadubuko et al., 2025, p. 2). Indeed, SMEs lack of managerial resources since smaller firms do not have dedicated departments or managers for internationalisation, but rather rely on centralised management and decision-making. As a consequence, the personal competencies of the leaders are important to enter in foreign markets (Sjofyan & Prijadi, 2018; Tajeddin et al., 2023; Mammadov & Wald, 2025, p. 3).

Another difference amongst SMEs and MNEs is their perception of barriers, which affect their decisions to internationalise (Heiss, 2017, p. 53). Regulations that require to include technical details in tests or documents can have a different impact on smaller firms which need people appointed to the role (Heiss, 2017, p. 72). In addition, SMEs usually lack specialised staff capable to conduct an analysis on the environment and have to rely on external information providers whose services may not meet firms' requirements (Child et al., 2022, p. 25). Decisions in smaller firms are usually carried out by a few individuals, including the owner, which can be biased since the internal organisation is not specialised, like in bigger firms (Donaldson, 2001; Child et al., 2022, p. 26). Therefore, decisions are sometimes not rational but rather influenced by the intuition of the decision makers and their personal experience (Child & Hsieh, 2014; Child et al., 2022, p. 26).

MNEs often choose equity entry modes such as subsidiaries or joint ventures, but the high level of investment and funding needed makes these modes almost impossible to use for SMEs (Lutfiana, 2010, p. 9). Indeed, SMEs tend to be more cautious when internationalising and prefer lower-commitment and non-equity entry modes like exporting or contractual agreements since they require lower initial investments and offer the opportunity to learn and gather experience for future growth (Zeiringer et al., 2022; Mammadov & Wald, 2025, p. 3). As a solution to the challenge of limited resources, there may also be a collaboration between MNEs and SMEs for product development, technology alliances, value chains or inputs for larger firms (Zahoor et al., 2020; Child et al., 2022, p. 27). When this happens, SMEs internationalise thanks to this connection and may overcome the liability of smallness but may not gain knowledge of the market and its context which are out of their control (Child et al., 2022, p. 27). However, as a result they can leverage the connection to enhance their reputation and attract other future partnerships (Elbanna et al., 2023, pp. 304-305).

SMEs internationalisation suffers from a deficit due to their size-related power which creates power asymmetries and dependence on networks or external partners (Child et al., 2022, p. 25). SMEs usually do not have high market power and are influenced by contextual elements. Thus, context need to be conceptualised and taken into account in research on their internationalisation (Jones et al., 2001; Child et al., 2022, p. 4). Context affects smaller firms because they do not have the ability to change institutional provisions like MNEs do by lobbying governments or influencing institutions (Schiffer and Weder, 2001; Child et al., 2022, p. 6). Therefore, SMEs are more influenced by factors like regulations, political risk and market competition and more vulnerable to eventual changes. MNEs have more assets and competences available and can offer investments, creation of employment or bribes to leverage institutions whereas SMEs do not have these resources and have to adapt their products or services to the existing global value chains, unless they join coalitions and gain more power (Child et al., 2022, pp. 24-25).

Overall, SMEs are more flexible and less bureaucratic, but not all of them have the resources and capacity to be innovative and internationalise due to limited research and development resources (Chabbouh and Boujelbene, 2020; TanTai et al., 2024, p. 464). SMEs can benefit from their lean structure, managerial flexibility and ability to rearrange

resources and can adapt to different and changing market conditions or customer expectations (Garcia-Alvarez de Perea et al., 2019; Ciszewska-Mlinaric et al., 2024; Mmadubuko et al., 2025, p. 2).

2.3 INTERNATIONALISATION IN REGULATED INDUSTRIES

Child et al. (2022, p. 2) believe that SMEs' internationalisation is influenced by the characteristics of the firm and its context, both of the domestic market and the targeted foreign ones. Context is a multidimensional concept that includes ecological, economic, cultural, institutional, political, social, and technological aspects (Cheng, 1994; Child et al., 2022, p. 4). Many advantages or setbacks in the internationalisation process depend on the context, thus the contextual perspective needs to be taken into consideration when examining internationalisation of firms (Yildiz et al., 2022; Elbanna et al., 2023, p. 302). Specifically, industry context is important to identify and understand firms' internationalisation patterns (Boter & Holmquist, 1996; Bell & Cooper, 2018, p. 478). The term industry refers to a group of individual entities or companies which are classified in relation to the same product type, production technology or market attributes (Boter & Holmquist, 1996; Lutfiana, 2010, p. 2). However, research on internationalisation has mainly focused on firms in high-technology sectors instead of other sectors which are of similar importance (Zahra, 2004; Bell & Cooper, 2018, p. 478). Moreover, research has focused on the environment as one of the main factors influencing the behaviour and strategy of firms, but it is important not to neglect the industry context in which the firm operates and its influence on the internationalisation process (Heiss, 2017, pp. 13-14). Frameworks may need to be adapted for specific industry contexts (Huang, 2025, p. 158) since the industry in which a firm operates classifies its market and regulatory environment, relevant networks, and identity (Boter & Holmquist, 1996; Child et al., 2022, p. 6).

2.3.1 Characteristics of regulated industries

Since context cannot be universally defined, research has focused on some aspects of context, such as institutions or networks (De Villa et al., 2015; Child et al., 2022, pp. 14-17). The features, regulations and customs tariffs of different markets can be considered externalities that affect firms' process of internationalisation (Burakovsky & Voloshyn, 2021, p. 3). At the beginning, it may be difficult for firms to acquire the correct knowledge

to be successful (Bell & Cooper, 2018, p. 477) and this is even of more importance in regulated industries. Regulated industries are business sectors in which firms must follow strict regulatory regimes (PwC, n.d.), government oversight and legal and safety standards to ensure public safety and customer protection (Spikerman, 2025). In highly regulated industries, there is a divergence between economic interests and ethical objectives in business operations that makes it difficult to develop strategies for internationalisation (Porter & Kramer, 2002; Doh et al., 2012, p. 17). Firms that operate in different countries have to adapt to different regulations (Saikia et al., 2024; Kumar, 2025, p. 651) and regulatory institutions which influence business strategies such as trade policies, tax systems, and intellectual property laws (Xu et al.; Kumar, 2025, p. 651).

Internationalisation patterns differ for firms in different industries as cultural differences also differ between industries (Andersson, 2004, p. 868). The industry and its hierarchy, competitive structure and regulations influence the impact that the institutional context has on the firms and thus the strategies adopted are a proxy of this impact (Ring et al., 1990; Doh et al., 2012, p. 10). The term institutions is referred to the formal or informal rules, shared interactions, and assumptions that shape structures and processes that are adopted in corporate cultures, shared belief systems and political processes (Bell & Cooper, 2018, p. 476). Institutional regulatory environments in turn are forces that shape the performance of businesses and regulate the way in which inputs are combined by firms (Oliver, 1997; Bell & Cooper, 2018, p. 476). These environments also influence the international behaviour of firms (Vogel, 1998; Bell & Cooper, 2018, p. 479). When talking about firms and internationalisation, institutional theory is important as it is concerned with how different firms follow and adapt to the rules and norms of the institutional environment where they operate (Scott, 2007; Bell & Cooper, 2018, p. 476). Firms also need to gather institutional knowledge, which is related to information about financial reporting, taxation, IP (intellectual property) protection, and health, safety and human resources regulations or standards that influence, amongst other things, product compliance. These can be country-specific or taken from international best practices and used within the same countries (Bell & Cooper, 2018, p. 491). Overall, the institutional environment impacts both the activities in the domestic market and foreign markets (Rask & Servais, 2015; Butkeviciene & Sekliuckiene, 2022, p. 100). Kumar (2025, p. 651) talks about institutional distance as the gap between the domestic and foreign country in terms of

regulation and cultural environment and notes that the larger the gap the harder the adaptation needs.

The home country's regulatory environment influences internationalisation processes and the institutional arrangements that support the development of firms (Luo, 2005; Butkeviciene & Sekliuckiene, 2022, pp. 102-103). More recently, Lobo et al. (2020; Butkeviciene & Sekliuckiene, 2022, p. 103) also demonstrated that institutional pressure of the home environment affects international expansion and firms' decisions. Institutions provide structures which comprise regulative, normative and culture-related elements (Scott, 2008, p. 428; Butkeviciene & Sekliuckiene, 2022, p. 100). Firms have to comply to regulations and the law, both of the domestic market and the host markets which they operate in. They are subject to normative pressures which are based on values and beliefs and expressed by compliance to norms, standards and expectations (Butkeviciene & Sekliuckiene, 2022, pp. 100-101).

Countries' institutional differences can have an impact in their economic growth and pose as challenges for firms that want to internationalise (Gloverman & Shapiro, 2002; Bell & Cooper, 2018, p. 475). Firms that wish to internationalise in countries with such differences need to gain institutional knowledge of the different laws and regulation and to learn how to operate in different countries with different institutional environments (Drori et al., 2009; Bell & Cooper, 2018, p. 475). Moreover, institutional environments of highly regulated industries influence their attractiveness, as well as the inside pressures and influences (Doh et al., 2012, p. 25).

2.3.2 SMEs in regulated markets

SMEs are usually fast-paced, entrepreneurial and research firms that are able to compete in the global marketplace if they survive the initial internationalisation process (Fliess & Busquets, 2006, p. 16). However, they are also vulnerable to the context and trade barriers (Fliess & Busquets, 2006, p. 16). Small firms encounter challenges when developing strategies in regulated industries to try and address the social and regulatory elements of the context and industry (Doh et al., 2012, p. 17).

Regulation differences between countries can be seen as non-tariff barriers which can impede trade like customs procedures or domestic regulations (Fliess & Busquets, 2006, p. 1). Due to their size and their resource constraints, SMEs can be vulnerable towards trade barriers as they can discourage their internationalisation (Fliess & Busquets, 2006, p. 3). These barriers affect SMEs differently depending on their years of experience. Newly exporting firms tend to be more affected by financial or access barriers, while firms with exporting experience are more concerned with the business environment in which they operate (Fliess & Busquets, 2006, p. 5). Moreover, non-tariff trade barriers are usually outside the control of the firm and thus difficult to overcome, SMEs need to accept and adapt to them (Fliess & Busquets, 2006, p. 4). Fliess and Busquets (2006, p. 5) reported results from an OECD/APEC survey of SMEs who were asked to rank barriers. These results show that trade barriers overall were not ranked higher than internal barriers. However, barriers related to unfavourable foreign rules and regulations, inadequate property rights protection, and restrictive health, safety and technical standards were ranked high relative to others. These barriers are the ones that regulated industries are most concerned with. Nowadays, many businesses perceive that domestic regulations and other policies pose more problems to export than import restrictions and thus the former can become barriers to trade even if they are meant to protect health, safety, environment or human rights (Fliess & Busquets, 2006, p. 7). Another interview-based survey of manufacturing companies revealed that firms mainly encountered barriers related to the need to meet mandatory national requirements which led to product changes or the need for extra testing or certifications (Fliess & Busquets, 2006, p. 8). 65 of the 200 companies interviewed perceive that the European Union Internal Market has led to more regulations because of the introduction of increased detailed documentation, while national requirements remained in place and increased as well in parallel with the European regulations (Fliess & Busquets, 2006, p. 8).

Differences in regulatory environments between the home and host market or between different host markets may require changes in the organisation in terms of corporate structure, strategy (Ciszewska-Mlinarič & Trąpczyński, 2019, p. 3) or product development and characteristics. When SMEs face trade barriers, they may have to: give up the entry into a specific market and their growing objectives; implement changes in their product; or try to influence trade policy processes (Fliess & Busquets, 2006, p. 10).

However, Kitching et al. (2013, p. 131) believe that too few studies focus on how regulations can be positive for firms as they may create market opportunities and facilitate business performance or influence business practices that improve efficiency. Such regulations are for example those of property rights and competition law, but they are not used in theory building as much as other regulations which are seen as a burden. They believe that a context in which regulations are only constraints to business performance is not real, because they prohibit and mandate behaviour as much as they enable market production, exchange and product consumption. Without them, some activities could not happen. Overall, their influence deeply depends on how the stakeholders and agents within the firm and with which the firm interacts adapt to them.

2.4 SMEs LANDSCAPE IN ITALY

In Italy, a firm is considered a SME, or PMI (piccole e medie imprese) in Italian, if it has a maximum of 250 employees and €50 million in annual sales or €43 million in balance sheet. In particular, a firm is considered micro if the employees are less than 10 and the turnover or balance sheet total are less than €2 million and it is considered small if the employees are not over 50 and the turnover or balance sheet total is not over €10 million. (European Union law, 2021).

SMEs make up 99.8% of European businesses and contribute to 57% of the GDP (gross domestic product) and 68% of employment (Econopoly, 2024; Berné Manero et al., 2025, p. 2). In Italy, they make up 92% of active companies, 35% of investments and 48% of total exports (CorCom, 2022; Berné Manero et al., 2025, p. 2). Specifically, SMEs have a predominant role for the internationalisation of products made in Italy, in 2023 their exports reached around €600 billion (Berné Manero et al., 2025, p. 2). In 2016, the Italian government's "Industria 4.0" plan drove SMEs innovation (European Commission, 2019). Italy is the country in Europe with the highest number of SMEs in non-financial business, the highest share of people employed in SMEs with a share of 79.3% and the highest contribution of SMEs to GDP with a contribution of 68% (Śmigielska, 2020, p. 2). Moreover, SMEs' impact on the economy is much larger than larger firms' impact on it, and the gap is larger than in other countries, confirming that the Italian economy is rooted in SMEs (Śmigielska, 2020, p. 2). Musso et al. (2014; Castagna et al., 2020, p. 12) carried

out a semi-structured questionnaire to 221 Italian SMEs and found out that most of them don't have a systematic behaviour for market selection and entry mode, but a non-selective and passive one.

In Italy, the high competitiveness of firms is confirmed by the fact that exports' growth is more rapid than the world average according to Istat (2017; Schilirò, 2017, p. 8). The strength of made in Italy products, which represent the excellence worldwide, is driven by the "4F", which are four macro-sectors of: fashion and cosmetics; food and wine; furniture and ceramic tiles; fabricated metal products, machinery and transport equipment (Schilirò, 2017, pp. 7-8). The winning characteristics of Italian products are reflected by creativity, innovation, quality, design and a tradition of industrial craftsmanship to be able to build customised products for each client in all sectors, including high-tech sectors like mechanical engineering (Schilirò, 2017, pp. 7-8). The Italian landscape is important in the manufacturing sector, Italy is indeed the second strongest European manufacturer in Europe and one of the five G-20 countries in the non-food manufacturing sector (Schilirò, 2017, p. 7). Specifically, the mechanical engineering sector has lately become the driving force of made in Italy with an increased production of metal products, mechanical equipment and industrial machinery (Schilirò, 2017, p. 8).

In Northern Italy the industrial change of the 1980s led to a model of industrial organisation called "flexible specialisation" in which production is based on networks of small firms that are technologically advanced and sophisticated (Ackroyd et al., 2005; Heiss, 2017, p. 29). The Italian economic landscape is characterised by industries. Indeed, many national governments are trying to replicate the entrepreneurial aggregations of northern Italy, on par with Silicon Valley in California (Dunning, 1993; McDougall & Oviatt, 2000, p. 902). These districts characterise the Italian production and economic system and are composed of SMEs, over the years they have overcome economic crisis, globalisation and technological progress changes (Schilirò, 2017, p. 1). They are described by Alfred Marshall (1842-1924) as "socio-economical entities, localized in a specific geographic area, in which the firms interact due to their high level of specialization" (Śmigielska, 2020, p. 4). According to Marshall, the districts are an agglomeration of businesses with strong industrial specialisation and local production (Schilirò, 2017, p. 1). In turn, Becattini (1979; Schilirò, 2017, p. 2) described industrial districts as socio-economic systems

in which local development and territory are key. He believed that in these districts there was a close relationship between the business and the communities which drove innovation, knowledge, and quality for SMEs specialised in a single production chain (Schilirò, 2017, p. 2). For this reason, competition and collaboration coexisted between the companies in terms of reference market and similar practices used (Schilirò, 2017, p. 3).

The local production is known worldwide as “made in Italy” due to the positive characteristics associated with the product and the image of the country (Schilirò, 2017, p. 6). Made in Italy is associated worldwide with the attributes that characterise the Italian production system: quality and human, technical, scientific and creative assets (Schilirò, 2012; Schilirò, 2017, p. 6). Italian industrial districts are known for their resilience and persistent competitiveness, which are the result of strategies focused on efficient and excellent production, quality more than quantity mentality, switch from cost leadership positioning to differentiation leadership and dialogue with the reference markets (Schilirò, 2017, p. 7).

Major Italian companies have been able to innovate and internationalise after a process of transformation in the manufacturing sector and a period of crisis by focusing on quality and value-added content (Schilirò, 2017, pp. 7-8). One of the main success factors of Italian companies is, indeed, innovation. When firms internationalise, this becomes a stimulus to keep innovating (Schilirò, 2017, p. 6). For this reason, firms need to find workers who are skilled and qualified to do the job (Schilirò, 2017, p. 6). However, the main problems of Italian companies are related: (1) inadequate investments (Osservatorio Nazionale Distretti Italiani, 2016; Schilirò, 2017, p. 7) due to the underdevelopment of the venture capital market to finance and foster firms’ rapid growth; and (2) the large presence of family-owned management structures that often fail to innovate and internationalise (Schilirò, 2017, p. 7).

2.5 BUSINESS INTERNATIONALISATION THEORIES

Huang (2025, p. 154) defines theories as “a set of systematically structured propositions related to a phenomenon that have been empirically tested, aiming to enhance scientific understanding and interpretation of that phenomenon”. The internationalisation process of SMEs has multiple natures and can’t be explained by one single theoretical perspective

(Leonidou and al., 2002; Laghzaoui, 2011, p. 182). Research has focused on three different theoretical patterns: the gradual pattern with the Uppsala Model and Innovation Model; the quick internationalisation pattern of Born Globals (BGs) or International New Ventures (INVs) (Olejnik & Swoboda, 2012, p. 467); and internationalisation facilitated by network relationships. Another theory that has tried to explain the internationalisation of SMEs is the resource-based strategic choice approach which shifts the focus towards the resources needed for internationalisation. Research has also focused on the importance of the characteristics of the individuals working in firms with the introduction of the international entrepreneurship theory that was introduced by McDougall and Oviatt (2000) to highlight the importance of entrepreneurial vision, opportunity seeking and recognition, and risk-taking attitude that drive firms' early internationalisation (Huang, 2025, p. 155). The different theories can be seen in Table 4.

Table 4. International Business internationalisation theories (adapted from Huang, 2025, p. 155).

Approach	Researchers	Year
Uppsala Internationalisation Model (U-model)	Johanson & Vahlne	1977, 1990, 2009, 2017
Innovation-Related Internationalisation model (I-model)	Bilkey and Tesar	1977
Network Approach to Internationalisation (based on network theory)	Johanson and Mattsson	1988
Eclectic Paradigm (OLI model)	Dunning	1988
Resource-Based Strategic Choice Approach (resource-based view, RBV)	Barney	1991
International New Ventures (INV)	Oviatt and McDougall, Hennart	1994, 2014
Born Globals (BG)	Rennie, Knight and Cavusgil, Hennart	1993, 1996, 2014

Approach	Researchers	Year
International entrepreneurship theory	McDougall and Oviatt	2000
Born-again global	Bell et al.	2001

The different theoretical frameworks emphasise the complexity of internationalisation research due to the multilayered nature of internationalisation processes which lead to different approaches that focus on different aspects of the process (Huang, 2025, pp. 154-155).

2.5.1 Network approach to internationalisation

The Network Approach to Internationalisation was first introduced by Johanson and Mattsson in 1988, who argued that firms' internationalisation can be seen as the establishment of positions and business relationships in relation to counterparts in foreign networks (Ruzzier et al., 2006, p. 485). According to them, firms internationalise by being able to leverage their position in networks and established relationships (Johanson & Mattsson, 1988; Huang, 2025, p. 155). In the model, internationalisation is seen as a process carried out through social or business relationships that are established over time (Barbosa et al., 2005; Popovic, 2024, p. 588). By leveraging these relationships, firms are able to accelerate their internationalisation process and gather market knowledge and resources quicker from their network partners (Johanson & Mattsson, 1988; Huang, 2025, p. 157). The firms' position in a foreign market does not depend only on its abilities and competitive advantage, but also on the position within the networks and relationships that the firm has built in the market (Tuzovà et al., 2014, p. 151). In regulated industries being an insider in networks can be beneficial and help overcome regulatory barriers.

Johanson and Mattsson (1993; Ruzzier et al., 2006, pp. 484-485) emphasise the importance of gradual learning and gathering of market knowledge through interaction with firms and individuals in the networks the firm is in. The position of the firm within the network can be considered in comparison to other firm in the network, micro or firm-to-firm perspective, or with the network itself, macro or firm-to-network perspective.

Networking can help SMEs in their internationalisation by providing knowledge and resources that can sometimes enhance the competitiveness and stimulate innovation (Child et al., 2022, p. 11). Moreover, it can help SMEs to overcome their liability of smallness through collaboration with agencies or MNEs or overcome impediments of institutional or political nature (Child et al., 2022, p. 11). Thus, Johanson and Vahlne (2009; Ciszewska-Mlinarič & Trąpczyński, 2019, p. 5) argue in an updated version of the Uppsala Model that networking can help diminish the liability of outsidership. They (2003; Munim et al., 2020, p. 4) also state that relationships from certain events or planned partnerships can facilitate entry in new markets.

The network approach has been subject to critiques. One of the main concerns is the assumption of relational equality as Johanson and Mattsson (1988) describe firms as able to leverage their network positions underestimating the extent to which power asymmetries within networks can constrain the autonomy of firms (Håkansson & Snehota, 1995, p. 356). In practice, relationships between SMEs and other partners are rarely symmetric. Uzzi (1997, pp. 57-58) talks about the paradox of embeddedness that can arise if a firm is too embedded in a network by stating that the loss of a network or a structural change can cause embeddedness to become a liability instead of an asset. Additionally, Halinen and Törnroos (1998, pp. 188-189) note that the network model treats time as relatively static and captures network positions at a point in time. However, this is less suited to explain how relationships evolve and how embeddedness can emerge from network dynamics.

2.5.2 Resource-Based Strategic Choice Approach

The development of the network theory has been parallel with the research on resource-based view (RBV). In both, the total resources available to the firm are seen as the internal and external resources accessible for the firm, and to access them firms can cooperate vertically in terms of product flow or horizontally by entering network relations (Ruzzier et al., 2006, p. 488). Resources are “all assets, capabilities, organizational processes, firm attributes, information, knowledge, ect. controlled by a firm that enable the firm to conceive and implement strategies that improve its efficiency and effectiveness” (Daft, 1983; Barney, 1991, p. 101). This view is connected to the view of Ahokangas (1998; Ruzzier

et al., 2006, p. 479) who argue that when firms internationalise, they mobilise unique and interdependent resources within their network, thus, according to him, internationalisation is “the process of mobilizing, accumulating, and developing resource stocks for international activities”.

The RBV argues that internationalisation strategies are guided by the unique and difficult to imitate resources or capabilities of firms and is useful to explain how firms can have sustained competitive advantage in global markets (Barney, 1991; Huang, 2025, p. 155). According to Barney (1991, p. 102), a firm has sustained competitive advantage when its strategy to create value is not being used by other current or potential competitors and is impossible to imitate. He also argues that firms achieve sustained competitive advantage if they have valuable, rare, imperfectly imitable, and not substitutable resources or capabilities which can be both tangible and intangible assets like management skills, information and knowledge or organisational processes (Barney, 1991, pp. 105-106). However, Fiol (2001; Barney et al., 2001, p. 627) argues that it is not enough to have inimitable resources or competence, but the skills of the organisation and how they use them must change over time and adapt to the environment to produce sustained competitive advantage. Moreover, according to Barney (1991, p. 109) firms must not completely understand their source of competitive advantage for it to be sustained, because this means that other firms cannot understand it either and cannot copy it. When used correctly, resources can also help overcome the liability of foreignness of newly international firms and SMEs (Barney et al., 2001, p. 629).

However, the RBV has attracted criticism. Priem and Butler (2001, pp- 27-28) argue that the framework states that valuable and rare resources are able to generate competitive advantage, but this does not explain how firms can identify or build such resources. Moreover, the original formulation treats the resource base as static, assuming that the resources are already possessed by the company. This does not reflect appropriately the dynamic nature of internationalisation where firms must adapt their resources as they enter new markets. Eisenhardt and Martin (2000, p. 1107) address this through the concept of dynamic capabilities, which reflect the capacity of a firm to create, extend, or modify its resource base. Through their description, they offer a more precise account of how competitive advantage is sustained over time and take into account processes.

2.5.3 Uppsala Model

In the 1970s research began to focus on SMEs to understand the process of internationalisation rather than the motivations behind it, this led to the beginning of the process-based internationalisation theories such as the Uppsala Model (Johanson & Vahlne, 1977) and the Innovation-Related Internationalisation Model (I-Model) (Bilkey & Tesar, 1977) (Huang, 2025, p. 155). Johanson and Vahlne (1977, p. 23) developed the Uppsala Model to explain the internationalisation process of firms focusing on their gradual acquisition, integration, and use of knowledge about foreign markets and their gradual operations and commitment in foreign markets. The assumptions behind the model are an initial lack of knowledge which can inhibit international operations and the possibility to acquire knowledge over time. Thus, firms can increase their involvement in foreign countries as they gain market knowledge. They defined internationalisation as an interaction between the constant development of knowledge and gradual investment of resources in foreign markets (Johanson & Vahlne, 1990; Burakovsky & Voloshyn, 2021, p. 5). In regulated industries, the need to acquire additional knowledge can slow down the internationalisation process.

Johanson and Vahlne (1977, p. 24) built the model through a case study of different Swedish firms and observed that these firms internationalised in small steps instead of investing large amounts of money in a short time. They argue that firms internationalise progressively along what they identified as the establishment chain and go from not having regular export activities in a market to exporting through representatives or agents, opening a sales subsidiary and finally moving production and manufacturing in the host country. They emphasise the fact that the sequence of foreign market selection seems to be connected to the psychic distance between the home and host markets (Hornell et al., 1972; Johanson & Wiedersheim-Paul, 1974; Johanson & Vahlne, 1977, p. 24). As time goes by and knowledge is gathered, firms progressively enter firms with greater psychic distance (Olejnik & Swoboda, 2012, p. 467) as they are able to slowly overcome the liability of foreignness (Johanson & Vahlne, 2009, p. 1412). The concept of psychic distance was developed in Uppsala in the 1970s and relates to factors which prevent or interrupt the flow of information between the firm and the market like language, culture, political system, and level of education or industrial development (Johanson and

Wiedersheim-Paul, 1975, p. 308; Andersson, 2004, p. 855). Moreover, it relates to the perceived differences between the domestic market and foreign markets (Johanson & Vahlne, 1977; Huang, 2025, p. 155).

The two variables included in the model are foreign operation modes and countries selection based on psychic distance to the domestic market. Since firms lack knowledge about foreign markets and are averse to risk, traditional firms tend to expand first to psychic and geographic close markets using low-risk and low-commitment entry modes (Olejnik & Swoboda, 2012, p. 469). Hence, the U-model portrays internationalisation as a gradual process in which firms increase their commitment in foreign markets as they accumulate market knowledge (Johanson and Vahlne, 1977, 1990; Huang, 2025, p. 155). In the model, market commitment is composed of the amount of resources necessary for entry in a foreign market in terms of investments needed, marketing, human resources or organisation and the degree of commitment in terms of ability to find an alternative use for those resources (Ruzzier et al., 2006, p. 482).

The Uppsala Model is a dynamic model in which state aspects affect change aspects. In their original model (Figure 1), Johanson and Vahlne (1977) believed that experiential market knowledge and market commitment were state aspects that affected commitment decisions and current business activities, change aspects, which in turn influenced the others and a cycle started (Andersen, 1993; Ruzzier et al., 2006, p. 482). Resources located in a market can be considered as market commitment in the market if they cannot be sold or used for other purposes, hence the commitment is higher if the resources are integrated in the firm. Market knowledge is considered a state aspect because commitment decisions are based on firms' market and experiential knowledge (Johanson & Vahlne, 1977, pp. 27-28).

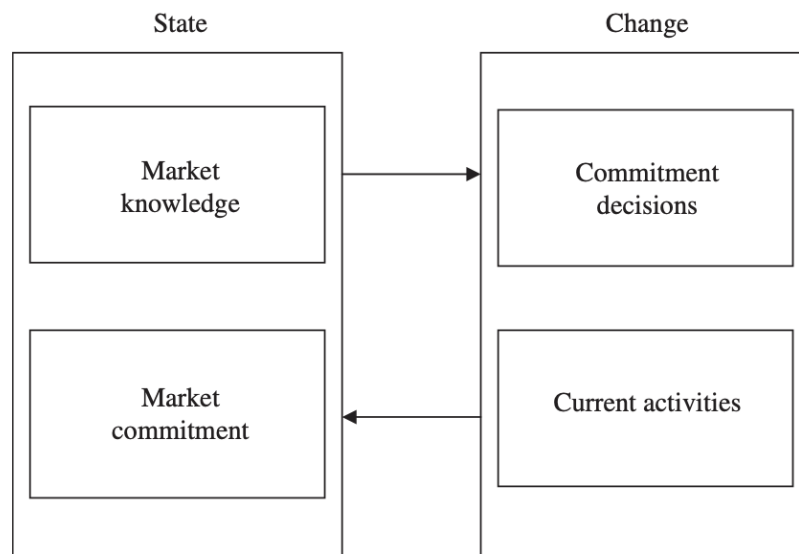


Figure 1. Basic mechanism of internationalisation: state and change aspects (Johanson & Vahlne, 1977, p. 26).

Johanson and Vahlne (2009, pp. 1411-1415) recognised that the business environment is not stable and is an intersection of relationships in which firms are interconnected. Consequently, they began arguing that network relationships influenced market selection and that their original model needed to be adapted to this new piece of information. Firms need to be “insiders” in multiple networks because through relationships they can learn, build trust and increase their commitment and thus this is a necessary condition for the success in international markets. Indeed, if firms try to enter in markets where they are not insiders, they can be hindered from the liability of outsidership. Johanson and Vahlne (1990; Andersson, 2004, p. 855) combined their previous model with the network model arguing that companies should not be seen as independent actors but as part of a network with other firms. They argue that the development of relationships and cooperation with suppliers, partners or customers is an important factor for internationalisation (Heiss, 2017, p. 46).

Johanson and Vahlne (2009, pp. 1423-1424) propose a new model that positions the firm within business networks and interdependent relationships with other firms, internationalisation is thus seen as an effort to strengthen their relationships and improve their positions on the market. This model identifies knowledge opportunities and network position

as state variables and relationship commitment decisions and learning, creating, and trust-building as change variables (Figure 2). They state that opportunities are the most important subset of knowledge which drive the internationalisation process. The variable of network position substitutes the previous one of market commitment because internationalisation is achieved through the participation in networks and relationships.

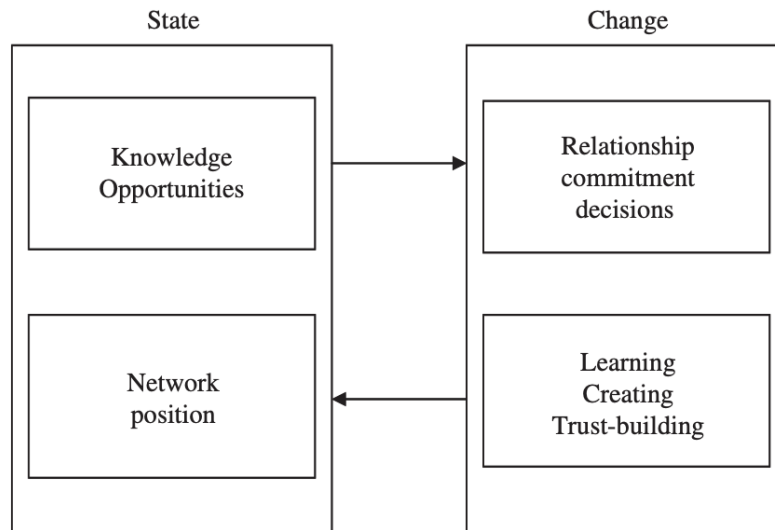


Figure 2. Business network internationalization process model (Johanson & Vahlne, 2009, p. 1424).

Vahlne and Johanson (2017, pp. 1087-1088) further reviewed their model 40 years after its first conceptualisation and included capability-creating processes arguing that ownership, control, and access to firm-specific advantages (FSAs) enables internationalisation. As in their previous versions, being this a dynamic process model, they identified change variables and state variables (Figure 3). The change variables are commitment processes linked to commitment of resources and knowledge development processes through learning, creating, and trust-building (Vahlne & Johanson, 2009, pp. 1092-1095). The state variables are divided between capabilities and commitment or performance, which are a result of the change variables. This model differs because the importance of FSAs is no longer implicit, but it is explicitly mentioned and included in the capabilities' variable (Vahlne & Johanson, 2009, pp. 1095-1096).

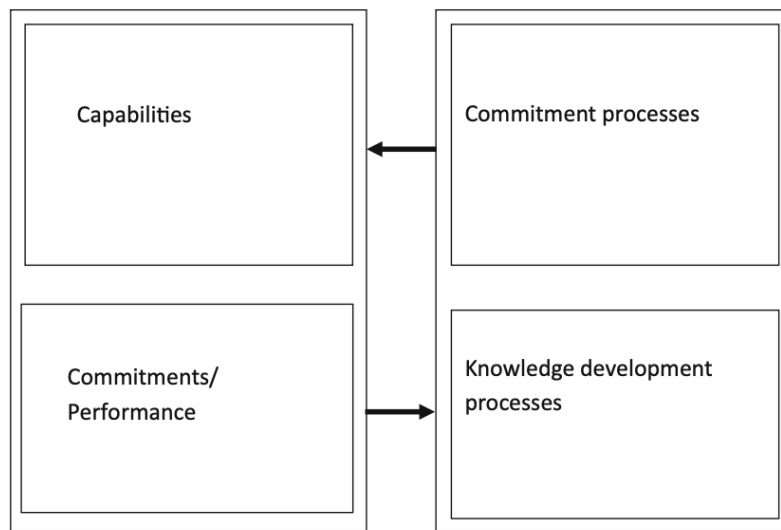


Figure 3. The U-model 2017, change aspects (right) and state aspects (left) (Vahlne & Johanson, 2017, p. 1092).

Some scholars argue that the Uppsala Model is too deterministic, in real life strategic choices matter and firms can internationalise without following a gradual process (Andersson, 2004, p. 856). Some of these scholars are Reid (1983), Turnball (1987), and McDougall et al. (2003) (Andersson, 2004, p. 856). For example, Reid (1983; Johanson & Mattsson, 1988, p. 483) argues that the choice of entry mode depends on context and can be explained by looking at heterogeneous resource availability or market opportunities. Moreover, Forsgren (1989; Andersson, 2004, p. 855) argues that the Uppsala Model can be applied at the beginning of the internationalisation process when the lack of knowledge and resources represent a constriction, but as the company is active in different markets this is no longer the case because the networks the firm is a part of become sources of knowledge. However, the Uppsala Model is not only a descriptive model, but it explains the mechanisms behind the empirical internationalisation patterns observed by Johanson and Vahlne (1977). They argue the model to be dynamic as the outcome of one decision or series of events is believed to be the input for following activities in the internationalisation process (Johanson and Vahlne 1977, p. 26). Despite criticism, the Uppsala Model does not simply describe processes but also tries to explain the mechanism behind them and can be considered a form of process theorising (Welch & Paavilainen-Mäntymäki, 2013, p. 8).

2.5.3.1 *Innovation-Related Internationalisation Model*

The Innovation-Related Internationalisation Model (Bilkey & Tesar, 1977; Popovic, 2024, pp. 587-588) portrays internationalisation as innovation within the firm and a gradual process connected with new needs, opportunities or resources of the firm. Bilkey and Tesar (1977) list six sequential stages. In the first one management is not looking into export activities, but then responds to foreign demand without actively starting exporting and the second stage begins. Following this stage, management starts to actively look for export opportunities and in the fourth one the firm begins to export in the nearest market to gather experience and knowledge during the fifth stage. Lastly, the firm wants to expand its export efforts to other foreign markets. This model, in line with the U-model, assumes that knowledge is essential for internationalisation, but it focuses on organisational learning and managerial innovation instead of market knowledge (Bilkey & Tesar, 1977; Huang, 2025, p. 155). However, it is different from the U-model because it argues that internationalisation steps are influenced and driven by innovation decisions rather than new knowledge (Tuzovà et al., 2014, pp. 150-151).

This model is necessary to portray a holistic view of internationalisation theories, but for the purpose of the study the Uppsala Model will be taken as reference in representation of stage-models of internationalisation.

2.5.4 Eclectic paradigm

The eclectic paradigm, also known as the Ownership, Location, and Internalization Model (OLI Model) has been introduced by Dunning in 1988. He argues that internationalisation efforts and patterns are related to advantages of ownership, location and internalisation. Dunning has adopted different perspectives to include in the model, such as the U-Model, I-Model, Network Approach, and RBV to develop this paradigm as a framework that can be used by firms to determine if it is beneficial for them to undergo direct investments abroad or not (Dunning & Lundan, 2008; Heiss, 2017, p. 44). It is a holistic approach that combines ownership (O), location specific (L), and internalization (I) factors (Dunning, 1988; Heiss, 2017, p. 44). According to Dunning (2000, pp. 163-165) the geographic distribution and nature of foreign activities depends on the interaction of the competitive or ownership specific advantage, location advantage of undertaking business activities in

different countries, and internalisation advantage. The greater these advantages are, the more firms will prefer to produce themselves in foreign markets rather than licensing the right to produce the products through a franchise or technical agreement to foreign firms. The ownership advantage is related to the possession and exploitation of competitive advantage that creates a barrier for entry of new firms; the possession of scarce, unique, firm-specific and sustainable resources like technology or branding; and the competencies of managers to identify and coordinate resources worldwide (Dunning, 2000, pp. 168-169). Location advantage in turn is related to variables such as the exchange rate and political risks, regulations and policies, or cultural differences between the domestic and foreign markets (Dunning, 2000, p. 175). The advantage derives from benefits of cost savings, availability of resources that cannot be moved or gathered from a different location, but also from the presence of specific districts or networks that make the location in which the firm is located a strategic factor (Dunning, 2000, p. 178). It is also affected by regulations, which is an important factor to take into consideration in regulated industries. Finally, the internalization advantage allows firms to decide between maintaining control and manage their operations internally or outsource them (Kumar, 2025, p. 650). This advantage exists if the cost of coordinating and working with external entities for the development or distribution of products is higher than the one related to internal hierarchies. Therefore, it is cheaper to open a sales subsidiary or production plant in the foreign market rather than licensing or concluding a contractual agreement with foreign producers (Dunning, 2000, p. 179).

The OLI model was primarily developed to explain foreign direct investments of large multinational enterprises, thus its applicability to SMEs is limited since they mainly use non-equity entry modes (Dunning, 2000, p. 163).

2.5.5 Born Globals and international new ventures

Towards the 1990s, the internationalisation process of firms became quicker. Rennie (1993) and Knight and Cavusgil (1996) started talking about the existence of Born Globals (BGs), whereas Oviatt and McDougall (1994) started talking about International New Ventures (INVs) (Hennart, 2014, p. 117; Bell et al., 2001, p. 176). Oviatt and McDougall (2005, p. 31) define INVs as business organisations that want to be competitive by selling

outputs in multiple foreign countries from their inception. There is no recognised definition, but Chetty and Campbell-Hunt (2004, p. 65; Hennart, 2014, p. 117) declared that firms can be considered BGs or INVs if they reach 75% of export intensity within 2 years from their creation, whereas Evers (2010, p. 400; Hennart, 2014, p. 117) argued that firms need to reach 25% of foreign sales in their first year of activity. Nevertheless, INVs and BGs are firms that carry out international activities from their inception or soon after, resulting in a high share of sales in foreign markets (Hennart, 2014, p. 117).

McDougall et al. (1994, p. 478; Hennart, 2014, p. 118) proclaim that, even if large size is considered a necessary factor for firms' multinational activities, most of INVs and BGs usually are small firms. The emergence of BGs can overall be redirected to the increasing importance of niche markets, the improvements in process technology, and the advancement in communication technology which made it possible for SMEs to shorten their response time, adapt, and be flexible (Andersson, 2004, p. 857). SMEs can become INVs and BGs despite their lack of financial and human resources (Chetty and Cambell-Hunt, 2004; Mammadov & Wald, 2025, p. 2). Indeed, INVs are often SMEs due to the increasing speed, quality, and efficiency of international transportation and communication systems that have reduced transaction costs and the homogenisation of markets in multiple countries that facilitated conducting international business (Porter, 1990; Hedlund & Kverneland, 1985; Oviatt & McDougall, 2005, p. 33).

Hennart (2014, pp. 117-128) believes that the distinguishing characteristic of BGs and INVs is their business model which permits them to sell their products and services abroad quickly after their creation. He argues that their business model is characterised by the sale of niche products to customers who are spatially dispersed in the world by taking advantage of low communication, transportation and adaptation costs. In his opinion, INVs and BGs can be considered accidental internationalists and their effort and difficulty for acquiring foreign customers is the same as to acquiring domestic ones. He identifies reasons behind their success: (1) they sell niche products and services which have few substitutes to customers spread in international markets; (2) they sell products and services which do not need to be adapted in terms of marketing mix; (3) they exploit low-cost communication and delivery methods; (4) their domestic market is not profitable for the products and services sold. He focuses explicitly on business model as a reason

that enables the quick internationalisation of INVs and BGs. Zucchella et al. (2007; Henart, 2014, p. 128) demonstrated that the international experience or educational background of managers had no influence on the speed of internationalisation in Italian firms, but their knowledge of foreign languages and work experience in international firms did.

Bell et al. (2001, pp. 173-174) argues the existence of born-again global firms which, after being well established in their home markets and having no apparent motivation to internationalise, start their quick and dedicated internationalisation process. The sudden motivation could derive from a critical incident such as the availability of additional resources or a change in ownership or management (Bell et al., 2001; Olejnik & Swoboda, 2012, p. 468).

2.5.6 Limitations

The Uppsala Model has been criticised because it does not take into consideration the potential of individuals taking strategic choices (Andersson, 2000; Ruzzier et al., 2006, p. 483). Moreover, some firms tend to internationalise from inception, especially small ones (Oviatt and McDougall, 1995; Ruzzier et al., 2006, p. 483). In fact, McDougall et al. (1994; Ruzzier et al., 2006, p. 483) have argued that start-up's internationalisation research should be separated from traditional SMEs internationalisation studies because it is not possible to find a universal theory for both. Indeed, entrepreneurs are of critical importance in the internationalisation process of SMEs but are often overlooked in international business theories (Miesenbock, 1988; Ruzzier et al., 2006, p. 489). Moreover, the theories sometimes fail to take into consideration and explain SMEs' constraints which decrease the ability to control their internationalisation paths (Dabić et al., 2019, p. 714) and there is evidence that SMEs focus their efforts on rapid globalisation (Kuivalainen et al. 2007; Dabić et al., 2019, p. 714). Empirical studies have argued that SMEs do not follow a systematic approach for market selection and entry, but the decisions are usually not rational and depend on the knowledge and international experience of the entrepreneur (Musso & Francioni, 2014, p. 302).

Oviatt and McDougall (2005; Munim et al., 2020, p. 4) argue that the U-model does not focus on entrepreneurial processes and hence is difficult to apply to SMEs internationalisation. Moreover, the model does not explain SMEs' rapid internationalisation (Munim

et al., 2020, p. 4) and their non-systematic approach and internationalisation process which is not in line with a gradual and step by step pattern (Papadopoulos & Martín Martín, 2011; Munim et al., 2020, p. 5). Thus, scholars like Bell (1995) or Oviatt and McDougall (2005) have argued that stage-based theories like the U-model or I-model are not appropriate to understand SMEs' internationalisation behaviour (Munim et al., 2020, p. 5). Moreover, the Uppsala Model applicability to SMEs does not take into consideration that there are factors other than the market knowledge and commitment which influence their internationalisation such as country and industry specific variables and the presence of unsolicited orders from foreign markets (Noorderhaven, 2012; Majocchi et al., 2005; Tuzovà et al., 2014, p. 152). Zaclicever (2015; Tuzovà et al., 2014, p. 153) argued that the applicability of internationalisation theories differs depending on firms' size and the same model can't be strictly applied to both SMEs and MNEs. Ojala and Tyrväinen (2019; Tuzovà et al., 2014, p. 153) also argue that the influence of psychic distance is different for knowledge-intensive SMEs that already own knowledge or can recruit knowledge and don't have to gather it by experience. Regarding psychic distance, Musso and Francioni (2012; Tuzovà et al., 2014, pp. 153-154) analysed the internationalisation process of SMEs in Italy and observed that geographic and cultural or psychic distance do not play a crucial role when selecting foreign markets. According to them, the reasoning behind this is the fact that Italian SMEs usually adopt indirect entry modes thus shifting the problem on the partners in the foreign market.

2.6 THEORETICAL FRAMEWORK

This study adopts a theoretical framework (Figure 4) to analyse the internationalisation process of SMEs that operate in regulated and safety-critical industries as the outcome of an interaction between firm-level capabilities, network embeddedness, and experiential learning. The analysed literature shows that there is not one single theory that can explain SME internationalisation, particularly when context is included in the analysis. The four theoretical pillars of the framework are not to be seen as independent but interconnected in a layered structure. The Uppsala Model serves as the primary theoretical foundation by providing the processual logic of internationalisation and the processual backbone with gradual knowledge acquisition and market commitment. The network approach operates at an explanatory level by accounting for the relational mechanisms through which

knowledge is acquired and commitment built, thus extending the Uppsala Model logic. Indeed, Johanson and Vahlne (2009) themselves integrated network embeddedness in their revised model and positioned the two frameworks as complementary. Moreover, the network approach explains how and why specific decisions such as partner selection and market entry are taken. Networks can help SMEs overcome their liability of outsidership by providing access to knowledge, partners, resources, and opportunities. The RBV functions as analytical lens by explaining what internal resources and capabilities determine the company's ability to sustain competitive advantage in foreign markets. Certification capabilities, regulatory knowledge, and technical expertise are VRIO resources in regulated industries that enable network entry and shape learning. Finally, the regulatory and institutional perspective acts as the contextual layer as it defines the conditions under which the other frameworks operate. Regulatory distance shapes the accessible markets, thus influencing the Uppsala Model's psychic distance, which network partners are relevant, and which resources are strategically valuable. BGs and INVs are not included in the framework as Genesi Protection did not internationalise from inception, whereas the I-model is combined into the Uppsala framework's logic. Moreover, the OLI model is not included as it was designed primarily to explain MNEs engagement in foreign direct investments.

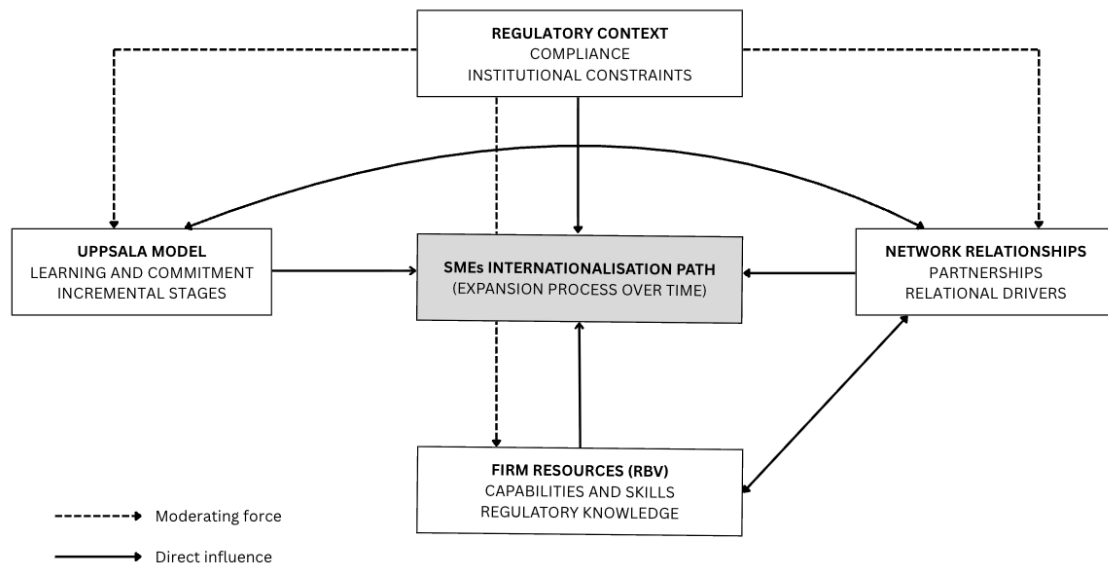


Figure 4. Theoretical framework.

The arrows in Figure 4 reflect the relationships between the internationalisation of SMEs and the acquisition of new knowledge, network relationships, capabilities and skills, and institutional constraints. The bidirectional arrow between the Uppsala Model and Network Approach reflects their mutual reinforcement as network relationships generate the experiential knowledge that is important according to the Uppsala Model, while increasing market commitment deepens network embeddedness. The arrow between the RBV and the network approach reflects that the resources of a firm determine the quality of network positions that it can maintain, and networks help SMEs gather capabilities and resources. Moreover, the dashed arrows from the regulatory context to the three theoretical pillars indicate its role as a moderating force for each one of them.

The framework locates three different gaps in the existing knowledge. First, the Uppsala Model was originally developed to explain the internationalisation of Swedish manufacturing firms in the 1970s, which is a context characterised by stable markets and the absence of significant cross-border regulatory differences (Johanson & Vahlne, 1977, p. 24). The revised version published in 2009 extended the model to take into account network embeddedness and the liability of outsidership, but market selection is considered primarily a function of psychic distance (Johanson & Vahlne, 2009, pp. 1413-1415). Thus, it fails to take into account the moderating force of regulatory distance shown in the framework. This reflects the argument of Reid (1983; Johanson & Mattsson, 1988, p. 483) who argue that the choice of entry mode also depends on context. This is also consistent with the research gap identified by Paul et al. (2017, p. 337) who argue that insufficient research has focused on the industry context and firms operating in regulated industries. The second gap is related to the fact that the RBV (Barney, 1991) does not take into account the fact that resources and capabilities are dynamic. This gap is in part addressed by the moderating force of the regulatory environment to shape capabilities within the company to generate competitive advantage. This gap is consistent with the argument by Fiol (2001; Barney et al., 2001, p. 627) that skills in the organisation must change over time and adapt to the environment. Moreover, the framework takes into consideration the overall internationalisation process of Genesi Protection thus answering the call of Dabić et al. (2019, pp. 719-721) and Welch and Paavilainen-Mäntymäki (2013, p. 15) who argue that there is a need for more longitudinal studies that involve discontinuities, strategic adjustments, and regulatory challenges.

3 RESEARCH METHODOLOGY

The current chapter describes the research method that will be utilised in the research. Firstly, the research philosophy adopted will be presented. Secondly, the research design and strategy will be introduced, followed by the case study selection and the method selected for data collection. Subsequently, the data analysis process will be discussed, and the chapter will end with the achievement of research quality.

3.1 RESEARCH PHILOSOPHY

Every research study rests on a set of assumptions and beliefs about the development of knowledge and reality that, taken together, constitute its research philosophy (Saunders et al., 2023, p. 131). In order to identify the research philosophy of a research, the researcher needs to ask themselves questions about the research beliefs and assumptions, familiarise with the major research philosophies for business and management, and finally develop a research design (Saunders et al., 2023, p. 132). These assumptions shape what a researcher investigates, how data are collected and interpreted, and what kind of conclusions can be drawn. Saunders et al. (2023, pp. 134-135) organise them into three layers: ontology, the researcher's view of the nature of reality; epistemology, the researcher's view of what constitutes acceptable knowledge; and axiology, the researcher's reflection on how their own values influence the research process.

This study adopts an interpretivist philosophical position. Interpretivism holds that social reality is not an objective, independent structure that can be measured from the outside, but instead different people have different cultural backgrounds, see things differently, experience different social realities and this complexity should not be reduced to universal laws and generalisations. Thus, social reality is constructed through the meanings, experiences, and interpretations of people (Saunders et al., 2023, p. 150). This study aligns with social constructionism, which argues that reality is an outcome of social interactions (Saunders et al., 2023, p. 137). Hence, the internationalisation process of a SME is not seen in the research as a fixed phenomenon, but as an output of experiences lived and retrospectively interpreted by the individuals within the organisation. The decisions, setbacks, and strategic adjustments that characterise the internationalisation journey of

Genesi Protection are the product of human agency, social relationships, institutional pressures, and accumulated experience.

Interpretivism is aimed to understand social contexts and the subjective meanings that participants attach to their actions and contexts, rather than seeking to establish strict laws (Saunders et al., 2023, p. 150). This is appropriate for a study that seeks to explain how and to what extent an internationalisation process unfolds over time through questions that call for depth of understanding rather than breadth of measurement. An interpretivist stance aligns with the limitations of existing internationalisation theories when applied to SMEs in regulated industries because, as argued in Chapter 2, established frameworks were largely built on the study of large MNEs in less regulated environments, and their applicability to smaller firms operating in safety-critical sectors requires critical interrogation.

In terms of axiology, the researcher acknowledges that their personal values cannot be entirely excluded from the qualitative examination. Access to Genesi Protection and its managers introduces proximity that must be managed through systematic data collection procedures, transparent analysis, and critical reflection. These quality considerations are addressed in Section 3.6.

3.2 RESEARCH DESIGN

3.2.1 Abductive reasoning

The design of the research depends on the extent to which the research question involves theory building or testing, which result into three different approaches: deductive, inductive, or abductive (Saunders et al., 2023, p. 154). Saunders et al. (2023, pp. 154-155) distinguish between deductive reasoning, which tests existing theory through hypotheses; inductive reasoning, which builds or refines theory from empirical observations; and abductive reasoning, which collects data to generate or modify an existing theory that is further tested through data collection.

This study adopts an inductive approach because instead of carrying out a fixed hypothesis derived from a single theory and testing it against data collected, the research begins from the empirical experience of Genesi Protection and works towards a theoretical

reflection. This is consistent with the interpretivist philosophy outlined above and with the nature of the research question, which seeks to understand how a real-world process unfolds rather than to confirm or disconfirm a prediction. However, theory still plays a role in the research. As outlined in the literature review in Chapter 2, the Uppsala Model, the Network Approach, the Resource-Based View, and the regulatory-institutional perspective serve as analytical lenses through which the empirical findings are interpreted. Thus, the logic can be better described as abductive rather than purely inductive. In this approach, data collection is used to explore the phenomenon, identify themes and patterns, and locate these in a theoretical framework (Saunders et al., 2023, p. 158). Since the aim of the research is not to build a theory from scratch, but to integrate data and existing theories, it can be better described with an abductive logic. The researcher begins with theoretically informed expectations, but remains open to empirical findings that challenge, complicate, or extend those expectations. This approach is believed to be appropriate for a process-oriented study that seeks to both apply existing frameworks and assess their limits in a specific empirical context.

3.2.2 Qualitative research

This study employs a qualitative research design. Qualitative methods are suited for research questions that ask about meaning, process, and experience rather than about quantity or frequency (Saunders et al., 2023, pp. 185-186). This aligns with the research question of the study: how does the internationalisation process of an SME operating in a regulated, safety-critical industry unfold over time, and to what extent does it align with established internationalisation theories? It requires rich, contextualised, and temporally sensitive data that captures the complexity of strategic decision-making, regulatory adaptation, and organisational learning over an extended period.

Moreover, the choice of a qualitative design answers to the research gap identified in Chapter 1. Several scholars have argued that qualitative methods remain underutilised in SME internationalisation research despite their suitability for addressing "why" and "how" questions (Birkinshaw, Brannen & Tung, 2011; Piekkari & Welch, 2011; Paul et al., 2017). In regulated industries, where institutional environments are complex,

qualitative approaches are efficient to capture the interplay between firm behaviour and contextual constraints.

3.2.3 Single case study strategy

This study employs a single case study strategy. Yin (2018, p. 45) defines a case study as an “empirical method that investigates a contemporary phenomenon (the “case”) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident”. This definition is directly applicable in the research as the internationalisation process of Genesi Protection cannot be meaningfully separated from the regulatory environment, the competitive landscape, the network relationships, and the organisational history in which it is embedded.

Saunders et al. (2023, pp. 206-207) note that case studies are appropriate when the research seeks to generate a rich understanding of a specific context and process, and when the aim is to answer "why" and "how" questions. A single case design is justified when the case constitutes a critical or unique instance (Yin, 2018; Saunders et al., 2023, p. 208). Genesi Protection is unusual in combining successful long-run internationalisation with a major setback, the transition from commercial reselling to full in-house production, and operation in a highly regulated, safety-critical industry. This combination of features allows the researcher to examine factors from multiple angles in a way that a more typical or straight-forward case could not.

Single case studies are sometimes criticised for their limited generalisability. Yin (2018, p. 75) distinguishes between statistical generalisation, projecting findings from a sample to a population, and analytical generalisation, using a well-theorised case to advance, extend, or challenge existing or new conceptual frameworks. The latter is the form of generalisation this study seeks. The findings are not intended to represent all Italian SMEs, or even all SMEs in fall protection, but to contribute to the theoretical understanding of SME internationalisation in regulated industries.

3.2.4 Longitudinal time horizon

Saunders et al. (2023, pp. 212-213) distinguish between cross-sectional studies, which capture a phenomenon at a particular time, and longitudinal studies, which trace

developments and their change over an extended period. This study adopts a longitudinal perspective, covering the internationalisation activities of Genesi Protection from approximately 2014 to the present. This choice is directly grounded in the research question and the gaps identified in the literature. Welch and Paavilainen-Mäntymäki (2013, p. 15) argue that the processual and temporal dimension of internationalisation has been systematically neglected in research, and Dabić et al. (2019, pp. 719-721) explicitly call for longitudinal studies to examine SMEs over extended periods to capture knowledge gathering, discontinuities, and strategic adjustments that are not emphasised in cross-sectional research designs.

The longitudinal perspective is carried out mainly through retrospective accounts gathered in interviews. The period of study captures multiple phases: the initial market entry phase (2014–2015), the consolidation and setback phase (2019–2022), the transition to in-house production, and the current expansion phase (2022–present). This allows for a process-oriented analysis that traces not just what happened, but how decisions at one stage shaped the conditions and constraints of subsequent stages.

3.3 CASE STUDY SELECTION

The selection of Genesi Protection as the empirical case for this research was guided by a purposive sampling approach. Saunders et al. (2023, p. 322) define purposive sampling as the selection of cases that are particularly relevant to meet the objectives of the research question. The case was not chosen for its statistical representativeness, but for its capacity to analyse the phenomenon under investigation in depth and from multiple angles.

Several characteristics of Genesi Protection make it a particularly appropriate case for this study. First, it is an Italian SME that satisfies the EU criteria for SMEs, which makes it relevant to the focus on SME internationalisation. Second, it operates in the fall protection industry, a mature, regulation-intensive segment of the global safety equipment market, which places it within the empirical context of regulated, safety-critical industries. Third, the company has been engaged in active internationalisation since 2014, providing over a decade of data sufficient to support a longitudinal analysis. Fourth, and most importantly for analytical purposes, Genesi Protection has experienced international success and a structural setback. The combination of progress and disruption creates a relevant

case as it makes visible dynamics like the vulnerability of resource-constrained firms to partner dependency that would remain hidden in a case of uninterrupted success. Fifth, the company is headquartered in Bergamo, in the industrial hearth of northern Italy, and represents a firm embedded in the kind of specialised industrial district context discussed in Chapter 2, giving the case additional contextual relevance. Finally, research access was granted by the company's CEO and founder, enabling in-depth primary data collection from key informants across different functional roles.

3.4 DATA COLLECTION

3.4.1 Semi-structured interviews

The primary data for this study were collected through semi-structured interviews. Saunders et al. (2023, pp. 450-451) describe semi-structured interviews as conversations guided by a set of themes and questions, but in which the interviewer has the flexibility to explore unexpected topics, follow up on interviewee responses, and adapt the sequence of questions to the flow of the conversation. They also may lead the interview towards areas or themes that the interviewee had not previously considered but are significant to the research question and objectives. This format is well-suited to the study because the research question requires an understanding of complex processes, contextual factors, and individual interpretations that a rigid structured questionnaire would constrain and because, contrary to an unstructured approach, the use of a common thematic framework enables meaningful comparison.

Three interviews were conducted with key managers at Genesi Protection, selected to provide complementary and cross-functional perspectives on the internationalisation process. Table 5 summarises the interviewed profiles.

Table 5. Overview of interviewed informants.

Informant	Role	Time in the firm	Primary perspective
Simone Cornali	Founder, CEO	Since founding	Strategic and entrepreneurial
Andrea Bolpagni	Sales director	2012/2014	Operational and commercial
Barbara Ventura	Product manager (previous technical sales export manager)	2019	Technical and regulatory

The selection of the three informants reflects an attempt to analyse different perspectives across the strategic, commercial, and technical-regulatory dimensions of the internationalisation process. Simone Cornali, the firm's founder, provided the longitudinal strategic narrative, including the original motivations for internationalisation, the key decision points, and the response to setbacks. Andrea Bolpagni, as the sales director who joined at the beginning of the international expansion, offered an account of market entry, distributor relationships, trade fair strategy, and competitive positioning. Barbara Ventura provided insights relevant to the regulated industry dimension of the research question, including the impact of European norms on product development and the challenges of adapting technical specifications for different markets.

Interviews were conducted in Italian, the native language of all participants, in order to maximise depth of expression and minimise the linguistic constraints on the richness of the data. The interviews were audio-recorded with the informed consent of participants and subsequently transcribed in full and translated to English with the help of DeepL. Each interview lasted approximately 45 minutes. The interview guide, available in appendix 1, was structured around the key themes of the theoretical framework to understand the internationalisation process and its phases; the role of market knowledge and commitment; network relationships and their influence on market entry, internal

resources and capabilities; and the impact of regulatory environments and institutional distance on strategic choices. However, the guide was used flexibly and adapted to the roles of the informants, several topics emerged naturally from the conversations and were explored in depth even though they had not been anticipated in the guide.

A follow-up interview with Barbara Ventura was planned prior to the finalisation of the analysis to address gaps and incomplete accounts in the original transcript such as the timeline and organisational consequences of the transition from reselling to in-house production, the specific certification requirements associated with the new European standard and its implications for the company's product portfolio and export roadmap.

3.4.2 Limitations of the primary data

Two important limitations of the primary data need to be explicitly acknowledged as they directly influence the interpretation of the findings. The first is the social desirability bias given by the fact that all three informants are senior members of Genesi Protection who have stayed in the company through the internationalisation successes and setbacks. As a consequence, they may present the company's history in a positive light. Social desirability is described by Crowne and Marlowe (1964, p. 109; Podsakoff et al., 2003, p. 881) as the need for social approval and acceptance and can bias the answer of respondents. In the study, the CEO is naturally inclined to frame strategic decisions as forward-looking and the sales director, who was present from the beginning of the internationalisation, shares the same attitude. However, Barbara Ventura, the product manager, has a more external point of view as she joined later in the process, but she still operates within the same organisational culture. In order to mitigate this risk, regulatory documentation and the internal thesis written by an intern were used to double check some of the factual claims made in the interviews. Moreover, special attention was dedicated throughout the coding and data analysis process in the cases where the accounts of the three informants diverged. In these instances, the divergence was seen mainly as analytically significant as it showed that situations can be interpreted differently by different functional roles. Lastly, the interview guide included questions that were specifically designed to reflect on difficulties, setbacks, or strategic decisions rather than only asking to reflect on positive

narratives. Other members of the organisation at lower levels might not have been able to offer insight on strategic decisions regarding internationalisation.

The second limitation is post-hoc rationalisation deriving from the retrospective recall of accounts necessary for the longitudinal dimension of the study. Golden (1992, pp- 849-850) argues that retrospective reports of organisational events may be affected by the informants' memories of past decisions and shaped by the current knowledge of outcomes. Thus, they can portray past choices as more deliberate and coherent with respect to how they were at the time. This is critical to address, especially in interpretivist research in which the interest lies in the interpretation and meaning that is attached with the events (Saunders et al., 2023, p. 151). This limitation was addressed through the triangulation of accounts across the three informants with different roles and analytical perspectives. The convergence of accounts was taken as a basis for analytical confidence, whereas the divergence was treated as data and further analysed. Moreover, the data were cross-referenced with secondary sources when available and the informants double checked themselves the dates of the events mentioned when needed with documents they had on hand. However, they could not share the documents with me for confidential reasons. The interpretivist stance of the analysis led to the treatment of accounts as retrospective attribution of meaning to different actions.

Nonetheless, these biases cannot be completely eliminated in the research. Thus, the reader should interpret the findings taking into account these limitations.

3.4.3 Secondary data

In addition to the primary interview data, secondary data sources were consulted to contextualise the findings. Saunders et al. (2023, pp. 342-354) highlight the value of combining primary and secondary data sources in case study research, as secondary data can provide documentary evidence that complements interview accounts which are sometimes sensitive to recall bias.

Secondary sources consulted for this study include publicly available information from the Genesi Protection website, industry reports on the global fall protection and safety equipment industry, European regulations documentation relating to personal protective

equipment (PPE) standards, EN norms for fall protection systems, the recently revised normative framework for anchor device, and Eurostat data on workplace accidents and falls cited in Chapter 1. Moreover, the researcher was granted access to the thesis of one of the employees who did their internship in the company and wrote their thesis on it. These sources were used primarily to establish contextual background, verify factual claims made in the interviews, and assess the broader industry environment in which Genesi Protection operates.

3.5 DATA ANALYSIS

The interview data were analysed using thematic analysis, a method that involves the systematic identification, organisation, and interpretation of patterns of meaning, called themes, across a dataset (Braun & Clarke, 2006, p. 6). Thematic analysis was chosen because it is flexible and able to accommodate the abductive logic of the study, allowing themes to emerge from the data while also being organised in relation to the pre-existing theoretical framework. This section provides a transparent and detailed account of the different stages of the analytical process, following the approach described by Braun and Clarke (2006, pp. 16-23) and illustrated by qualitative studies such as Splitter et al. (2021). Braun and Clarke (2006, p. 7) argue that transparency in the description of the analytical procedure is a necessary condition to allow the reader to evaluate the decisions made and assess the credibility of the research and themes.

3.5.1 Data familiarisation

The analysis began with a phase of familiarisation with the data, in which the interview transcripts were read multiple times in full in Italian and English. During this phase, the researcher wrote notes on recurring topics, significant events, and initial impressions. Re-reading the transcripts allowed to develop an overall sense of the data as a whole and helped to identify which passages were likely to be relevant for the research. Notes from this phase include some observations like the centrality of the financial crisis, the emphasis on the relationship with Company X as a form of informal market research and the divergence of interpretation of the partnership with Company Y.

3.5.2 Initial coding

In the second phase, each transcript was coded systematically, working through the text passage by passage. The researcher applied two different types of coding that were developed iteratively across the transcripts by reading them and interpreting the data. The first type are descriptive codes which captured what was being discussed to map what was happening. These codes included: first market entry; trade fair strategy; product adaptation; internationalisation trigger; domestic market saturation; entry mode; market selection; setback or crisis; resource constraints; regulatory monitoring; internationalisation path; future plans; made in Italy; regulated industry; and in-house production. The second type of codes are the interpretive codes applied to capture the theoretical significance of each passage in relation to the theoretical framework. These codes were: liability of outsidership; liability of smallness; regulatory barrier; network-driven opportunity; opportunity-driven expansion, experiential learning; psychic and institutional distance; partner dependency; resource-based advantage; and regulatory opportunity. These codes were developed keeping in mind the theoretical framework established in Chapter 2. Several passages were coded using both a descriptive and interpretive code, for example “first market entry” and “experiential learning” to both describe what happened and how it related to the Uppsala Model. Indeed, each passage could receive more than one code, whether two descriptive ones, two interpretive or a combination of both. The application of the codes was conducted independently in each transcript before it was reviewed across the transcripts together.

3.5.3 Identification and development of themes

Once the initial codes were applied across all three interview transcripts, patterns and groupings across the codes were identified. The codes that clustered around related topics were grouped into themes, as shown in Table 6 which provides an overview of the progression from initial codes to themes. This process was guided by the structure of the codes and the theoretical framework, which provided a logic for which dimensions were analytically interesting. Five different themes were developed, four of which correspond to the four theoretical pillars of the theoretical framework and one which emerged as a distinct lens grounded in the data and not captured by any of the others.

The first theme (T1) is related to the internationalisation process and its phases, disruptions, and experiential learning. The theme captures the temporal timeline of the internationalisation trajectory and enables to capture the triggers, market entries, and disruptions of the process as well as the role of learning by doing and gradual gathering of experiential knowledge. The word gradual was initially considered to label the theme but was later rejected as it does not adequately reflect the data since the process was interrupted by crisis and restarted. Renaming the theme to include the disruptions prioritised the consistency with the data rather than with the Uppsala Model's expectations. The second theme (T2) is labelled "networks and relationships" as it captures the functions of business relationships in the internationalisation process which can be both enablers and constraining. The third theme (T3) is in turn related to internal resources and firm-specific capabilities and it captures the resources and capabilities that shaped Genesi Protection's internationalisation decisions. The fourth (T4) concerns the regulatory and institutional environment and captures the influence of regulatory frameworks across different dimensions such as market selection, product design, and certification strategy. Lastly, the final theme (T5) regards the entry mode evolution and transition to in-house production. This theme captures the evolution of the market presence of the firm from pure reseller with master distributor agreement to manufacturer. This theme was not fully captured by any of the other lenses and enabled the identification of the crisis-driven process of Genesi protection.

Table 6. Progression from initial codes to analytical themes.

Type of code	Initial codes	Analytical theme
Descriptive	Internationalisation trigger, internationalisation path, domestic market saturation, setback or crisis, future plans	T1 (The internationalisation process: phases, disruptions, and experiential learning)
	Trade fair strategy, entry mode, market selection, first market entry	T5 (Entry mode evolution and transition to in-house production)

Type of code	Initial codes	Analytical theme
Interpretive	Network-driven opportunity; partner dependency; liability of outsidership	T2 (Networks and relationships)
	Resource-based advantage; liability of smallness; resource constraints; made in Italy, in-house production	T3 (Internal resources and firm-specific capabilities)
	Regulatory barrier, regulators monitoring, regulatory opportunity, psychic and institutional distance, regulated industry	T4 (Regulatory and institutional environment)
	Experiential learning	T1 (The internationalisation process: phases, disruptions, and experiential learning)
Both	Opportunity-driven expansion, product adaptation	Applied across all themes depending on context

3.5.4 Chronological reconstruction

Given the longitudinal scope of the research and the processual nature of the research question, a fourth analytical phase was added that is consistent with process-oriented qualitative research. After the five themes were identified, the researcher developed a chronological reconstruction of the key events by tracing the main phases, turning points, and setbacks from the founding of Genesi Protection to present days. Moreover, phases were identified that do not have theoretical significance and do not follow a predictable sequential process but are used as a way to structure the description of events (Langley, 1999, p. 703). Indeed, the timeline serves as structural backbone of analysis in Chapter 4 and enables a longitudinal process perspective. The reconstruction was based on all three interview accounts and secondary sources to cross-check the sequence of events.

3.5.5 Cross-thematic comparison and integration

The accounts of the three informants were compared across each theme. Convergence across the different accounts was taken as a basis for analytical confidence since it meant that all three informants described the same event in similar ways. Conversely, divergence was treated as an analytically informant factor rather than an issue. For instance, the same event was framed by the three informants as strategic betrayal, commercial challenge, and opportunity depending on their functional role. Thus, the divergences were highlighted in the analysis and interpreted as evidence of how different actors may interpret things differently, which is consistent with the interpretivist epistemology of the study.

3.5.6 Theoretical interpretation

During the final analytical phase, the extent to which the internationalisation process observed by Genesi Protection aligned or diverged from the aspects of the theoretical framework was analysed. This phase was abductive as the researcher moved between the empirical patterns identified and the theoretical propositions of the Uppsala Model, Network Approach, RBV, and the regulatory-institutional perspective. Points of alignment, divergence, and extension were identified and then discussed in Chapter 5.

3.6 RESEARCH QUALITY

Saunders et al. (2023, pp. 215-217) argue that reliability and validity are necessary criteria to evaluate the quality of a research. However, these are more appropriate for quantitative research and should be substituted by other measures for qualitative research. Reliability is related to the extent to which the data collection procedure generates consistent findings with the research question, whereas validity is the extent to which the data collection procedures measure what they are intended to measure. In the specific case study, the data collected can be considered reliable and valid for several reasons. The questions asked during the interviews were directly related to the themes of the theoretical framework such as the internationalisation process, the role of networks and resources, and the influence of the regulatory environment, thus ensuring that the data gathered are pertinent to the research question. The use of a semi-structured interview guide applied further supports reliability, as it provides a common thematic baseline while still allowing the

flexibility necessary. Validity is additionally supported by the triangulation of data where the accounts of different informants were compared with secondary sources such as industry reports and regulatory documentation. These measures alone are not enough to argue the quality of a qualitative research. For this reason, they should be integrated with the trustworthiness criteria discussed by Lincoln and Guba (1985; Saunders et al., 2023, pp. 218-219) who argue that there are three quality criteria for research in terms of internal validity: dependability, credibility, and transferability.

Dependability refers to the consistency of the research process and is a measure of reliability for qualitative research. This is ensured through this chapter of the research, which focuses on documenting the methodological choices, their justifications, and the analytical procedures in detail to allow the reader to understand how the research was conducted and to assess the appropriateness of those choices. The interview guide is included as an appendix, and the process of data analysis is described transparently above. Credibility refers to the confidence in the truthfulness of the findings and of the representations of the interviewed, it can be considered a measure parallel to internal validity for qualitative research. In order to enhance credibility in this study, multiple informants with complementary roles were interviewed, reducing reliance on a single account. The planned follow-up interview with Barbara Ventura also enabled checking of key interpretations relating to the technical and regulatory dimension. Moreover, secondary data sources were used to triangulate claims made in the interviews. Lastly, transferability refers to the extent to which the findings of the study can be applied to other contexts. Since this study does not aim for statistical generalisation, transferability is achieved through the provision of a thorough description of the case, its industry environment, and the conditions of the internationalisation process to allow readers to make informed judgements about the relevance of the findings to other SMEs in regulated industries.

4 FINDINGS

This chapter presents the empirical findings of the study based on three semi-structured interviews conducted with the founder and CEO of Genesi Protection, Simone Cornali, the commercial director, Andrea Bolpagni, and the product manager, Barbara Ventura. During the analysis and coding of the interviews five main thematic categories were developed which were outlined in Chapter 3: the internationalisation process: phases, disruptions, and experiential learning (T1); the role of networks and relationships (T2); the influence of internal resources and firm-specific capabilities (T3); the impact of the regulatory and institutional environment (T4); and the evolution of entry mode over time and transition to in-house production (T5).

The analysis is structured around the five themes and the analytical aspects of the research question rather than presenting the interviews in isolation. The convergence of the informants' accounts is seen as basis for analytical confidence, whereas their divergence is seen as an emphasis of how organisational experience can be interpreted differently by different individuals within a firm depending on their functional roles.

The chapter will begin with a brief overview of Genesi Protection and a chronological reconstruction of its internationalisation path in Section 4.1 that will provide a frame of reference for the following thematic analysis. This chapter does not seek to evaluate Genesi Protection's internationalisation process, but to describe the findings that will be interpreted in Chapter 5 with a theoretical discussion.

4.1 GENESI PROTECTION

Genesi Protection is a SME located in Bergamo, an industrial city in the Lombardy region in the north of Italy. The company is specialised in the production and sale of safety equipment and systems of two different but adjacent sectors of workplace safety which are fall protection with lifelines, guardrail systems or anchor devices, and confined space such as davits, tripods and rescue systems. The company has around 90 employees and a turnover of €17 million and has grown from being a localised family business into a company with strong international presence in the European market.

4.1.1 Origins and domestic growth

The origins of Genesi Protection date back to 1997 when the Cornali family founded Utensileria Cornali. In the early 2000s Simone Cornali, present CEO of Genesi Protection, came in contact with fall protection equipment in a time period where the regulatory context was under development. In 2003, INAIL (Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro), the Italian national institute for insurance against work related injuries, published a report identifying falls from height as one of the main causes of work-related deaths in Italy and, in particular, the province of Bergamo was identified for having the highest national incidence. This report led to the gradual introduction of mandatory fall protection requirements in construction, beginning with Atto dirigenziale n. 787 of 15th July 2003 in Bergamo (Fagiani, 2024, p. 22).

In 2006, the company was formally founded by Simone Cornali under the name Somain Italia, a name taken from a French company which granted Simone exclusive distribution rights in Italy. A franchise-like network was developed across Italy with approximately sixty partners and by 2011 the company's turnover grew from €280,000 to €8 million. This early phase established the B2B partnership model that would later be recreated by the CEO for the international expansion which consists in selecting a small number of export partners in each foreign market who hold stock and manage end-customer relationships. Cornali describes this logic:

If I can create abroad what I had done in Italy, a kind of franchise, meaning specialised partners in Spain, in France, across the rest of Europe, I need less effort because I do not go directly to the end customer, but I go to a structure that is expert in fall-arrest systems and goes directly to end customers. (Simone Cornali, CEO)

The financial crisis between 2008 and 2011 had severely contracted the Italian construction sector, which represented the majority of Genesi Protection's revenue at the time. The crisis led to a fall in turnover and to the decision to pursue internationalisation, as Bolpagni argues:

The construction crisis [...] caused turnover to drop in 2/3 years, but most of all made Simone, I think, aware of one aspect: that his future is in other people's hands, because there you can't act directly. [...] From there we began to reflect in order to answer one question: what do we need to do to make sure this company is still here over the next 50 years? (Andrea Bolpagni, sales director)

Between 2010 and 2013 the company started being present in major international trade fairs and Cornali and Bolpagni started scouting different European markets. During the scouting phase Cornali found out that the European fall protection market was consolidated and established multinational players were already present, but the confined space equipment sector was emerging and underserved thus internationalisation efforts should be focused on both sectors.

4.1.2 Rebranding and international identity

The name Genesi Protection was adopted in 2023 to reflect the evolution of the company from its Italian origins to an internationally operating firm. The company had previously operated under the name Somain Italia, which was taken from the French company from which Genesi Protection had Italian distribution rights. This name was known at the time in Italy, but not in Europe, and additionally, the CEO did not want to further invest in a brand name that was associated with another company and thus decided to change the name to Genesi Protection in international markets with the help of an external agency. However, the transition was gradual, and the company progressed from Somain with Genesi in a small print in the logo, to Somain by Genesi Italia, and finally to Genesi Protection as a unique brand in July 2023 (Fagiani, 2024, p. 24).

4.1.3 Chronological overview

The internationalisation of Genesi Protection spans across approximately a decade from the first systematic international efforts in 2014 to the present and will continue in the future with a planned market entry in the United States from 2028. The internationalisation process was not a linear progression but rather a process with distinct phases, strategic pivots and crisis that reshaped the company's product offer, business model and market positioning. Table 7 shows a chronological reconstruction of the key milestones and phases in the internationalisation path of the company.

Table 7. Chronological reconstruction of Genesi Protection's internationalisation path.

Year	Milestone	Phase	Theme
1997 – 2003	Utensileria Cornali founding and INAIL report	Founding	T1
2006	Somain Italia founding and exclusive Italian distribution rights from French manufacturer	Founding	T1, T2
2008 – 2011	Initial international interest and turnover growth	Founding	T1
2010 – 2012	First international fairs, initial operations in the industrial sector, and first in-house products	Exploration	T2, T5
2014	Master European distribution rights with Company Y, initial rebranding	International entry	T2, T5
2014 – 2016	Contract with Company X and initial market exploration	International entry	T2, T1, T4
2018 – 2019	First consistent international results and presentation of in-house fall protection products range at A+A fair	International entry	T2, T5
2020 – 2022	Pandemic and ending of Company Y contract for European distribution followed by lawsuit	Crisis and strategic pivot	T5, T1
2022	Launch of in-house confined space range	Rebuild and consolidation	T2, T5
2023	Rebranding to Genesi Protection and presentation of Genesi Pulse	Rebuild and consolidation	T2, T4, T3
2026 – 2027	New EU standard	Rebuild and consolidation	T4, T5
2026 – 2028	Future extra-EU entry and market research	Planned extra-EU expansion	T1, T4, T5

Six phases can be identified in the internationalisation trajectory, as shown in Figure 5. The first one is the founding phase that covers domestic origins, growth, and the trigger

from the construction crisis. The following is the exploration phase that spans from 2010 to 2013 and is characterised by informal market scouting, early trade fair attendance, and the identification of the confined space niche. In the following phase, between 2014 and 2019, the company's international entry began with the master European distribution agreement with Company Y in 2014, international revenues increased, and Genesi Protection launched its own fall protection products range at the A+A fair in Düsseldorf. Company Y remains anonym for confidentiality reasons. Afterwards, the fourth phase between 2020 and 2022 was triggered by the Covid-19 pandemic and termination of the Company Y partnership between 2020 and 2022 which led to a strategic pivot and the company transitioned from being a reseller to start manufacturing its own products in the confined space sector towards the end of the phase. Afterwards, between 2022 and 2026 the company has completed its own product catalogues for both sectors it operates in and consolidated its presence in some markets. Lastly, from 2027 and 2028 there will be a new phase concerned with the new EU standard and planned entry in extra-EU markets. The founding and exploration phase overlap in 2010 and 2011 as it was a period of transition, during which the CEO gained interest in international markets and started thinking about an expansion in foreign countries. An overlap can also be observed in 2022 which was a transition year between setbacks and the will to become manufacturers in the confined space sector. The overlaps are intentional as the nature of the internationalisation process of Genesi Protection is not linear, coherently with the argument of theme 1 that can be observed in Section 4.2.

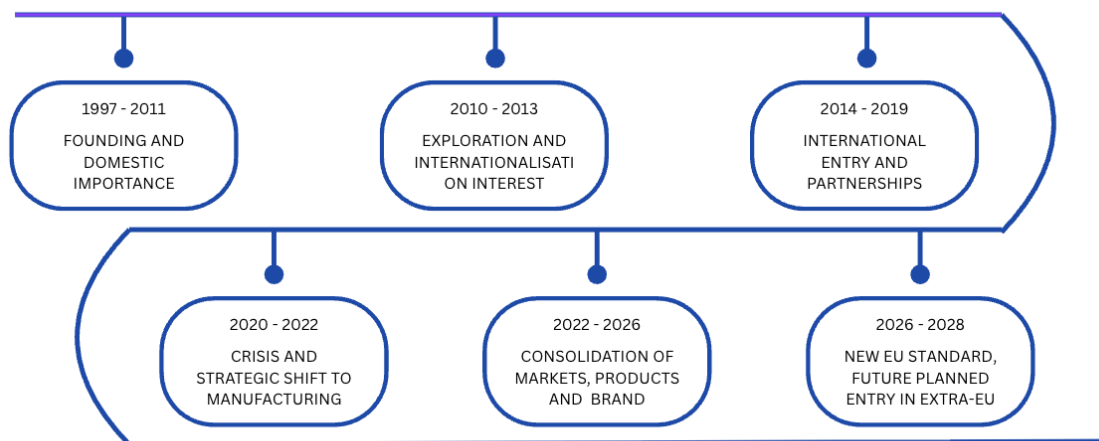


Figure 5. Genesi Protection's internationalisation phases.

4.2 INTERNATIONALISATION PROCESS (T1)

The first thematic lens is concerned with the overall internationalisation process and what triggered it, how it evolved, which setbacks were encountered and experiential learning that derived from the different stages. The accounts of the three informants converge in describing the internationalisation process as something that was not linear or gradual, but rather interrupted by unexpected crisis and strategic pivots.

4.2.1 Founding and domestic importance

The first phase covers the founding and consolidation of the company in the Italian domestic market. As was outlined in Section 4.1, the origins of Genesi Protection date back to the Cornali family's hardware business and following exposure to fall protection equipment. The regulatory implementation triggered by the INAIL report in 2003 created market conditions that permitted the company Somain Italia and its business model to flourish in the following years. Somain Italia grew from being a small distributor in the Italian market to being a leader in its niche with a turnover of around €8 million by 2011 and a network of approximately 60 partners across Italy through a contract with the homonymous French company in 2006.

This phase is analytically significant because it established the B2B partnership model that will be used for the following international expansion. Moreover, during this phase the company was able to gain financial and reputational resources that in some way facilitated the subsequent internationalisation. However, the company only operated in the civil construction sector, this exposed them to risk and gave a push to internationalisation. The financial and construction crisis of 2008/2011 severely contracted the Italian construction sector and thus interrupted the progression of Genesi Protection and led to new strategic decisions, such as the one to internationalise. Thus, internationalisation dreams for the CEO emerged as more of a necessity than opportunity, as he argues:

So, the will came because at a certain point I think that for an SME that wants to grow, internationalisation is a mandatory route. Maybe twenty years ago only enlightened entrepreneurs thought this way, now it must be the basis. Growth happens through internationalisation. (Simone Cornali, CEO)

4.2.2 Exploration and internationalisation interest

The second phase is concerned with market exploration and scouting. From 2010, the company started observing the European safety equipment market which was already well-served by established multinational players and direct competition would have been difficult given Genesi Protection's size and resources available. They started exploring foreign markets and Cornali describes this phase as informal market research: "*Basically, I carried out market research without relying on an external company.*" (Simone Cornali, CEO)

Through this exploration, the company identified the confined space safety equipment sector as an emerging underserved niche in Europe, characterised by demanding technicality, high specialisation and presence of few integrated providers. The opportunity to enter this niche came at the 2013 A+A trade fair in Düsseldorf when the company encountered a Canadian confined space equipment manufacturer that had been trying to find a European distributor for two editions. This encounter provided the product and partner foundation for the following internationalisation efforts. Bolpagni explains:

The opportunity presented itself when we acquired the exclusive rights to an extremely technical product designed and produced in Canada, almost unknown in the European market, in a different but adjacent segment dealing with confined spaces, meaning access protection and rescue in confined spaces, a product with exceptional technical performance. (Andrea Bolpagni, sales director)

4.2.3 International entry and partnerships

The third phase marks the beginning of Genesi Protection's active international expansion in 2014 when the company secured master distributions rights for Company Y, a Canadian confined space manufacturer. Additionally, a Czech-based employee was hired with approximately twenty years of experience in the European confined space market and an already established network of contracts. Cornali explains: "*So there was not even a development in culturally close markets, it was really linked based on coherence and relationships.*" (Simone Cornali, CEO)

Bolpagni describes the first year and a half of international activity as primarily an exercise to learn and visit potential distributors, map competitors' positions, understand the

regulatory differences between countries, and identify demand possibilities. Thus, it was dedicated to gaining experiential knowledge by being on-site:

So, the first year and a half, we are talking about late 2014 and all of 2015, was a lot of exploration. So, it means the hard way without much market analysis: given names, pre-analysis done with web instruments of the major players and then on-site visits. So, it was basically a year of driving in the car and going around.
(Andrea Bolpagni, sales director)

In parallel, during the same years, a contract with a major steel producer seeking to unify its European fall protection systems after a fatal incident in one of its plants was secured and provided an unexpected and valuable entry to the European market. For confidentiality reasons, this company will be referred to as Company X. Over the span of two years Cornali personally visited 36 of its facilities from Portugal to Romania all over Europe. The project was not a success from an economic point of view because Company X's central purchasing office could not make its branches buy from Genesi Protection, but the experience gained was valuable.

The first consistent revenues materialised around 2019, when Genesi Protection also presented for the first time at the A+A fair trade in Düsseldorf its own fall protection product range alongside Company Y confined space products. Barbara Ventura identifies this moment as a milestone as Genesi Protection's identity shifted from being a simple reseller to being a manufacturer in international markets.

Bolpagni explains that the first markets entered over the years were UK, Ireland, Netherlands, Belgium, France, Spain, and Portugal guided by existing contacts in these countries. He recognises it was challenging, but it reflected the need to gather market knowledge rapidly:

It was more of a collective effort for a very simple reason: we didn't know anything about any market, and we had a desperate need to understand the European market and you can only really understand it by going there. (Andrea Bolpagni, sales director)

4.2.4 Crisis and strategic shift to manufacturing

This phase is characterised by a significant disruption in the internationalisation process due to the Covid-19 pandemic that collapsed international sales volumes in all markets

and the termination of the contract by Company Y which informed the CEO with an email in December 2020 that other business partners were going to join Genesi Protection in the distribution of its products in Europe. This event is described by all three informants as a shock and setback for the company's internationalisation trajectory because after almost eight years of joint development from 2014 to 2022, year in which the contract was effectively terminated, and investment by Genesi Protection in the stock, marketing infrastructure and partnership relationships with Company Y product range, they announced they wanted to enter the European market directly and cut Genesi Protection's product supply. Moreover, they also poached the company's export manager and initiated a lawsuit after Cornali took the decision to start manufacturing the products in-house to no longer be dependent on partners for their product supply. The legal proceedings were resolved in Genesi Protection's favour both at first instance and appeal, but financial, managerial, and relational resources were invested.

During this phase, the company had to manage simultaneously the pandemic related revenue decrease, the creation of a new confined space product line, and fighting a legal case against the former partner Company Y.

4.2.5 Consolidation of markets, products and brand

In 2022, Genesi Protection launched for the first time its own in-house confined space product range at the Sicur fair in Madrid, which completed the transition from reseller to manufacturer across both sectors it operates in. Subsequently, in July 2023, the rebranding of the company from Somain Italia to Genesi Protection was finalised, which gave the company a unified international identity. Moreover, in October 2023 the A+A fair proved to be the most productive up to date by generating 153 qualified contracts over four days, 90% of which were genuine potential partners or customers (Fagiani, 2024, p. 31).

By 2024, the company had collaborators in Barcelona and Lyon and kept a third person in Italy to cover the remaining European market that could easily fly from the Bergamo airport. During these years the distributor network was rebuilt around the new product catalogues by prioritising depth of relationships over breadth of coverage. As Cornali explains:

Our rule is: we do not open fifty partners in Spain, we do not put in competition 50 partners, we choose a few expert ones and let them work. We do not go directly to the clients, in return they keep minimum stock in their warehouse, ready to distribute to a client who calls and needs material within two or three days. (Simone Cornali, CEO)

4.2.6 New EU standard and future entry in extra-EU markets

The sixth phase is forward-looking and still under planning at the time of data collection. Two different developments define this phase. Firstly, the entry into force of a new European standard that will become mandatory in 2027 and will extend the regulatory framework for fall protection devices to cover the structural anchorage points for devices. Ventura notes that this will potentially facilitate the entry in the German market that was too difficult due to stringent laws up to present years. The second development is the planned expansion in the United States market in 2028 after thorough market research budgeted for 2027:

This time, having financial resources and more experience, we will not go immediately because we have budgeted for 2027 an in-depth market research with professionals. We will try to understand how we are positioned with the competition. (Simone Cornali, CEO)

4.3 NETWORKS AND RELATIONSHIPS (T2)

The second thematic lens concerns the role of networks, relationships and social capital in the internationalisation process of Genesi Protection.

4.3.1 Client networks

One of the most consistent findings of the interviews is that the trigger for international expansion did not come from abstract market research or strategic planning, but rather from existing client relationships. As Bolpagni argues:

So, how did we start? Well, by leveraging our network of contacts across different states and actually going out to meet people, get to know the markets, customs, regulations, and what sets them apart. (Andrea Bolpagni, sales director)

The most significant example is the relationship with Company X that enabled Cornali to visit 36 European facilities and develop first-hand knowledge of the market landscape. Similarly, the relationship between Genesi Protection and Brembo, a major Italian client

with global operations, enabled the company to work in China, Czech Republic, Macedonia, Mexico, and Brazil that otherwise would have been outside the company's reach at this internationalisation change. Cornali states:

It was really important to have international clients because, for example, Brembo has trusted only us for many years and still does. So, for example, when it built its branch in China, we secured it [...]. So, having clients with spread branches helped us even more. (Simone Cornali, CEO)

4.3.2 Trade fairs and network building infrastructure

All three informants identify the A+A trade fair in Düsseldorf as the most important networking arena for Genesi Protection's internationalisation process. This fair provides a place to encounter potential distributors and partners, enables benchmarking against other exhibitors, generates brand visibility, and enables the company to overcome the liability of outsidership by being present over following years and through progressive recognition. Bolpagni succeeded in portraying the company's progressive recognition across three consecutive editions:

*The first year the reaction was: "Who the f*** are these people?" The second year: "Well, we're starting to see them around." The third year: "F***, they are really here, we have to reckon with them." So, presence was definitely fundamental. (Andrea Bolpagni, sales director)*

Cornali estimates that the investment needed is approximately €250,000 for the four-day exhibition, which is substantial in relation to average SME's resources. However, he argues that the network benefits of the participation to the fair make the investment worth it. From 2023, the investment to the fair has been in part distributed also towards in-country fairs attended by the local distributors of Genesi Protection to increase their visibility in the foreign market and deepen the relationship with the partner.

4.3.3 Risks of network dependency

The partnership with Company Y is the most significant and the most disruptive at the same time. For eight years, it provided Genesi Protection the products for its European expansion and thus the ability to gain market knowledge and revenue streams. However, it created dependency and left the company vulnerable when the relationship was terminated unilaterally by Company Y. The setback was interpreted differently across the three

functional roles. Cornali frames the event from a strategic betrayal point of view focusing on the risk of long-term partner dependency:

It was a huge setback [...] because imagine when, with exclusive rights in Italy and master distribution in Europe, after eight years of investment, your supplier sends you an email and says “open the attachment” and in the attachment it was written: “Merry Christmas, from January the company can no longer sustain low margins so we will come to Europe ourselves because we cannot afford to leave the margin to you”. So, we will no longer supply material to you, and you are dependent on them, and they take away your export manager and marketing, and they sue you. (Simone Cornali, CEO)

Bolpagni describes it as an operational crisis which needed an immediate response:

With this company from which we were exclusivists we went from a project of “let’s open a newco”, so we produce here for Europe, and you produce there for the USA” to their announcement: “from tomorrow we will sell directly, you are out.” At that point we had to stop, reinvent all the products, reinvent the catalogue and it was an opportunity to get better and rethink about the distribution model. (Andrea Bolpagni, sales director)

Ventura’s perspective is primarily technical, and she framed the event as both a setback and an opportunity:

On the one hand it slowed export expansion because we had to completely rebuild the product range, and we also had another big competitor which was indeed the company for which we used to distribute. But it also gave a strong input because, by becoming producers, it is much easier to respond quickly to market needs. (Barbara Ventura, product manager)

4.3.4 Distributor relationships

The interviews, beside the high-profile relationships, reveal emphasis on the quality and depth of distributor relationships as source for competitive advantage. This relationship is described by the three informants as an ongoing commitment that involves technical training, investment in local fairs, joint site visits, and technical support rather than one transactional agreement. Bolpagni explains this approach in contrast with the approach of multinational competitors:

They were used to the usual logic with the big multinational: what budget can you give me, I will give you a discount. They found a company entering the market with enormous willingness to support them, carrying out on-site visits

together with them, training them [...] which made a difference. (Andrea Bolpagni, sales director)

4.4 INTERNAL RESOURCES AND FIRM CAPABILITIES (T3)

The third thematic lens, referred to as T3, concerns the company's internal resources and capabilities that enabled the company's internationalisation and sometimes constrained it. Genesi Protection's capability base is based on technical depth, relational intensity, and a service model that is able to integrate design, certification, installation, and maintenance.

4.4.1 Service model as competitive advantage

The most cited source of differentiation across the interviews was Genesi Protection's capacity to offer a comprehensive and integrated service across the lifecycle of fall protection or confined space safety systems from an initial design and risk analysis to structural calculation, manufacturing, installation, certification, training and maintenance. Ventura frames this as a differentiator on the market:

I believe it is more about the technical competencies we have within the company, thanks to the fact that we are probably the only company in Italy and among the few in Europe, dealing with fall protection at 360 degrees. We begin with risk analysis and go all the way to maintenance of the devices, passing through installation, production, structural calculation reports, design, and many other things. (Barbara Ventura, product manager)

This capability is mentioned as something which is difficult to replicate, in particular for large multinationals competitors which have greater organisational complexity. Cornali describes the competitive positioning in foreign markets:

We are in the middle segment, where we offer a good solution with a product and a price that is not the cheapest, in fact it is in a high range, and compared with multinationals abroad we provide a service they cannot provide. (Simone Cornali, CEO)

4.4.2 Human capital

In the beginning, Genesi Protection did not have the financial strength to recruit experienced international managers. Instead, it invested in developing internal capabilities in people who were committed to the project and prioritised relational alignment over technical expertise, as reflected by Cornali:

In small companies like ours, you first assess who and with whom, before performance or specialisations. Why? Because internationalisation costs sacrifice and brings many disappointments at the start, so you need people who fall in love with the project. [...] We were better at building professionalism in people who arrived without it, rather than bringing in ready-made people, at least in the initial phase. (Simone Cornali, CEO)

This approach has shifted as the company has grown and the internationalisation process has continued. Indeed, in recent years Genesi has begun hiring specialised professionals like an experienced export manager with fifteen years of experience in the sector and knowledge of four languages. Cornali states that this shift was necessary:

Today, after twenty years of dealing with this path, instead, we have had to look for and hire more qualified people, because after a certain point that initial approach is no longer enough and starting from me and the people who followed me, we risked becoming the obstacle to the company's growth. (Simone Cornali, CEO)

4.4.3 Resource constrains as limitation

Despite the strengths, resource constraints have limited the internationalisation process, especially in the early phases. In the initial years, only two out of approximately twenty employees spoke English, which constrained the company's communicative capacity for an international expansion. Moreover, the management software was not adequate for the new phases of internationalisation, but some people could not adapt to new systems. Financial constraints also prevented Cornali to do a proper market research and forced him to explore the markets through alternative and more cost and time-consuming ways. Bolpagni acknowledges this by saying: *"For a company of 20–21 employees that worked from the north to the centre of Italy, thinking about going abroad could seem like a utopia."* (Andrea Bolpagni, sales director). Cornali reinforces this by saying: *"We started from where there was a need because we did not have the structure or the financial strength to do exactly what should have been done: proper market research. So, it took longer [...]."* (Simone Cornali, CEO)

In the later phases, one of the main resource limitations is the inability to be simultaneously present in all markets. At present, only three people cover the whole Europe, and the company is conscious that the coverage is selective, and some market opportunities

may be missed. However, this is managed to some extent by having partners that deal with final clients in foreign markets.

4.5 REGULATORY AND INSTITUTIONAL ENVIRONMENT (T4)

The fourth thematic lens, T4, provides a multi-layered account of how the regulatory and institutional environment shaped Genesi Protection’s internationalisation decisions across multiple dimensions. The section begins with a systematic cross-market comparison of regulatory regimes, followed by an account of regulatory barriers, institutional distance, and regulatory change.

4.5.1 Cross-market comparison of regulatory regimes

The regulatory environment varies across the different markets in which Genesi protection operates. Table 8 provides a systematic overview of the regulatory frameworks of key markets and the estimated regulatory distance from Italy that emerged from the interviews. The table is presented to better compare the regulatory conditions of each market and emphasise, where present, the diversity of institutional requirements.

Table 8. Regulatory regime comparison across key markets.

Market	Regulatory framework	Key adaptation requirements or certifications	Perceived regulatory distance
Italy	EN standards, EU PPE 2016/425	Home market	Home market
Germany	EN standards + DIBT for anchor systems	More stringent structural calculations for anchor devices than EN standards	High
USA	OISHA regulations, ANSI/ASSE standards	Different certification requirements	High
France	EN standards, EU PPE 2016/425 + national guardrail specific requirements	Mandatory translation under PPE regulation, special guardrail requirements, and shift to “made in Europe”	Medium
UK	EN standards	Needed monitoring because it seemed mandatory to	Low-medium

Market	Regulatory framework	Key adaptation requirements or certifications	Perceived regulatory distance
		adopt UKCA but shifted back to EN standards	
Spain, Portugal, Belgium, Netherlands, Czech Republic, Romania	EN standards, EU PPE 2016/425	Standard EU certification, mandatory translation into national language	Low
Sweden, Finland	EN standards, EU PPE 2016/425	Standard EU certification, adaptations needed for cold-weather performance, visibility requirements	Low-medium

The table illustrates that the regulatory landscape differs across key markets as identified in the interviews. The EU PPE 2016/425 emerged, but all EN standards are common across European markets. Moreover, there are specific rules in all countries which are not relevant for the purposes of the thesis. Indeed, the common baseline are the EN standards that provide harmonisation, but national deviations can create market-specific barriers.

4.5.2 Regulatory barriers to market entry

The most prohibitive regulatory barrier has been the DIBT (Deutsches Institut für Bautechnik) technical approval requirements in the German market for fall protection anchor systems. These requirements are often more stringent than the European Union EN standard certification that Genesi Protection's product follow and thus prohibited an entry in the German market up to present years. All three informants identify Germany as the only market that the company hasn't been able to penetrate with its standard products, but Bolpagni frames it as a deliberate strategic decision rather than an incapability to do so:

The only restrictive market from a regulatory point of view that we decided not to approach, because the costs were enormous, from what concerns fall protection, was Germany. They have DIBT and their own local regulatory framework,

and the certification procedure was really very expensive. (Andrea Bolpagni, sales director)

Ventura specifies and describes the technical nature of the barrier by saying that German standards for the structure of anchor devices are more stringent than the European equivalents and require product redesign rather than merely additional certification. She also adds that France presents a different form of regulatory barrier for guardrail systems that differ from European standards and has prohibited Genesi Protection from entering the market with that specific product, but an enter with other products was possible. She also specifies that the company has not addressed the barrier because the partner network for that specific product category in France does not justify the investment.

Genesi Protection also benefits from its innovative products, such as Genesi Pulse, which is an innovative and “intelligent” lifeline system with IoT monitoring that was presented at A+A in 2023. This product goes beyond the core fall protection and confined space sectors and gathered interest from Singapore at the fair. However, regulatory incompatibility with the LoRaWAN transmission protocol used by the device made it impossible to satisfy the demand from Singapore clients (Fagiani, 2024, p. 46).

4.5.3 Institutional distance and market-specific adaptations

Beyond regulatory requirements, the interviews reveal forms of institutional and psychic distance that required adaptation. Cornali emphasises concrete examples, alluding also to the fact that most workers in Italy or southern and eastern European countries are not fluent in English:

I imported davits from Canada for seven or eight years, and quite simply they sold material in Europe measured in inches and without using European screws. [...] Or they had no manuals in the local language because English is the international language. [...] So, when you go to the construction site, you do find people who speak English, but you also find those who don't, which means the manual isn't up to standard. So, in the end, you're focused on the structure, logistics, customs, and internationalization, including market analysis, which all need to be done, but then you run into the most trivial issues. (Simone Cornali, CEO)

Ventura identifies the EU PPE (Personal Protective Equipment) regulation 2016/425 that introduces the obligation to translate product instructions into the language of the foreign

market as one of the most significant regulatory requirements that led to administrative burdens. However, this reflects the fact that Genesi Protection operates in markets that are not culturally or linguistically uniform and presence in those markets requires localisation.

France is described as Ventura and Bolpagni as a cultural and institutional distance market in terms of cultural receptivity to non-French suppliers and a resistance to made in Italy positioning: *“The French market is very protectionist, so you do not go there with “made in Italy,” but rather say “made in Europe”.*” (Barbara Ventura, product manager)

Indeed, while made in Italy is globally seen as a sign of quality and craftsmanship, its value can be market-specific and can be a liability in protectionist markets. However, Genesi Protection was able to adapt and position its products as “made in Europe”, which is an institutional adaptation that removes the resistance to the products while still signalling quality.

In addition, other challenges have emerged, such as adjusting voltage and electrical frequencies depending on the destination country. A concrete example is the company’s experience in Mexico where the local voltage is lower than in Europe and it slowed down the charging time for battery-powered tools. Weather conditions also pose a challenge, for example products needed to be modified if installed in Northern Europe because poles must be equipped with fluorescent LEDs lights to be visible during heavy snowfall. Conversely, in Mexico workers’ daily productivity was lower as the climate was very hot with high humidity (Fagiani, 2024, p. 47). Cornali, when talking about lifelines made in aluminium and steel, notes:

And you think, “Come on, it does not take a genius to understand that if you go down to minus 30 degrees, metal behaves differently.” Well, apparently it does. Because when we sold it, in summer the coverage started moving and expanding, and because the cable was rigid, it tears out a post. (Simone Cornali, CEO)

4.5.4 Regulatory change as strategic opportunity

The new European standard that was published in 2025 and will become mandatory in 2027 as part of the construction regulation extends the fall protection regulation to anchorage points and requires recertification of some product categories, as discussed by

Cornali and Ventura. However, this is also described by them explicitly in opportunistic terms, Ventura explains:

It can be seen as an opportunity simply because many small producers, especially in Italy which is the homeland of producers of fall protection equipment, will be swept away as the costs of the new certification and of maintaining the new certification will be so high that not all manufacturers will be able to adapt. (Barbara Ventura, product manager)

Cornali also shares this view at a strategic level:

This year, regulations are becoming an accelerator; because finally Europe has decided to introduce a regulation that governs not only the devices, but also where they are anchored. This will provide greater security in the market for those who buy these systems, and above all it will clean up the market because not all competitors will be able to make such a significant investment. (Simone Cornali, CEO)

Ventura also notes that the new standard may facilitate an entry into the German market because the new requirements are more aligned with the current DIBT standards. Thus, the gradual regulatory convergence and alignment of national standards toward a common European baseline can help enter markets that were previously inaccessible due to regulatory distance.

The regulatory environment and its changes are monitored by the research and development team within the company, who is also in charge of certifications and participates in national and international legislative groups to keep up to date. However, Ventura states that usually the team responds to partners' needs who communicates to the company whether some changes are necessary for market-specific compliance.

4.6 ENTRY MODE AND IN-HOUSE PRODUCTION (T5)

The fifth thematic lens, T5, concerns the evolution of the company's entry mode over time and the transition from being a commercial reseller to a manufacturer. This theme connects the strategic decisions of T1 to the network relationships of T2, the resource dynamics of T3, and the regulatory context of T4 which all had a role in the organisational transformation.

4.6.1 Distribution and reselling

Genesi Protection's initial entry in international markets was based on a commercial model. Indeed, the company entered the confined space market as a master distributor for Company Y by holding stock and supplying a network of national distributors. This was also due to Genesi Protection's size and resource availability as the model provided access to technically advanced and differentiated products without needing to develop them in-house. The same model was also used during the domestic growth phase when the company distributed the products of a French manufacturer, hence Genesi Protection was familiar with it and could implement it in foreign markets.

Overall, the model worked but carried vulnerability on the partners and the relationship with them that rested on bilateral agreements.

4.6.2 Transition to in-house manufacturing

The termination of the agreement with Company Y forced a shift after it cut off the company's supply and became a direct competitor on the market. Genesi Protection had no alternative other than developing its own confined space product catalogue and invest in in-house manufacturing rather than seek an alternative distribution agreement and being exposed to the risk of setback again. This decision to produce in-house reflects the experiential lesson of the Company Y crisis and the understanding of the vulnerability that comes with partner dependency. Cornali had the ambition to control the full product and service lifecycle, and he states:

I had two options: either sue them by contesting the contract or invest and start manufacturing myself and once and for all free myself from this tyranny of exclusivity that were then taken away from me. We chose to produce [...]. (Simone Cornali, CEO)

Ventura clarifies that Genesi Protection had already begun developing in-house fall protection products from 2012, but the in-house development of confined space equipment, which is a more technically complex product category, was completed for the Sicur fair in Madrid in 2022. Thus, the manufacturing capability required was not built from scratch, but technical knowledge and certification experience were already a capability within the company.

The consequences of the transition are described positively. In particular, Ventura identifies greater market responsiveness as a key benefit because as a manufacturer, the company can adapt the products to specific market requirements, control the certification process for new markets and implement additional tests if deemed necessary. Moreover, Bolpagni argues that the complete in-house catalogue has strengthened Genesi Protection's position as the company can now offer a comprehensive product range under a single brand rather than a mixed portfolio of in-house and licensed products.

5 DISCUSSION

The aim of this chapter is to integrate the empirical findings displayed in Chapter 4 with the theoretical framework developed in Chapter 2 in order to assess the extent to which the internationalisation process of Genesi Protection aligns, diverges or extends the four analytical lenses of the framework. These lenses are the Uppsala Model, the network approach, the resource-based view, and the regulatory and institutional perspective. Before addressing each lens one by one, three different cross-thematic patterns that emerged from the data analysis are discussed.

5.1 CROSS-THEMATIC OBSERVATIONS

5.1.1 Crisis as a trigger for internationalisation

The most remarkable feature of Genesi Protection's internationalisation path is the role of crisis, rather than deliberate strategic opportunities, as drivers for major transitions. Indeed, the decision to internationalise was triggered by the crisis in the domestic construction market during the financial crisis of 2008/2011. Moreover, the transition from reseller to manufacturer was forced by the sudden termination of the Company Y partnership in December 2020. Finally, the rebranding, creation and maintenance of the in-house product portfolio, and the reconstruction of a European distributor network emerged from constraints such as limited international identity or partner dependency.

As Cornali argues, today's environment is unpredictable, and you need to react to it because periods of crisis evolve but never end:

The pace has picked up, and dynamics are so unpredictable, you find yourself constantly having to adapt and reevaluate what you've done. [...] So, saying "we got out of the crisis, we got out of the pandemic, we got out of the war" no longer exists, we never got out of anything, our mentality has changed, and we've adapted to looking to the future in a different way. (Simone Cornali, CEO)

This pattern is not in line with the opportunity driven and gradual internationalisation model proposed by the Uppsala framework or with the network approach's emphasis on relational capital as main enabler for internationalisation. Conversely, it is more consistent with the view of Welch and Paavilainen-Mäntymäki (2013, p. 15) who pose an interest in discontinuities and turning points as drivers for firm trajectories. This specific case study

suggests that, for SMEs in regulated industries, crisis are not only a source of disruption but also a mechanism that generates strategic pivots, capability building, experiential learning, and reshaping of the firm's position in international markets.

5.1.2 The regulated industry as structuring context

The second pattern is the influence of the regulatory environment on many dynamics of the internationalisation process such as market selection product design, certification strategies, partner relationships, pricing decisions, and the interpretation of competitive dynamics. All these aspects are, to different extents, shaped by the regulatory frameworks of the foreign markets in which Genesi Protection operates. This finding confirms the argument carried out by Laurell et al. (2013, pp. 301-302) who argue that industry context should be systematically included in internationalisation research, in particular in high institutional and regulated sectors. Moreover, this validates the decision to include the regulatory and institutional context as analytical lens in the theoretical framework rather than treating it as a background factor.

The way in which the three informants frame regulatory changes in terms of both compliance burden and competitive opportunity suggests that the relationship between firms and regulatory environments is both of constraint and adaptation. Kitching et al. (2013, p. 131) argue that too few studies focus on how regulations can be positive for firms by creating market opportunities and facilitating performance. This case study offers empirical support for their view by showing that firms that have technical capability and financial resources, even if limited, to comply with increasingly demanding standards can gain competitive advantage from the barriers that the compliance generates.

5.1.3 Evolution of resources, networks, and capabilities

The third cross-thematic pattern is the interdependence of resources, networks, and entry mode dimensions of the internationalisation process. These three dimensions do not evolve independently in the data. Indeed, data analysis revealed that relational capital generated through networks, such as the Company X contract, the Company Y partnership, and the Düsseldorf contacts, enabled the development of market knowledge that would have been difficult to generate for the firm solely with its own internal resources. The

initial resource constraints shaped which network relationships were pursued and which entry modes were feasible. In turn, the entry modes defined the resource requirements and network relationships.

5.2 UPPSALA MODEL

The Uppsala Model (Johanson & Vahlne, 1977; 2009; Vahlne & Johanson, 2017) offers a theoretical lens for understanding the incremental internationalisation processes of firms. The findings of the study provide both support for its main propositions and empirical challenges to its gradualist assumptions.

5.2.1 Experiential knowledge as driver for market commitment

The Uppsala Model's central argument that firms increase their international commitment as they accumulate market knowledge is supported in the findings. In the early phases of internationalisation, Genesi Protection's entry was exploratory. The first year and a half was described by Bolpagni as a learning exercise characterised by visits, competitor mapping, and relationship development. This is consistent with the observation of Johanson and Vahlne (1977, pp. 26-28) who argue that experiential market knowledge acquired by operating in a market is a driver for commitment decisions.

The contrast between the initial entry approach of 2014 and the planned US entry in 2028 is a clear expression of Genesi Protection's learning dynamic. In 2014, the company entered European markets with limited linguistic and financial resources, no formal market research, and a strategy guided by opportunistic contracts. Conversely, the planned US expansion for 2028 will be guided by systematic analysis as the company has budgeted for a professional market research and has hired an experienced export manager with sector-specific knowledge. Cornali states this himself by saying: *"This time, because we have financial resources and experience, we are not starting blindly. [...] Ten years later, we've learned a thing or two."* (Simone Cornali, CEO)

This evolution reflects the Uppsala Model's proposition that the firm's approach to internationalisation changes as market knowledge and institutional confidence are gained. Johanson and Vahlne (1977, p. 30) argue that firms will continue to increase their commitment in foreign markets gradually unless they have abundant resources or operate in

stable market conditions. Genesi Protection's internationalisation path confirms this logic as the firm deepened its European commitment incrementally over time before contemplating an extra-EU expansion. This decision is also due to the fact that the regulatory complexity of each market required investment in learning before an increase in commitment.

5.2.2 Psychic distance and market selection

The market selection pattern that emerged in the findings partially aligns with the concept of psychic distance of the Uppsala Model. The first targeted European markets were Spain, France, the United Kingdom, and the Netherlands, which are geographically and culturally accessible markets from Italy with relatively high regulatory compatibility. Germany, even if it is the largest and most commercially significant market in Europe, was avoided because of regulatory distance due to the DIBT approval requirements which created a barrier that was too costly for Genesi Protection to overcome. The findings demonstrate that regulatory distance can operate as a more powerful market selection determinant than psychic or geographic proximity, thus discrediting in some way the Uppsala Model's view. The institutional distance framework (Kumar, 2025) provides a more precise conceptualisation for this phenomenon than the original Uppsala concept of psychic distance. Moreover, Bolpagni states that multiple markets were entered at the same time rather than following a gradual market selection process or focusing on one country at a time.

The progression toward extra-EU markets with greater regulatory distance is consistent with the Uppsala Model's prediction that firms enter markets with greater psychic distance as more knowledge and confidence are gathered. However, the progression is not smooth as it was interrupted by the Company Y crisis that forced a reorientation of resources toward rebuilding the European market before concentrating on a further expansion. The Uppsala Model's linear establishment chain does not adequately capture this kind of crisis-driven pivot and restart.

5.2.3 Challenge to the Uppsala Model

The most significant challenge to the Uppsala Model is the role of crisis as a driver for internationalisation transitions. Johanson and Vahlne (1977, p. 26) conceptualise

internationalisation as a dynamic cycle where knowledge and commitment influence each other incrementally. However, the Company Y partnership termination and transition to in-house manufacturing can be seen as a discontinuity that the model does not account for. The transition was abrupt rather than reflecting the gradual increase in market commitment and it was also externally imposed. This is consistent with the critiqued advanced by Welch and Paavilainen-Mäntymäki (2013, p. 15) who argue that the discontinuous dimension of internationalisation has been undertheorized in the Model.

The 2017 revision of the model introduced firm-specific advantages as an explicit variable (Vahlne & Johanson, 2017, p. 1092) thus acknowledging that internationalisation is not only about knowledge gathering, but also about the development of unique organisational capabilities. This revision is a better fit for Genesi Protection as the transition to in-house production is a kind of capability creation. However, the revised model also fails to include the role of crisis as a capability-forcing mechanism which is a distinctive contribution of the case to the Uppsala Model.

5.3 NETWORK APPROACH TO INTERNATIONALISATION

The network approach to internationalisation (Johanson & Mattsson, 1988) receives strong empirical support from the findings. Moreover, the data extends the approach by emphasising the possible disabling function of network relationships.

5.3.1 Internationalisation through network positions

Johanson and Mattsson (1988) argue that internationalisation can be seen as the process of establishing positions in networks of relationships in foreign markets and that the firm's competitive position depends both on its capabilities and the relational position it occupies in such networks. This proposition is supported by the findings of the case study as the Company X contract provided Genesi Protection with direct access to 36 European markets without prior network position in those markets, thus functioning as a bridging mechanism that offset in part the company's liability of outsidership that otherwise would have taken longer to overcome (Johanson & Vahlne, 2009, p. 1421). Moreover, the Company Y partnership provided the product supply foundation, market legitimacy and distributor relationships that made the initial European expansion possible.

The Düsseldorf A+A fair also enabled network creation by providing the recurring arena within which Genesi has built its position over the years in the European safety equipment market. Bolpagni's account of the progression of the company across three consecutive editions from being unknown to being a recognised player is consistent with the model of internationalisation proposed by Johanson and Vahlne (2009, pp. 1423-1424) who describe the progressive strengthening of network positions through learning, creating and trust-building. The network approach to internationalisation also explains the market entry pattern that emerged from data analysis as Genesi pursued markets where network contracts already existed, regardless of geographic or cultural proximity, instead of following a geographically sequential path. This is described by Bolpagni who notes that market entry was driven by available and existing contacts rather than proximity criteria.

5.3.2 Network dependency

The most analytically significant finding concerns the disabling function of bilateral network embeddedness, which extends the network approach's propositions and was introduced by Uzzi (1997, pp. 57-58). The Company Y partnership is an example of a relationship that simultaneously enabled internationalisation and the development of autonomous capabilities. During the eight years of partnership, Genesi Protection's confined space product offer and the relationships built around it rested on the bilateral agreement. Thus, the deeper the market commitment built on this foundation, the greater the strategic vulnerability generated by the dependency.

Existing literature on SME internationalisation through networks tends to focus on the enabling function and benefits of relationships such as access to resources, knowledge and legitimacy that firms struggle to generate internally (Johanson & Mattsson, 1988, p. 485; Child et al., 2022, pp. 11-12). The Genesi Protection case study suggests that there is also a disabling function of network dependency that requires analytical attention. When an SME's international market position rests on a single partnership, its strategic autonomy depends on the decisions of another actor rather than its own capabilities. In regulated industries, this vulnerability is encouraged because developing proprietary compliance capabilities for certifications, technical expertise, and regulatory knowledge requires investment. Thus, exclusive distribution agreements offer a shortcut and allow

firms to have access to compliant and technically advanced products without having to bear all costs internally. However, the Company Y case demonstrates the long-term risks this creates, which led the CEO to making the decision to shift to in-house production rather than relying solely on partnerships for product supply.

Johanson and Vahlne (2009, p. 1421) argue that the liability of outsidership is an important challenge for firms' internationalisation. However, the findings suggest that in addition to this liability, also the liability of over-embeddedness creates vulnerability due to a deep reliance on a single network relationship and may be a challenge for SMEs in regulated industries.

5.4 RESOURCE-BASED VIEW

The Resource-Based View (Barney, 1991) provides a useful perspective to understand how Genesi Protection's internal capabilities have influenced its position in international markets. The findings support the RBV's propositions and demonstrate that the resource base of a SME is developed over time in response to market demands and strategic crisis.

5.4.1 360-degree service model as VRIO resource

Barney (1991, pp. 105-106) argues that sustained competitive advantage derives from resources and capabilities that are valuable, rare, inimitable, and non-substitutable. The integrated 360-degree service model that Ventura mentions is portrayed by all three informants as the company's core competitive differentiator because the company's operations span from risk analysis to structural calculation, product manufacturing, installation, training and maintenance. This service model satisfies the VRIO resources criteria in the regulatory industry context. Indeed, it is valuable because it addresses a genuine market need for traceable safety systems. It is rare because, as Ventura argues, Genesi Protection is among the few companies in Europe that offers this level of service integration in the fall protection sector. It is difficult to imitate because it requires the simultaneous development of technical, regulatory, and relational capabilities that are embedded in Genesi Protection's organisational processes and personnel and thus are not easily transferable. Finally, it is not substitutable in the context of safety-critical applications as clients cannot simply assemble an equivalent service by combining multiple specialised providers. If

risk analysis, product manufacturing, installation, and maintenance are distributed across different suppliers then accountability becomes legally and operationally ambiguous. Thus, an integrated single-provider model removes this ambiguity, which is why Genesi Protection's services and capability cannot be easily substituted by assembling the same services from multiple providers.

The value of this capability is high especially in the regulated-industry context as liability for equipment carries serious legal and reputational consequences, hence the ability to offer an end-to-end traceable service is a form of institutional legitimacy and competitive advantage. This is consistent with the argument carried out by Barney et al. (2001, p. 629) who argue that resources can help overcome the liability of foreignness by providing a differentiated value proposition.

5.4.2 Dynamic development of resources

Fiol (2001; Barney et al., 2001, p. 627) argues that it is not enough to have inimitable resources, but skills within the organisation and how they are used must change over time and adapt to the environment in order to have a sustained competitive advantage. This supports the dynamic perspective of Genesi Protection, whose resource base has changed across time. The company started from being a distribution-based commercial firm dependent on external partners and products to being a full-cycle manufacturer with in-house design, production, and certification capabilities.

The evolution of the human capital base followed the same dynamics as in the early phases of internationalisation the firm mainly relied on commitment and loyalty by recruiting people who were interested in the project instead of people who had specialised international expertise. As the firm grew and the internationalisation process matured, the approach changed toward the recruitment of specialised professionals like experienced export managers, on-site representatives, and dedicated technical product managers. This trajectory can be explained by the RBV's emphasis on the way in which resources base develop as a strategic response to market demand and the competitive environment (Barney et al., 2001, pp. 628-630). The evolution from commitment-based to competence-based recruitment reflects the fact that the resource constraints that characterised the early phases of internationalisation like limited linguistic capabilities and no dedicated export

management were not permanent features but were gradually overcome through investments and organisational development. Hence, resource constraints are a limitation for SMEs in the early phases of internationalisation but are not a static condition and change as the firm accumulates experience and revenue.

5.5 REGULATORY AND INSTITUTIONAL LENS

The regulatory and institutional dimension of the theoretical framework is the most relevant to the research question and an original contribution of the study to SME internationalisation literature. The findings demonstrate that the regulatory environment is not a marginal contextual factor but a central force that shapes market selection, entry mode, product development, and competitive strategy.

5.5.1 Regulation as market selection determinant

The findings of the study demonstrate that the regulatory distance, meaning the gap between the regulatory requirements in the home and host market (Kumar, 2025, p. 651), can be a decisive market selection factor. For SMEs in regulated industries, they can also be more influential than cultural or geographic proximity. For instance, the inaccessibility of the German market, the French specific guardrail standards, and the different regulatory regimes of extra-EU markets require specific technical investment and product adaptation in some cases and could not be overcome by relational capital or market knowledge. These findings extend the argument by Bell and Cooper (2018, p. 476) who argue that industry context is important to identify firms' internationalisation patterns as they showcase that, in the case of regulated industry, the industry context does not only modify internationalisation patterns, but also determine which markets are accessible.

The findings also suggest that regulatory constraints have a different effect on large firms who have a higher availability of resources as they can amortise the high costs of market-specific certifications across large sales volumes or can sustain the higher costs. On the contrary, these costs are prohibitive for a SME like Genesi Protection as they are not justified by the expected returns in the foreign market. This asymmetry is consistent with the observation by Child et al. (2022, p. 24) according to which SMEs are more vulnerable

to institutional provisions than MNEs since they lack the resources to absorb the costs or influence them.

5.5.2 Regulatory change as competitive strategy

One important finding in the regulatory dimension concerns the framing of regulatory change as a source for competitive advantage instead of compliance burden. The new European standard that was published in 2025 and will become mandatory by 2027 as part of the construction regulation will require recertification of several product categories and structural redesign of anchor systems. However, Cornali and Ventura describe it in explicitly opportunistic terms as it will eliminate smaller competitors and potentially open the German market. This framing is also consistent with the argument of Kitching et al. (2013, p. 131) that regulations are not to be seen only as constraints, but they can also be enablers for market production, exchange, and product consumption. The findings also suggest that firms with enough technical capabilities and financial resources in regulated industries can develop proactive relationships with their regulatory environment by anticipating and preparing for regulatory change rather than just adapting to it.

Genesi Protection's case shows that even if a firm is too small to directly influence regulatory development, it can still position itself strategically following regulatory change by building compliance capabilities in advance. Ventura states that two members of the research and development team participate in national and international regulatory groups, which reflects the proactive orientation of the company to try and benefit from regulatory evolution. In particular, two national groups give Genesi Protection insight into regulatory developments so that they can prepare for it and react more promptly when regulations are implemented.

5.5.3 Institutional distance beyond regulation

The findings also reveal a form of institutional distance that exceeds formal regulatory requirements as, for example, the temperature related product failures in Nordic markets, the voltage incompatibility in Mexico, the translation obligation under EU regulation 2016/425, and the French market's resistance to non-French suppliers. These aspects all constitute examples of institutional distance, as described by Kumar (2025), that required

specific attention and adaptation. Thus, the findings confirm the multi-dimensional nature of institutional distance and its influence on internationalisation decisions in safety-critical sectors. The “made in Italy” finding is particularly interesting as Italian origin is usually understood in the literature as a sign for quality and craftsmanship. However, this particular case study demonstrates that its value is market-specific and depends on the context. Indeed, in markets with strong protectionist tendencies like France, the Italian origin is in turn a liability that requires repositioning as “made in Europe”.

5.6 ANSWER TO THE RESEARCH QUESTION

The research question of the study asked: how does the internationalisation process of an SME operating in a regulated, safety-critical industry unfold over time, and to what extent does it align with established internationalisation theories?

In terms of how the process unfolds, the findings show an internationalisation path around six phases, as described in Section 4.1.3: domestic founding and growth; exploratory and international interest; international entry and partnerships; crisis and forced pivot to manufacturing; consolidation of markets, products, and brand; and planned extra-EU expansion. This trajectory is not linear and gradual, but characterised by phases of deliberate planning, interruptions due to major crisis, and strategic pivots that reshaped Genesi Protection’s production model, market presence, and competitive identity. The regulated industry context is not a background factor, but an active influencing force for internationalisation that shapes markets’ accessibility, products sales, possible partners, and opportunities or threats.

The alignment with established internationalisation theories is partial. The emphasis of the Uppsala Model on experiential knowledge as driver for increasing market commitment is supported by the case study. In particular it can be seen in the contrast between the resource-constrained and contact-driven market entries in 2014 and the professionally researched US expansion for 2028. Moreover, the network approach’s propositions about the enabling function of relational capital are supported by the Company Y partnership and contract with Company X as network bridges and enablers for internationalisation. Finally, the RBV’s emphasis on the role of unique and difficult to imitate capabilities to generate sustainable competitive advantage can be observed in the 360-degree service

model that the informants identify as the company's differentiator. However, the alignment with the theories is only partial. The Uppsala Model's assumptions of gradual internationalisation are challenged by the role of crisis that influenced the company's strategic transitions. In addition, the emphasis of relationships described by the network approach needs to be extended to include also the disabling function and long-term risks of bilateral network dependency. In conclusion, the RBV requires to be integrated by a dynamic perspective to capture the way resources evolve over time in response to market pressures and crisis. Hence, none of the frameworks alone is able to explain Genesi Protection's internationalisation trajectory, only their interaction can provide an adequate account as captured in the theoretical framework developed in Chapter 2.

The combined reading of the four theoretical lenses in relation to the empirical findings reveals a pattern that exceeds the individual contributions of each theory. The regulatory context does not only add another variable to the internationalisation frameworks, but functions as a higher-order mechanism that systematically restructures how each of the theories act. This is the core contribution of the study and is presented in the revised theoretical framework in Figure 6. The revised framework maintains the original analytical lenses but repositions the regulatory and institutional context which becomes the overarching factor within which the other theoretical relationships operate. Three different mechanisms account for this reposition.

First, psychic distance is replaced by regulatory distance as primary market selection filter. In standard internationalisation theories, such as the Uppsala Model, psychic distance is the primary variable to determine market selection (Johanson & Vahlne, 1977, p. 24). However, in regulated and safety-critical industries, as demonstrated by the case study, market access is governed by whether the firm's certification and compliance capabilities meet the ones required by the target market. Indeed, Germany is inaccessible due to its requirements despite being culturally and geographically close to Italy. Regulatory distance therefore replaces psychic distance as market selection factor, which represents a modification of the Uppsala Model applicable to regulated industries.

Second, the regulatory context intensifies network dependency. The network approach states that firms internationalise by leveraging their positions in foreign markets (Johanson & Mattsson, 1988). However, in regulated industries SMEs with resource constraints

face more pressure and thus network embeddedness is a structural adaptation rather than a choice. Building proprietary regulatory compliance capabilities requires time and cost investments which SMEs often do not have. Hence, exclusive distribution agreements with partners who already have technically advanced products is often the only option to enter foreign markets with the available resources. This distinguishes the experience of SMEs in regulated industries from the basic propositions of the network approach which treats deep embeddedness as a strategic relationship decision to overcome the liability of outsidership (Johanson & Vahlne, 2009, p. 1421), without theorising the vulnerability of bilateral over-embeddedness when the partnership is disrupted (Uzzi, 1997, pp. 57-58). Often the participation in networks is an adaptation to requirements that can't be met independently by the company rather than a strategic choice. Johanson and Vahlne (2009) introduce the concept of liability of outsidership. However, this needs to be extended in regulated industries to include the liability of over-embeddedness which relates to the vulnerability of SMEs when their market position rests on a single partnership.

Third, if dependency is caused by regulatory complexity, the disruption of a partnership generates both a setback and forces the company to develop new capabilities. The termination of the contract with Company Y forced Genesi Protection to develop the proprietary design, production, and certification capabilities for the confined space sector. These capabilities, according to the Uppsala Model, should be accumulated incrementally after years of market engagement (Johanson & Vahlne, 1977, p. 26). The crisis however functioned as an acceleration, which is consistent with the argument of Welch and Paavilainen-Mäntymäki (2013, p. 15) that discontinuities and turning points needs to be included in internationalisation research. The study extends their argument by identifying the fact that the regulated industry context, in combination with bilateral network dependency, can help develop new capabilities. Indeed, for SMEs in regulated industries, crisis force the internalisation of capabilities that the structural dependency with the partner previously made superficial.

Lastly, the interaction of the three mechanisms produces a specific competitive advantage that is not identified in the Research Based View and can be labelled as regulatory adaptation capabilities. These capabilities can be defined as the capacity to monitor and anticipate regulatory change, build and maintain certification infrastructure across different

markers, navigate market-specific compliance requirements, and also leverage regulatory change as a source of competitive positioning instead solely as a compliance cost. In the case of Genesi Protection, these capabilities are in line with the VRIO criteria in a regulated industry context as they are valuable by determining which markets are accessible, rare because few competitors are able to develop all of them, inimitable since they are embedded in technical expertise gathered over time, institutional relationships built over the years, and organisational routines to manage certifications. Finally, they are not substitutable because they cannot be fully replicated without recreating the structural dependency problem that was originated from the crisis. The new EU standard emphasises this mechanism as firms with regulatory adaptation capabilities can gain competitive advantage from the compliance threshold, whereas less capable competitors will not be able to keep up. In this context, regulatory change is not only a compliance but a source of competitive repositioning that is available only to firms that have previously built regulatory adaptation capabilities, as also argued by Kitching et al. (2013).

Together, the four different mechanisms constitute the higher order contribution of the study to SME internationalisation theory. They are not to be seen as independent empirical observations, but as interconnected. The necessity for regulatory capabilities creates a structural pressure towards network dependency and in turn structural network dependency creates conditions under which crisis act as events for the development of new capabilities. Moreover, the development of new capabilities is the accumulation of regulatory adaptation capabilities that constitutes the firm's competitive advantage in international markets. This casual chain is represented in the revised theoretical framework in Figure 6, which repositions the regulatory and institutional context to be the overarching force that shapes the other theoretical relationships. The Uppsala Model, the Network Approach, and RBV are still relevant analytical lenses, but their predictions are modified by the regulatory industry context. Hence, the internationalisation of SMEs in regulated and safety-critical industries cannot be explained independently by one of the frameworks, but it requires understanding of the regulatory context and its connection to the theories. In the revised theoretical framework, Figure 6, the regulatory context is clearly shown as the higher-order mechanism that shapes the other theoretical aspects. The direct connections between the network relationships, Uppsala Model, RBV, regulatory context and the internationalisation path are still present. The bilateral arrow connecting the Uppsala

Model and network relationships is still present to emphasise their mutual reinforcement, as well as the one between network relationships and the RBV. However, the dotted arrows that connect the regulatory context and the other theories are labelled to show the overarching mechanisms explained in precedence. Hence, the three arrows from the regulatory context to the three theoretical lenses show that the regulatory context moderates how the framework operate. Instead, the direct arrow to SMEs internationalisation path shows that the regulatory context has direct effects on the internationalisation process itself by determining for example what products can be sold, what markets can be accessed or what certifications are required. Lastly, the dotted arrow connecting SMEs internationalisation and RBV emphasises that the internationalisation path can trigger capability building in case of crisis.

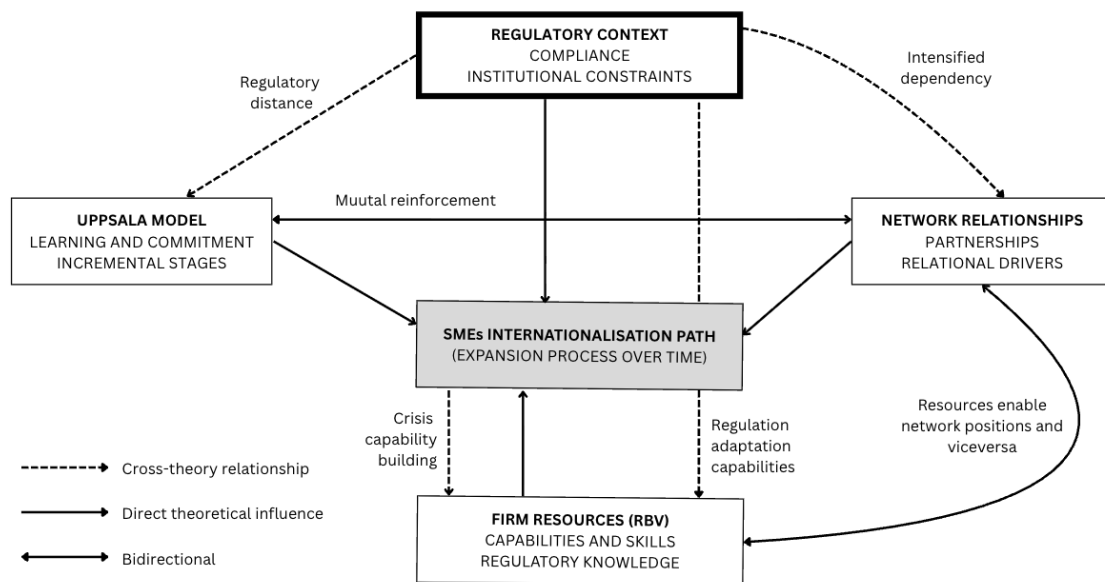


Figure 6. Revised theoretical framework.

Musso and Francioni (2014, p. 302) found out that most Italian SMEs do not follow a systematic approach for market selection and entry, but rather adopt a non-selective and passive behaviour. The case study on Genesi Protection confirms this in the early phases of internationalisation when market entry was driven by opportunistic contacts and necessity, relying on partners' compliant products to navigate regulatory requirements and learning by exposure. However, it also shows how firm's behaviour change and evolves

as they accumulate experience and resources, and the internationalisation trajectory shifts from reactive to proactive. Over time, the company developed its regulatory knowledge, production capabilities, and market presence to engage with international markets on its own terms by planning future market entries professionally.

6 CONCLUSION

The study's objective was to examine how the internationalisation process of an SME operating in a regulated and safety-critical industry unfolds over time, and to what extent it aligns with established internationalisation theories. In order to answer this question, a longitudinal qualitative single case study of Genesi Protection was conducted, an Italian SME specialised in the fall protection and confined space safety equipment sectors. Primary data was collected through three semi-structured interviews with the founder and CEO, sales director, and product manager, supplemented further by a follow-up interview and secondary sources including industry reports, regulatory documentation, and an existing academic study of the company.

The literature review identified four analytical lenses relevant to the research question which are the Uppsala Model (Johanson & Vahlne, 1977; 2009; Vahlne & Johanson, 2017), the network approach to internationalisation (Johanson & Mattsson, 1988), the Resource-Based View (Barney, 1991), and the regulatory and institutional perspective (Bell & Cooper, 2018; Kitching et al., 2013; Kumar, 2025). These lenses were integrated in a theoretical framework that conceptualises internationalisation as a dynamic and non-linear process which is shaped by the interaction of experiential knowledge, network relationships, firm-specific resources, and the regulatory-institutional context. Born global and innovation-related internationalisation models were not included in the framework since they don't apply to Genesi Protection's internationalisation process and OLI model was excluded as Genesi Protection does not adopt equity entry modes.

The findings reveal an internationalisation trajectory structured around six phases from domestic founding to a future expansion in extra-EU markets through exploration of foreign markets, partnerships, crisis and a strategic shift to manufacturing. This trajectory is not linear and gradual, but it was interrupted by crisis and strategic shifts that reshaped the firm's production model, market presence, and competitive identity.

The discussion assessed the alignment of the findings with four theoretical lenses. It revealed that the Uppsala Model's emphasis on experiential knowledge as driver for market commitment is supported in the specific case study. However, the gradualist assumption is challenged by the role of crisis as drivers for strategic transitions. The network approach

is strongly supported by the data, particularly through the role of partnerships as enablers for market access. It is also extended by identifying the possible disabling function of deep bilateral network dependency since relational embeddedness enables market entry, but also decreases the development of autonomous capabilities and creates vulnerability if the relationship is disrupted. The RBV provides an account of how the 360-degree integrated service model, a VRIO resource for Genesi Protection, is a source of sustained competitive advantage internationally. A dynamic capabilities perspective (Fiol, 2001; Barney et al., 2001) extends this analysis by capturing how the resource base evolved during the crisis and strategic pivots. Finally, the regulatory and institutional lens demonstrates that regulatory distance is a main market selection determinant and regulatory compliance capabilities are a distinct category of firm-specific advantage. Moreover, regulatory change can function as a competitive positioning mechanism rather than solely a compliance burden.

Overall, the findings answer the research question by showing that the internationalisation of a SME in a regulated and safety-critical industry unfolds through a non-linear trajectory and the regulatory environment is not a background factor but an active force. There is not one single established theory that can fully account for this trajectory, but the four lenses of the theoretical framework can be applied in combination to provide an adequate explanation.

6.1 MANAGERIAL IMPLICATIONS

The findings of the study carry practical implications for managers of SMEs that are considering internationalisation, in particular in regulated industries.

Firstly, the case study on Genesi Protection demonstrates that firms should invest in regulatory knowledge as a strategic asset instead of a compliance cost. Regulatory expertise like certification capabilities, participation in standard-setting bodies, and monitoring of regulatory change should be treated as a core organisational capability with VRIO characteristics. Indeed, they are valuable because they enable market access, rare because they require sustained investment and institutional embeddedness, inimitable because they are embedded in the firm's technical processes and employees, and not substitutable because regulatory compliance can't be based solely on generic capabilities (Barney, 1991, pp.

105-106). This is consistent with the argument of Kitching et al. (2013, p. 131) that regulatory change is not only a constraint but also an enabler for competitive positioning. Moreover, Fiol (2001; Barney et al., 2001, p. 627) argues that firms must adapt their capabilities based on changes in the competitive environment to be able to sustain their competitive advantage. Thus, firms should keep investing in regulatory knowledge and monitoring as a dynamic capability rather than a simple administrative function. This way firms can be better positioned to convert regulatory change into competitive advantage.

Moreover, SMEs should manage partner dependency actively and build proprietary capabilities in parallel. Exclusive distribution agreements carry a structural risk to become the load-bearing foundation for SMEs' international market position and cause disruptions if abruptly terminated. Exclusive partnerships can offer an efficiency entry mode for SMEs that lack resources and cannot initially bear the cost of in-house product development or regulatory certification (Child et al., 2022, pp. 11-12). However, managers should invest simultaneously in proprietary product catalogues, regulatory compliance, and relational capabilities to reduce the potential partner dependency over time. This managerial recommendation is in line with the argument by Uzzi (1997, pp. 57-58) that firms embedded exclusively in a small number of deep bilateral relationships can experience structural entrapment and network ties can become a constraint.

In addition, trade fairs should be used as long-term positioning tools rather than short-term sales events. Johanson and Vahlne (2009, p. 1423) argue that network positions are an important factor in the internationalisation process since opportunities can arise from relationships. The attendance to trade fairs is one of the main scenarios through which network positions can be built over time as they function as arenas to build relationships and position the company with respect to competitors across editions rather than immediate commercial outcomes and direct sales (Blythe, 2002, pp. 628-630). Indeed, the A+A fair in Düsseldorf was central for Genesi Protection's progressive position in the European market even if the returns were not immediate. Thus, managers should plan for a presence over multiple editions and measure their success in terms of network positions created and brand recognition increase, not just sales outcomes.

Finally, the most significant development in Genesi Protection's internationalisation is the ability to treat setbacks as opportunities to develop new capabilities. This ability was

gained over time. Indeed, the resource base of a firm must evolve in response to shifts in the environment and the firm must develop dynamic capabilities (Fiol, 2001; Barney et al., 2001, p. 627). Vahlne and Johanson (2017, pp. 1087-1088) emphasise that capability-building processes are the engine of internationalisation. In this specific case study, the transition to in-house manufacturing and the development of a complete proprietary product catalogue emerged from conditions of crisis that led to strategic decisions. Therefore, managers should build organisational cultures oriented toward learning from disruption and adversity.

6.2 RESEARCH LIMITATIONS

In addition to the limitations of primary data collection analysed in Section 3.4.2, there are other limitations of the research to take into consideration. The first derives from its single case study design and restricted capacity for statistical generalisation (Yin, 2018, p. 75). The findings of the study report the specific internationalisation experience of one Italian SME in the fall protection industry and cannot be translated to other firms, industries, or national contexts. As discussed in Section 3.2.3, the study seeks analytical rather than statistical generalisation, but readers should bear this limitation in mind when assessing the applicability of the conclusions.

Moreover, interviews were conducted in Italian and subsequently transcribed and translated by the researcher. This approach maximises the expressiveness of the interviews, but some nuances could be lost in the translation. Particular care has been taken to ensure that the meaning of key passages is accurately represented, and the reported citations have been double checked to make sure to maintain the original meaning.

Lastly, limited secondary documentation is considered a constraint for the research. Yin (2018, pp. 46-49) emphasises that case studies benefit from the use of multiple data sources to triangulate the convergence between documents, interviews and other evidence and strengthen the credibility of the findings. In contrast to studies on more established firms that allow access to substantial archive of corporate documents and financial reports, the secondary documentation available for Genesi Protection is limited primarily to publicly accessible marketing materials and industry reports. Additionally, internal strategic documents were consulted by the informants but not made available to the researcher.

This means that the historical reconstruction of the internationalisation process is based mostly on interview data and some details relating to precise timelines and financial thresholds could not be independently verified. This is also supported by Saunders et al. (2023, p. 343) who argue that secondary data offer potential access to a wider variety of data.

6.3 SUGGESTIONS FOR FUTURE RESEARCH

The study opens directions for future research that could extend the understanding of SMEs internationalisation in regulated industries. The first possible extension is a comparative case study that examines the internationalisation of multiple SMEs in the fall protection or adjacent and similar safety equipment industries or across different national contexts. Herriott and Firestone (1983; Yin, 2018, p. 91) argue that evidence from multiple case studies is more convincing and resilient. Moreover, Yin (2018, p. 91) argues that multiple case studies allow replication and to test the patterns identified on other firms. A comparative approach would enable analytical generalisation at a higher level of confidence and allow the researcher to assess if some patterns identified in this case study such as the role of crisis, the disabling function of bilateral network dependency, or the use of regulatory change as competitive strategy are specific to the firm or are characteristics of SMEs in regulated industries. Dabić et al. (2019, pp. 720) call for longitudinal and comparative studies to capture adjustments and learning effects. Therefore, a multiple case study design or combination of qualitative case analysis and survey data could be used to assess the generalisability of the patterns identified across a broader population of SMEs operating in safety-critical contexts.

Second, the concept of regulatory distance as market selection determinant is a theoretical and empirical development that could be analysed more in depth. Johanson and Vahlne (1977, p. 24) identifies psychic distance as the primary factor for market selection. However, the findings of the study suggest that in regulated industries regulatory distance, the degree to which regulatory requirements differ in different markets (Kumar, 2025, p. 651), operates as market selection filter. Institutional distance literature (Kostova & Zaheer, 1999; Bell & Cooper, 2018) provide conceptual starting points, but none of them was designed to capture regulatory distance in safety-critical contexts or their interaction for

market selection decisions. Thus, further research could develop a more precise conceptualisation of regulatory distance and its components of certification requirements, liability regimes, and standard-setting processes to test its predictive power for market selection decisions in regulated industry contexts.

In conclusion, the disabling function of bilateral network dependency that was identified in the study requires further theoretical development. The network approach to internationalisation (Johanson & Mattsson, 1988; Johanson & Vahlne, 2009) has focused on how relationships enable market entry and knowledge acquisition, however in some cases network embeddedness can become a source of strategic risk and fragility rather than strength. Uzzi (1977, pp. 42-43) identify the conditions under which embeddedness can become disabling but does not examine the mechanisms through which regulated industries amplify this risk by raising the incentive to form partnerships and the setback when they end. The disabling dimension is undertheorized in existing literature and, as argued by Welch and Paavilainen-Mäntymäki (2013, p. 15), the discontinuities in the internationalisation process remain insufficiently examined. Such research would represent a significant contribution to the network approach to internationalisation and SME internationalisation literature.

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APPENDICES

Appendix 1. Interview guide

Information Statement

Researcher:

Interviewee:

Date:

Location:

Research question: How does the internationalisation process of an SME operating in a regulated, safety-critical industry unfold over time, and to what extent does it align with established internationalisation theories?

Introduction

The aim of the research is to understand how small and medium-sized enterprises (SMEs) operating in regulated and safety-critical industries expand internationally over time. The study focuses on the internationalisation process of the company, including key decisions, challenges, and learning mechanisms encountered during expansion into foreign markets. This interview is part of my master's thesis research, my name is Marta Tomasoni, and I am a master's student in International Business at the University of Pavia and University of Vaasa.

All information collected during the interview will be used only for academic research purposes. The results will be presented in an aggregated form and sensitive information will not be disclosed. If at any point you feel uncomfortable answering a question, you may skip it or stop the interview without any consequences. Before starting, I would like to ask for your consent to participate in this interview and to record it for transcription purposes. The recording will only be used for research analysis and stored on my personal computer, together with the transcription of the interview.

Questions

Theme 1. Background of the company

Question 1. What is your role within the company, and how long have you been working here?

Question 2. Could you briefly describe the company's main activities and how it has evolved since its founding?

Theme 2. Internationalisation process

Question 3. When did the company first start considering internationalising, and what were the main motivations behind this decision?

Question 4. Were there specific events, opportunities, or circumstances that triggered the initial expansion?

Question 5. In which international markets did the company first operate, and why were these markets selected?

Question 6. In which markets is the company active at the moment?

Question 7. Have networks, collaborations, partnerships, or industry contacts played an important role in the company's international expansion?

Question 8. What entry modes did the company use in the early stages of international expansion (for example, distributors, partnerships, direct sales)?

Question 9. How have initial contacts or collaborations evolved into long-term partnerships?

Theme 3. Challenges in a regulated industry

Question 10. What are the main challenges the company faced during its international expansion?

Question 11. How do regulatory requirements and safety standards affect international expansion in your industry? (for example: certification requirements, technical standards, documentation and compliance)

Question 12. Have products or solutions needed to be adapted to meet the specific conditions or requirements of foreign markets? Can you provide examples where product design had to change due to local conditions?

Question 13. Do you believe is innovation for competing in international markets?

Question 14. How do regulations influence the complexity of entering new markets?

Theme 4. Longitudinal approach

Question 15. Looking back at the company's internationalisation journey, were there moments of failure or setbacks that significantly influenced the strategy?

Question 16. Looking at the company's internationalisation journey, would you describe it as gradual and step-by-step or more opportunity-driven?

Question 17. If you think about the company's internationalisation, what would you identify as the key phases or milestones that marked the company's expansion into foreign markets?

Theme 5. Internationalisation strategy

Question 18. Which international markets are currently the most important for the company?

Question 19. What entry modes does the company currently use to expand internationally?

Theme 6. Reflections

Question 20. Which internal resources or capabilities of the company have been most important in enabling the firm to expand?

Question 21. Has the company expanded gradually by accumulating experience over time? If so, do you believe the experience gained over time helped with future expansions?

Question 22. In your view, have networks and partnerships played a greater role than internal resources (technological expertise, managerial experience, or organisational capabilities) in supporting international expansion?

Question 23. If you were advising another SME in a regulated industry that wants to internationalise, what recommendations would you give?

Question 24. What are the company's main international growth objectives for the next few years?

Contact information

If you have any questions about the study or would like to withdraw your responses, you may contact me, Marta Tomasoni, through my mail: x4551249@student.uwasa.fi.