Virtual teams make SMEs leap like frogs
A research regarding how virtual teams influence the internationalization process within a SME.

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Abstract
The purpose of this thesis is to examine what impact the new phenomena of virtual teams have on a Swedish SMEs internationalization process. The method of the thesis was decided to be a qualitative study, together with an abductive approach. The data was collected by interviewing managers from six different SMEs that have implemented virtual teams in their organization. All companies are located in Sweden, and are active on the international market, or aim to be internationalized in a near future. Multiple theories are presented in the theoretical framework, the theories chosen to support this thesis are Internationalization, Small-medium enterprise, Virtual teams vs physical teams, and cultural dimensions influencing the team. Based on the theories, a conceptual framework model was developed to show the connection between the mentioned theories. All findings extracted from the interviews is presented in the empirical findings chapter, where the primary data describes each case answers regarding the specific topics and theories. The analysis chapter visualizes the connection between empirical findings and the different theories, presenting advantages and challenges when using a virtual team. The conclusion of the thesis show that implementation of virtual teams can help Swedish SMEs leap over stages in a classical internationalization process. The thesis intends to influence managers of SMEs to implement virtual teams to digitalize their company, or to make their internationalization process easier. Ending the thesis with recommendations for future research.

Keywords
Virtual Teams, Physical Teams, Team, Technology, Internationalization, Uppsala stage model, Network approach, Culture, Challenges, Advantages, Management, SMEs.

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1 Introduction

This chapter consists of a background and a problem discussion regarding the main concerns and subjects which this thesis is based on. Based on the problem discussion, one research question has been produced to highlight the focus of this thesis. Lastly, a formulated purpose is described. The purpose together with the research questions will pose as a platform and guide the design of this thesis and will be further analyzed in the analysis stage and conclusion.

1.1 Background

In 1997, Reuber and Fischer conducted a research, examining why some small and medium-sized enterprises (SMEs) had a better success selling internationally than other SMEs in the same industry. Their findings showed, that the management team of SMEs with a lot of international experience was more likely to be successful. The international experience had given the managers a better understanding of foreign strategic partners and could therefore start with foreign sales faster when starting up. The managers behavior was associated with a high degree of internationalization (ibid). However, this research was conducted over 20 years ago, and a lot has changed. The new world of a digitalized market is slowly taking over as some traditional physical workplaces are struggling to survive. As the generations growing up with technology and internet starts their first jobs, an increasing digitalized power is growing. According to Nakache, there is a certain comfort linked with the internet generations to purchase online (Nakache, 2010). Our society is striving towards a more virtual society. Sales are no longer necessarily made in physical stores, but through a virtual world. Meetings are no longer held in person, but over skype.

The continuous technological development since 1997, has caused organization to overthink their structure. Today’s highly developed infrastructure is used to pioneer for a more virtual perspective on teams within an organization (Gilson, Maynard, Young, Vartiainen, Hakonen, 2014). This has resulted in a trend of using ‘virtual teams’ within organizations. Virtual teams enable a team in a global organization to have meetings virtually online, transcending time and space (ibid). Global virtual teams are by Daim, Ha, Reutiman, Hughes, Pathak, Bynum and Bhatla (2012) generally described as teams that are located within a geographical and cultural distance to each other and can work together towards a shared goal through electronic communication. Virtual teams appear in global environment, as well in local environments such as the same country, city or company (Society for human research, 2012). Virtual teams are a flexible way of working, rapid changes and dissolvements follow the teams as the markets change over time. Global virtual teams are characterized by their diversity in time and geographical connectedness, in addition to this most team members are spread among several projects with different deadlines and priorities (Daim et al., 2012).
Research shows that organizations that are active in multiple countries have applied the virtualness perspective in their organization by using virtual teams. According to ‘Society for human research (2012) (now referred to as shrm)’, 66% of the multinational organization are using virtual teams. The amount of organizations using virtual teams are predicted to increase even more. A survey by 'Institute for corporate productivity’ 80% of the respondents believed that virtual team would become more commonly used in organizations (PR, 2008).

Meanwhile organizations adapt to a more virtual environment, there is an internationalization trend among Swedish SMEs. A recent large study showed that 25% of all SMEs in Sweden is labeled as international (Nordensky et al., 2014). Internationalization is important for businesses since it gives the companies opportunities to become more competitive on the market. The companies that are successful in taking the steps out to the international market, have a brighter future ahead of them (ibid). For a company to internationalize, Vahlne and Johanson (2013), argues that it is a result of an opportunity that arises from interactions with one or multiple contacts. The interactions create a relationship with learning and commitment building, and when the relationship is crossing country borders its labeled internationalization.

The society and work environment that existed 20 years ago does not exist anymore. The society has been digitalized and has gone from a ‘physical world’, to more of a ‘virtual world’. The technology development has changed the way businesses are done, into a more complex, faster and productive way. Virtual team is a fast and flexible way to communicate across geographical borders (Daim et al., 2012). It creates an opportunity for companies to interact with new foreign contacts, to build relationship and commitment with, resulting in internationalization (Vahlne and Johanson, 2013). The researcher of this study believes that there is a clear relationship between the increase of virtual teams, and the increase of international Swedish SME’s. Therefore, this thesis will examine the relationship between virtual teams and internationalization of Swedish SME’s.

1.2 Problem discussion

Teams are not a new phenomenon within organizations today, it is a way for the organization to delegate power to a group of employees to complete objectives (Geisler, 2002). A newer phenomenon is virtual teams which is a subject that there is relatively little research about, concerning that 66% of multinational companies are frequent users of them (Shrm, 2012). What makes the team virtual, is the use of electronics in order to generate a flow of information from one person to others, creating a communication (Geisler, 2002). The virtual phenomena are very well explored by today's society, concerning the usage of computers, tablets and smartphones allowing everyone to be online “at all time” (Vorderer, Krömer and Schneider, 2016). This enables people in a
society to interact with others, in the domestic market, foreign market and virtual market, making today’s generation more internationalized. This causes the newer generation to take virtual teams for granted, and therefore have ease of adapting to the virtual environment in a SME business context (Gilson et al., 2014). On the other way around, managers of the older generation might have a hard time adapting to the virtualness of teams.

For SMEs to survive the fierce market, the firms must internationalize to increase their competitiveness. A recent study showed that firms that internationalize often generate better and long-lasting results than competitors that stay on the domestic market (Nordensky et al., 2014). SME’s that are international have a stronger belief on their future, they are more committed more efficient, and have a higher desire to expand (Nordensky et al., 2014). Incubators helping SMEs develop and grow often have criteria’s that the companies need to have to be admitted entering the internationalization incubator program today (Kalmarsciencepark, 2018) Strengthening the need for companies to internationalize, not just only to reach a bigger market, and gain more profits, but to survive and develop. Even though it is important for SMEs to internationalize, it is hard to become established on the international market when competing against large-scale enterprises (LSEs), which are the most dominant type of firms on the international market (Nordensky et al., 2014).

Large-scale enterprises have a higher success rate on an international market due to their leverage in financial and human resources. These resources give the larger firms more experience and knowledge about the international market and environment, beside their financial capital to support the expansion (Hollensen, 2017). For a small firm lacking the financial and human resources compared to an LSE, the firm needs to implement a well-developed and good international marketing strategy (ibid). An advantage for smaller firms, is that they are faster and more flexible, and can therefore adjust to situations better and often make decisions easier (ibid).

The distance from top to bottom in the organization hierarchy is closer in an SME than in an LSE, but the whole organization is still controlled as one unit from the top of the pyramid (Hollensen, 2017). Which can make the decision process in an SME complex, depending on how the power and control is divided in the organization. The number of people who are involved in the top management is an important aspect. Is there a CEO/founder that single handedly controls the firm or are there multiple people in a team that are in charge together (Reuber and Fischer, 1997). An aspect that could make the decision process more complicated is if the management team are spread around the world, in different countries. An international management team is more or less required to use virtual teams, for them to be efficient.
Organizations today use virtual teams to be able to: use talents that are located in different geographical locations, increase knowledge sharing and teamwork with international colleagues, improve productivity, minimize cost of expensive travels, hotels, and finally to become more global (SHRM, 2012). However, there are a few barriers and negative aspects of using virtual teams except the mentioned benefits above. Reports show that the relationship between the members in a virtual team are weaker, and the distribution of work is challenging. Another barrier that comes along when being an international team with different nationalities is the cultural distance, and what type of leadership style the manager should apply for that team (ibid).

The geographical distance between members also bring on another challenge, the time differences. The different time zones generate a communication gap in the sense that urgent responses can be delayed or missed due to the time differences between the members. Communicating through electronic messages is more time consuming compared to face-to-face communication. Individuals tend to take more time on thinking over their answers, how they formulate themselves and tend to leave out some details that they would have mention verbally (Scott et al., 2012). This causes the members to wait for a reply or a decision, making the communication very time consuming (Scott et al., 2012). Donna Flynn, Director of Steelcase Workspace Future, whom is using virtual teams in their organization daily points out the challenges with time differences and planning. The time-zone makes it unrealistic for her to expect that all colleagues could be able to attend simultaneously. Since the time in Colorado is 6pm, when it is 2am in Paris for example. Arguing for how important the organizing factor is in GVT (Harvard business review, 2018). To have a well-organized structured work plan helps the GVT members to guide them towards the common goal of the team. The structure is important for the GVT to be effective, the members need deadlines, formats, documentation to reduce conflicts and it also helps to build trust and increase interactions within the team (Scott et al., 2012). According to research, GVT’s leader have a difficult time supervising their members in a virtual environment, and therefore have a hard time reaching their optimal performance due to the gap in the communication that occurs in a virtual workplace (Scott et al., 2012).

Management team’s behavior and decision were reported by Reuber and Fischer (1997) identified to be very influential by their previous experiences and knowledge. The more the management team has been exposed to foreign markets, the higher their desire to internationalize. The study mentioned contributing factors to foreign market exposure to be: if the members in the management team were bilingual, had traveled a lot, or if the members were born abroad or had lived abroad (Reuber and Fischer, 1997). This phenomenon is more recognized as “managerial urge” and described as the commitment and motivation to internationalize (Hollensen, 2017).
The management team must decide how they want to deal with the members managerial urge. The most efficient way to handle an internationalization process within a global organization could be argued to be, by using a virtual team. Benefiting from the advantages that comes a long using a virtual team in a global environment with; transcending time and space, and knowledge sharing within the organization in an efficient manner to achieve the common goal (Scott et al., 2012). The organization needs to work with overcoming the challenges that a global virtual team brings as well. The geographical distance between members in the team means challenges in cultural dimensions, and in organizing (Hofstede, G.J. Hofstede and Minkov, 2010). Pinpointing how crucial it is for the organization to be well-structured and have a smooth communication for the teamwork to actually work (Scott et al., 2012).

1.2.1 The research gap

Based on the problem discussion listed above, a research gap has been identified as lack of research regarding how international SMEs implement virtual teams in their organization. This thesis will therefore investigate the virtual team phenomenon in international SMEs based in Sweden. Furthermore, identifying barriers and drivers that impact the company’s internationalization process and performance. There is also a need to understand the virtual team’s functions in a SME with the ongoing technology development, and generation shift in many management teams.

Members and managers need to be aware of the different cultural norms and behaviors. Studies have shown that these factors make a virtual team hard to manage (Hofstede et al., 2010). One of the best things with virtual teams is the knowledge sharing. However, this is done in different ways in the various cultures (Scott et al., 2012). The Asian culture is more complex when it comes to knowledge sharing, managing critic and feedback. “Losing faces” is a sign of weakness and disrespect in their culture. This is a result of what Hofstede calls a low-context cultural, meanwhile culture in Europe are more towards high-context culture (Hofstede et al., 2010). Reports state that there are less knowledge sharing among members from different cultures due to high- and low context cultures (Scott et al., 2012).

Previous research on subjects surrounding physical teams are: Reuber and Fischer, 1997; D’Souza and Colarelli, 2010; Lloyd and Härtel, 2010, regarding virtual teams D’Souza and Colarelli, 2010; Daim et al., 2012; shrm, 2012, and concerning SMEs Abouzeedan, 2011; Acs and Yeung, 1999; Golovko and Valentini, 2011.
Problem definition

We have concluded that as our society is becoming more dependent on technology, there is a need to better understand virtual teams in relation to international business. We believe that the result of our research could be of interest to managers who want to digitalize their company or internationalize their organization. We have identified a few crucial factors regarding challenges for a virtual team in a SME, and therefore we have identified one main research question.

1.3 Research question

After researching, discussing and identifying the problems that could occur in virtual teams, we developed the following research question.

- How do Virtual teams influence the Internationalization process in Swedish SMEs?

1.4 Purpose

The purpose of this thesis is to analyze the relationship between the increase of international Swedish SMEs, and the trend of implementing virtual teams. Identifying how virtual teams can affect an internationalization process within a SME. As a result of the technological development, we believe that more SMEs have a managerial urge, due to the access of modern technology and are able to implement virtual teams transcending time, space and organizational boundaries. With this thesis we want to enlighten the reader of the challenges that comes with managing an international company using virtual teams, through a qualitative research based on hands-on, real-world experiences from companies that are in this situation. The authors hope that this thesis will help managers develop a successful global virtual team.

1.5 Delimitations

This thesis will only collect information from Swedish SMEs that are currently active or looking to be on the international market. Moreover, the thesis will be focused on the management aspect of virtual teams in international SME companies. Furthermore, this thesis will not focus on the entire internationalization concept, rather, how the usage of virtual team can influence the internationalization process of a company?
2.0 Literature review

In this chapter, the theoretical framework is presented. The chapter starts by introducing the phenomenon internationalization. Moreover, theories regarding culture, teams and SMEs are presented, providing the reader with the essential information about the researched subject. The purpose of this chapter is to present the reader with a framework, conceptualizing the theories and provide the reader with a model showing the relation between the theories.

2.1 Internationalization

The phenomenon called internationalization is a concept widely discussed and researched within business. Johanson and Vahlne (1977) early indicated that internationalization of firms is the companies process of gradually increasing their presence in international involvements. Johanson and Vahlne’s indication of an internationalization process model proceeding gradually has later been described as the bedrock of modern societies process research in international business. The model, also known as the Uppsala model or stage model, provides a general framework which is useful for interpreting increases and decreases in resource commitment a company puts into an international operation (Johanson and Vahlne, 1977; Santangelo and Meyer, 2017). Johanson and Vahlne’s revolutionizing model focuses on the development of the individual firm, in particular, the integration into a foreign market and the use of knowledge of foreign markets as an advantage to the internationalization of the company. The authors argue on the basic assumption that companies lacking the necessary knowledge about foreign markets will have a harder time developing their company in an international market. However, it was further argued by the researchers that the knowledge necessary to develop in a foreign market is mainly acquired through operations abroad.

In a later article, Johanson and Vahlne (2013) further describes the obstacle of foreign investment as the psychic distance between the home country and the foreign country. The concept of psychic distance takes the model further showing that Swedish multinational companies wanting to internationalize their operations, do so by developing their operations in markets close to their home-market because of the in general low psychic distance (ibid). Initial arguments by the researchers indicate on the correlation between psychic distance and uncertainty, the balancing of uncertainty showed an interrelationship between internationalization and small investments indicating that companies try to balance the risk and modes of entry (ibid). However, Johanson and Vahlne (2013) later discovered that the level of uncertainty is not dependent on how far the psychic distance is for the entire company, rather, the psychic distance between the managers and the foreign company. Reuber and Fischer (1997) adds to the concept behind psychic distance between managers and foreign companies arguing that experienced management teams have a lower level of uncertainty working with foreign markets. The authors indicate on the correlation between the behaviors of a manager with a higher
degree of internationalization and the lower levels of uncertainty. Adding this to the Uppsala model depicts the interrelationship between psychic distance and experienced managers impact on the internationalization of companies (Johanson and Vahlne, 2013; Reuber and Fischer, 1997).

Obtaining sales outside of the domestic market is one of the more common objectives of an internationalizing company. Reuber and Fischer (1997) states that younger firms have a disadvantage in comparison to older companies when internationalizing because they lack the experience and credibility needed to establish themselves on a foreign market. A relevantly new theory concerning the process of internationalizing younger companies is the born global theory created by Michael W. Rennie in 1993 (Knight and Liesch, 2016). Knight and Liesch (2016) describe the concept behind born global as an internationalization strategy that did not follow the “normal” internationalization patterns of taking incremental steps into the international market, rather the contrary, they were born global.

The newness of the born global concept is suggested by Oviatt and McDougall (1994) to have missed an essential part in the analysis of firms that internationalize. Oviatt et al. (1994) argue that because of the narrowed focus on large multinational enterprises (LMEs) previous research have missed to take into consideration small multinational enterprises (SMEs). Cavusgil and Knight (2004) argue that the features that separates a company from a born global company are the management’s global focus, furthermore, a great deal of focus is put on committing a larger amount of resources to international activities.

Knight and Liesch (2016) further argue against Reuber and Fishers (1997) disadvantage statement that even though born global companies are generally characterized as younger SME firms with less experience in the international market, and therefore should be in a disadvantage compared to larger scale enterprises (LSE) whom generally are more experienced, reality shows differently. Cavusgil and Knight (2004) state that despite the limited amount of financial, human and tangible resources characterizing most companies in an early stage, these companies leverage knowledge, innovativeness and other capabilities enabling them to reach success in a foreign market at an early stage. The ability to leverage the early internationalization and the capabilities listed above suggested by Cavusgil and Knight (2004) is the reason why born global companies are achieving a superior performance compared with the traditional internationalization patterns.

Internationalization has been described as both a gradual and instant process, however, Oviatt and McDougall (2005) adds an internationalization strategy based around an individual's network. Johanson and Vahlne (2013) acknowledged the increasing
importance of networks in an internationalization process. In the revisited Uppsala model, Johanson and Vahlne (2009) indicated that the internationalization process of a company is no longer guided by the psychic distance to the same extent, but more guided by the network and the liability of being on the outside. The researchers further argue that a successful internationalization comes from “insidership” at the same time as there is a liability in “outsidership” (ibid, p. 1411).

In addition, Oviat and Mcdougall (1994) states that network relations invite to collaborations mainly through trust and moral obligations. Johanson and Vahlne (2009) further adds and strengthens Oviat and McDougall’s statement by highlighting two features guiding an internationalization process. Firstly, in accordance with Oviat and Mcdougall (1994), Johanson and Vahlne’s revisited model states that trust in the network relations is the first key to an insider position to a foreign market (Johanson and Vahlne, 2009; Oviat and Mcdougall, 1994). However, gaining trust is not the perceived goal, rather the means to enter a new market (ibid). Secondly, the researchers suggest that outsidership is the root of uncertainty, avoiding uncertainty can only be done by the creation of new relationships, strengthening the current collaborations and building trust in them (ibid).

Furthermore, the current era of globalization and cutting-edge technology have allowed internationalization processes to mitigate the barriers and obstacles earlier suggested by Johanson and Vahlne (1977). The elevated communication capabilities and easier access to an international network have enabled more companies to internationalize both when exporting and importing (Nordensky et al., 2014).

Internationalization Questioned

Throughout the past decade a wide number of researchers have questioned the process of internationalization focusing on the stage models. Moen and Servais (2002) discusses the question if SME export companies internationalize gradually or are in fact born global. As several previous researcher such as Cavusgil (1980) and Johanson and Vahlne (1977) have indicated, internationalization occurs gradually, however, recent research indicating on firms being international from the start contradicts one of the more traditional previously accepted theory. McDougall, Shane and Oviatt (1994) further argue that the traditional gradual theory has failed to explain why born global firm’s chose to compete international rather than staying on the domestic market. Moen and Servais (2002) study the time difference of export, companies whom waited a longer period showed a lower level of ability to internationalized compared to a company which internationalized within the first years.
2.2 Small medium enterprise (SME)

The growing recognition of SMEs role in society and their impact on the global and regional economic recovery is crucial to start recognizing according to (Ayyagari, Beck and Demirguc-Kunt, 2007). However, little research has been done in backing the various policies which are supporting the expanse of SMEs, Ayyagari et al. (2007) argue that this is due to lack of data about SMEs. Acs and Yeung (1999) strengthen the lack of data and state that little is known about how SMEs participate to the global economy. Even though there is little data stored about SMEs, evidence show that SMEs not only flourish on a domestic market, but as well on the international market (ibid).

The term SME is covered by a wide range of definitions changing depending on the country which describes the phenomenon. Ayyagari et al. (2007) describe the term SME as a formal enterprise with a set number of employees, total net assets, sales and investment level. However, the most common way SMEs are defined are by defining the number the employees working in the firm. Ayyagari et al. (2007) argue on a number of employees between 1 – 250 as to define if a firm is in fact an SME or a Large-scale enterprise. However, Acs and Yeung (1999) further continue the argument that SMEs are defined differently depending on the country and state that in the United States the number is between 1 and 500 while Europe is a little bit lower between 1 and 300.

The role that SMEs play in economies are increasing, recent analyses suggested by Acs and Yeung (1999) state that markets currently in development does not only provide SMEs with huge opportunities, but also count on SMEs as a critical factor to the economic growth of the market. The weak and vulnerable older definition of SMEs are turning more towards a market definition that is more dependent on SMEs and classifying them as a necessary pillar in the global market (ibid). Acs, Morock, Shaver and Yeung (1997) describe the importance of small and medium sized enterprises to the economic growth as linked to the phenomenon called creative destruction. The correlation between creative destruction and SMEs is the level of innovation, Acs et al. (1997) proclaimed that product and production innovation was higher in SME firms compared to LSE firms. The authors argue that the temporary monopoly an innovation brings, though they are costly, are an essential part of the evolution of the market. It is further argued that even though the innovations are costly, and LSEs are most able to develop the innovation, it is mainly SMEs within the corporations that produces the innovation (ibid). The creative destruction which innovative SMEs bring pushes the market forward always renewing itself, Acs et al. (1997) state that this is one fundamental force behind the increase of SMEs in the market.

Reuber and Fischer (1997) further argue that the disadvantage SMEs have against LSEs have been challenged in recent years. Moreover, the authors discuss the relevance of
experience and size regarding internationalization, the authors argue that because of the low number of variance in export behavior the relevance of the firm size becomes irrelevant in an internationalization process (Reuber and Fischer, 1997; Karagianni and Labrianidis, 2001). Furthermore, it is argued that the relevance of experience of a foreign market is questioned because of the emergence of firms which are international from the start (ibid). Phenomenon’s as the one mentioned previously, born global, are international from an early stage which is in line with Reuber and Fischer’s (1997) theory that experience is not as relevant as in previous years. However, the authors further argue that the experience of the founder or management team is likely influencing the firm’s actions and behaviors which will inevitably impact the performance of the firm.

Challenges and advantages with SMEs

Growth plays a vital role in the success of SMEs, without growth SMEs face a higher likelihood of not surviving the global market (Golovko and Valentini, 2011). LSEs have for many decades led the international market with their considerable experience in foreign trade and substantial financial possibilities whereas SMEs have been thriving on the domestic market (Karagianni and Labrianidis, 2001). In recent years on the other hand, the opening of the international market has increased the possibilities of SMEs, the authors further state that SMEs have increased their presence to secure a long-term survival and growth. It is argued by the authors that even businesses which operate primarily on the domestic market need to internationalize to survive (ibid). The increased support SMEs have received from the EU and nations outside of the EU on the global market have lowered barriers which would normally hinder the growth of an SME resulting in an increased open market (Karagianni and Labrianidis, 2001). However, according to Golovko and Valentini (2011) there are several factors influencing the success of the firm such as size, financials, innovation and experience.

The two factors influencing SMEs in a positive way the most are their ability to flexibly handle any new problem because they have the possibility to react to issues without being restrained by concerning partners and investors (Karagianni and Labrianidis, 2001). The second factor which gives SMEs an advantage is their innovative advantage-seeking behavior. The ability to have close relations with subordinates and decision makers and their flexible manner gives SMEs the ability to quickly and efficiently integrate inventions created by the firm’s development apartment (Karagianni and Labrianidis, 2001; Acs and Yeung, 1999). However, SME firms are more times than not confronted with unique challenges on the international market, challenges such as market power, imperfect information, size and economical restraints creates a level of uncertainty deterring SMEs from internationalizing (Karagianni and Labrianidis, 2001). According to the authors, uncertainty is one key factor influencing the environment and success of an SME. The inability to compete with prices because of larger firm’s market power and a relatively small customer base causes the SMEs internationalization process to be more
uncertain than their counterpart LSE. Two factors which have impacted firm’s success on the global market throughout the decades are the size and economical possibilities, the constraints limited resources emanates is according to the authors a considerable constraint in the development on the international market (ibid).

The size of the firm has during these last decades be discussed whether it upholds the same power in the global market, according to recent research size have less and less impact on the success of an SME since the change of policies of states and the EU made it easier for them to trade (Karagianni and Labrianidis, 2001; Acs and Yeung, 1999; Golovko, Valentini, 2010). Furthermore, experience have been discussed to play a larger role in the success of companies, however, as was suggested in the internationalization chapter, more and more companies turn up as global from the start or gradually globalizing and therefore should have low experience in the market (Johanson and Vahlne, 1977; Nordensky et al. 2014; Cavusgil et al. 2004; Reuber and Fishers, 1997; Karagianni and Labrianidis, 2001). Karagianni and Labrianidis (2001) further argue on the behalf of the SMEs that the fewer experts the firm have the more personalized and fast firms act according to the market.

2.3 Virtual teams vs physical teams:

Teams are a commonly used form of work design, which a lot of organizations use of some kind. The purpose of the team can differ widely, from problem solving, to product development, decision making and quality control (D’Souza and Colarelli, 2010). A long with the rapid technology development and increase interest in internationalization a new form of team has reached today’s organizations, the virtual team (Daim et al., 2012; D’Souza and Colarelli, 2010).

A virtual team is a group of individuals who interdependently work towards achieving a shared purpose transcending geographical location, time and organizational boundaries using modern technology (Gilson et al., 2014). The technology allows the members of the team to be physically separated from each other but causes the members to be dependent on well-working technology in computers, tablets, smartphones and internet. These factors are crucial for a virtual team to make their information exchange efficient (D’Souza and Colarelli, 2010). The physical distance causes difficulties in creating strong bonds and relationship between members in the team (Shrm, 2012). However, the absence of physical contact allows virtual teams to focus more on the individual’s skills when recruiting new members, more than the appearance (D’Souza and Colarelli, 2010). Studies have found that virtual teams are a very effective work design when it comes to idea-generation and brainstorming tasks, since it often has fewer bothering moments, causing fewer interruptions and more equality in participation among the individuals (Daim et al., 2012; D’Souza and Colarelli, 2010).
On the other hand, physical teams are formed by individuals that are physical and meet face-to-face, and work together with a shared purpose. Communicating face-to-face is the most effective way, since it includes non-verbal expressions, resulting in stronger relationship ties between members, and a better team cohesion (D’Souza and Colarelli, 2010). When the members meet physically daily, the degree of trust increases, when the team knows that everyone shows up and performs what is expected of them (ibid). Meeting face-to-face reveals personal characteristics that influence the members perception, for example physical attractiveness, race, gender and attitudinal similarity. These perceptions can cause the team to lose focus on their shared purpose, studies have reported that physically attractive individuals are more likely to succeed in a recruiting process. Causing the team to recruit a more physically attractive individual over the more skillful and experienced individual with less attractive appearance (ibid).

When comparing a virtual team with a physical team there are advantages and disadvantages with both. The virtual team can be focused on having the most skilled and experienced staff on their team without caring about their physical appearance (D’Souza and Colarelli, 2010). The technology allows virtual team to transcend time and space in a fast and flexible way, resulting in a very efficient team compared to a physical team (Daim et al., 2012). Meanwhile the cohesion within a physical team is stronger with closer relationship ties among the members (Shrm, 2012; D’Souza and Colarelli, 2010). Meeting face-to-face involves both verbal and non-verbal expressions making the communication very effective and clear, while the virtual communication sometimes is non-visual, hence there is a higher risk for misunderstandings (D’souza and Colarelli, 2010). The physical distance generates a high degree of trust within a physical team, then in a virtual team because the members can see how their team members work (ibid).

Working in teams

Teams are an important connection between individuals and organizations (Mathieu, Hollenbeck, Knippenberg, Ilgen, 2017). The authors define team as a group of at least two individuals who socially interact and posse’s common goals. The team are created for them to conduct organizationally relevant objectives, but still exhibit interdependent workflow, so that they can have different roles and responsibilities (Mathieu et al., 2017). By working in teams, assignments can be divided, giving tasks to the most suitable member of the team that possess the required skills (ibid). This way the team uses the individual’s strengths and weaknesses in the task decomposition to create a team structure, with combined efforts to reach their common goal (ibid). For teams that have a high degree of interdependence, trust becomes a vital factor for the team to be effective and functioning in a good way (Costa, Fulmer and Anderson, 2017). Trust is described to be influenced by complex interrelations between expectations, intentions and dispositions (Costa et al., 2017). For a team to have a high degree of trustworthiness amongst each
other, there must be a willingness to accept vulnerability, since that would suspend uncertainty that other actions would have some hidden personal agenda (ibid).

Individuals with different cultural backgrounds that form a team tend to lack cohesion. Reports states that the lack of cohesion in a multicultural team is caused by the members views, which leads to conflicts and subgroup formation (Lloyd and Härtel, 2010). Pointing out the importance of having a intercultural competence in the team, to overcome the differences and use it to the teams advantage. Research have shown teams that have a high degree of intercultural competence can use the diversity of the team and increase their performance by combining and develop each other’s ideas (Lloyd and Härtel, 2010).

*The influence of the team’s behavior*

The attitude of the management has a critical role in a SME since the decision is more likely to be done of one manager (Hollensen, 2017). The organization of SME’s are informal, and therefore the owner or entrepreneur usually have the power to control the entire organization. The founding teams behavior could make the SMEs either risk taking or risk-averse, depending on the founder’s characteristics (Hollensen, 2017). On the other hand, in a SME the employees often have a closer relationship and communication with the founder, and therefore have a bigger ability to influence his/hers attitudes and decisions (Hollensen, 2017). The member of organization ability to influence the founding team’s attitudes depends on the role of the member and its experience in the international environment. The higher up in the hierarchy a member is, the more impact it is advice has on the founding team (Athanassiou and Nigh, 2002).

*International experiences*

Studies have shown that the top managers exposure to foreign markets have an impact on the whole firm’s internationalization behavior. If the founding team have a significant amount of foreign market exposure they are more likely to promote internationalization. The studies found numerous characteristics that have an impact on the firm’s internationalization regarding the founding team e.g. how much the founding team have traveled to foreign countries, how many languages they speak, if they were born in another country or have lived and worked abroad (Reuber and Fischer, 1997). This is strengthened by what Hollensen (2017) calls the “managerial urge”. Which is the management’s commitment and motivation to internationalize. In his research he acknowledged the connection between managerial urge and founding management that have similar characteristics that Reuber and Fischer mentioned earlier. A third study that reinforce this argument is performed by Athanassiou and Nigh (2002). Their research argue that a firm is more internationalized when its managers have had experiences in international business previously.
The founding team’s experiences in the international market and business allows them to perceive international business opportunities and use the resources within the firm to make use of the opportunities. Athanassiou and Nigh’s (2002) study show that the founding team make these decisions due to their experiences which allows them to perceive and build tactic knowledge of the organization external and internal environment to internationalize. If the founder is the only manager with international business experience, he/she has all the power over the internationalization process due to the lack of knowledge through experiences of the other managers. If it is the other way around, that the other managers must “carry” the founder with no international business experience it will be harder for the firm to achieve its internationalization goals (Athanassiou and Nigh, 2002).

2.4 Cultural dimensions influencing the team

Newly started companies have an entrepreneurial approach on their culture. The set of values, beliefs and attitudes that the startup company share characterizes entrepreneurial lifestyle. Wong (2014) identified a company with the entrepreneurial culture to have the following characteristics; Encouraging of risk, tolerating failure, promoting innovation, encourage improvement and a dynamic environment, and to have a vision for business. The differences in culture between a more established company and a startup company is the fact that startup company’s culture is more based on opportunities (ibid).

The psychic distance between members

When working in a team with international members there are various perceptions of the members behavior, culture, and norms. The perception of how close the members are to each other with the different nationalities, behavior and culture is labeled psychic distance (Ojala, 2015). The psychic distance is built upon multiple dimensions based on the geographical distance, which causes differences in language, politics, level of education, infrastructure, economic situation, time and culture. This results in a perception of how the other members are, and how different they are compared to others (ibid). The psychic distance create challenges to an international team, due to the misunderstanding connected to multiple dimensions mentioned above. The language barrier has been reported to be a negative factor among teams in SMEs (ibid). The globe study found nine dimensions of culture connected to psychic distance.

GLOBE Framework

The “Globe study” was conducted to increase the understanding for cross-cultural interactions due to an increase of globalization (House, Hanges, Javidan, Dorfman, Gupta, 2004). The study also identified the need for developing the knowledge of how culture influence leadership and organizational practices. The study has heritage from
Hofstede’s six dimensions of culture theory, where the authors wanted to research further on the cultural interactions (ibid). The globe study was conducted by 200 researchers from 62 countries, collecting data from over 17,000 managers. The Globe study is the largest study covering cultural dimension and global leadership. In their research they discovered that Hofstede’s theory lacked some dimensions and missed a few aspects when applying the theory in a global perspective. The Globe framework was developed and added three more dimensions to their cultural dimension framework, making it consists of nine attributes of cultures: Uncertainty avoidance, Power distance, Institutional collectivism, In-Group collectivism, Gender egalitarianism, Assertiveness, Future orientation, Performance orientation, Humane orientation (ibid).

The dimensions that have their origins from Hofstede’s theory is briefly described by House et al (2004), in a similar way to Hofstede’s definition. Uncertainty avoidance regards how members of society feel in unstructured situations. If the uncertainty avoidance is high, society prefers formal patterns and structures for them to be comfortable in the situations, otherwise it may cause stress, emotionality and anxiety (ibid). Countries with a low uncertainty avoidance often have higher score of well-being and are more comfortable in unstructured situations (House et al., 2004; Hofstede, 2011). It is not the same as risk-taking dimension, but they are connected to each other (Hollensen, 2017).

Power distance discuss the differences in how society views power, if it should be centralized at the top of the hierarchy, or more decentralized among everyone in an organization (House et al., 2004). The dimension shows if the power in the country is accepted and expected to be unequal among members within organizations and institutions (Hofstede, 2011). In a country with a high-power distance, the power is centralized among the top management who gets to decide everything, meanwhile the people in the other end carry out the tasks. In a country with low power distance it is the opposite way around, the power is decentralized and the relationship between the inhabitants are more equal (Hollensen, 2017).

House et al. (2004) elaborated Hofstede’s Individualism vs collectivism dimension into two separate dimensions of collectivism; Institutional collectivism and In-Group collectivism. The firstly named, concerns how much organizations inspires and share distribution of resources and actions together. In-Group collectivism regards how much the organizations and families value pride and loyalty.

Gender Egalitarianism measures to which degree the gender roles are equal in the society (House et al., 2004). This dimension refers to the values of society, where it is seen as the femininity side is more concerned about quality of life, well-being, relationships, and caring in general. Meanwhile the masculinity side values competitiveness, success, and
power (Hofstede 2011). Hollensen (2017) points out that there is a link between high masculinity and career opportunities in a country as well.

The additional three founded by House et al. (2004) is Future orientation which refers to what time-perspective members in the society have if they are future oriented or not. Secondly the Performance Orientation is connected to which degree the organization rewards members for their performance. Lastly, is the Humane Orientation and concerns how well the individuals in a society cares about the people in their society, and to which degree it is acknowledged for a good behavior toward each other (ibid).

In addition to the nine attributes, the GLOBE framework also identifies six global leader behaviors that affects the leadership in a global organization. These characteristics were found when looking into if there were a universal leadership style, but there was none, due to culture differences in the various regions and societies. However, the study found six different global leader behaviors identified in different cultures and regions (House et al., 2004).

Charismatic/Value-based Leadership is a dimension based on clear and strongly held core values that generates motivation among the employees, and expectation of high performance from others. The dimension consists of six leadership factors (House et al., 2004, p. 14): “Visionary, inspirational, self-sacrifice, integrity, decisive and performance oriented”. The next leadership dimension focuses on creating an effective team, through team building and clear purpose and goals of their objectives and is labeled Team-oriented leadership. The dimension is built on five factors; collaborative team orientation, team integrator, diplomatic, malevolent and administratively competent (ibid). The Participative leadership dimension refers to how involved employees can be within an organization. To what degree does the managers allow others to influence decisions. The dimension consists of two subscales, non-participative and autocratic(ibid). Humane-oriented leadership is relative to the human oriented culture dimension and refers to what degree the leader cares about its employees and colleagues. The leadership is characterized to be supportive, compassion and generosity. Modesty and humane orientation are two subscales in the dimension(ibid). A leadership dimension that focuses on independent and individual leadership characteristics is the Autonomous leadership dimension(ibid). Concluding with Self-protective leadership refers to how the leader values safety and security among its members through status enhancement and avoiding to ‘lose faces’. The dimension is built on five factors: self-centered, status conscious, conflict inducer, face saver and procedural(ibid).

Further studies have identified and confirmed ten cultural clusters in connection to the GLOBE framework (Gupta, Hanges, and Dorfman, 2002; Clark, Quast, Jang, Wohkittel, Center, Edwards and Bovornusvakool, 2016). Stating that the cultures in the countries
within a cluster is similar to each other according to their scores and results in the study. The ten cultural clusters identified are: Anglo Cultures (e.g. England, Australia, USA), Latin Europe (e.g. Spain, France), Nordic Europe (e.g. Sweden, Finland, Denmark), Germanic Europe (e.g. Austria, Germany), Eastern Europe (e.g. Russia, Hungary), Latin America (e.g. Brazil, Argentina), Sub-Saharan Africa (e.g. Nigeria, Namibia), Arab (e.g. Morocco, Turkey), South Asia (e.g. Thailand, India) and lastly Confucian Asia (e.g. Singapore, South Korea, China) (ibid).

2.5 Conceptual Framework

![Conceptual Framework Diagram]

(Figure 1, Source: Own model of conceptual framework.)

3.0 Method

In the following chapter the researchers present the methodological framework that was used to conduct the thesis. Starting with explaining the choice of research approach, and method that was used to collect the data. Followed up by a description of the chosen research methods and techniques that were used to gather all the information. The chapter concludes with a discussion of quality and ethical considerations. Furthermore, it is important to mention that this is an explorative study aimed at understanding virtual teams and their impact on the market.
3.1 Research Approach

The research approach clarifies the researchers use of theories and explains the process behind the study (Saunders, Lewis and Thornhill, 2007). There are two main approaches which are highlighted when choosing an approach, these are called deductive and inductive approaches.

The inductive approach is based on the concept of observing, Saunders et al. (2007) describe the approach as an approach that starts up with an observation leading to an analyzes of a problem. The purpose of the inductive initial approach of analyzing the data is done to get a wider view of the problem at hand or the information given, to later develop a theory using the information gathered (Saunders et al., 2007). It is argued that since the development of social science, the inductive approach has become more popular because of the main aspect being understanding the problem first to later develop a theory (Saunders et al., 2007). Patton (2002) furthered argued that the inductive approach is important because it allows the analyzed material to highlight what is important without presupposing what is important from the start. Furthermore, if the research topic is relatively new with a limited amount of available information, the inductive research approach is most suitable to get the clearest view on the subject (Saunders et al., 2007).

In contrast to the inductive approach, Saunders et al. (2007) describes the deductive approach as based on a general statement or hypothesis which is then tested with an existing theory. This approach is therefore mostly used when an existing theory can be used in the study. Paton (2002) further strengthen Saunders et al’s description by highlighting the deductive approach as guided by hypothesis created before the collected data. Paton (2002) also highlight the researchers need to specify which variables that are important in advance to better understand the specified observed interviews or cases. Saunders et al. (2007) argue that the research question and objective of the study is adapted specifically to the theories available to the research, and the researcher’s focus is to test the available theories by collecting data. Furthermore, one of the main differences between the inductive and the deductive approach lies in the theory. The fact that the deductive approach uses an existing theory to analyze the situation is in recent years argued by inductive researchers to limit the possible outcome of a research because of the answers being influenced by the already established theory (Saunders et al., 2007).

The third research approach which is frequently applied to research is the abductive approach. The abductive approach is considered as a combination between the inductive- and the deductive approach (Saunders et al., 2007). Paton (2002) further evaluate the need for a third abductive approach by stating that even though numerous research questions can be determined and answered through a deductive approach, others require more of an inductive approach based on direct observations to answer the research question. The abductive approach makes it possible to move back and forth between induction and
deduction in a way that enables the researcher to discover and verify new experiences and reflections, resulting in a research which is not based in one way or the other (Paton, 2002). Furthermore, the abductive approach is in most cases used by researchers to reshape already existing theories or to create new ones. Abductive researches are mainly done when the subject is widely covered as well as easily researched from a new angle (Saunders et al., 2007).

Taking into consideration that this thesis derives from both previous research and empirical data gathered from the interviews within the specific international business field, the authors have reached a conclusion that using an abductive approach should be the most suitable research approach to use in this thesis. The researchers early noticed the interest for virtual teams in companies, however, little research consider how Swedish SMEs work with virtual team and how they influence the internationalization process. It is therefore our aim to pursue a research focused on exploring the relevancy new phenomena of virtual teams in SMEs with the help of previous theories and new observations which excludes the inductive and deductive approaches. Because of our intention to pursue the topic in both a theoretical and observational manner, the abductive approach is to be used. Applying an abductive approach, the researchers will be able to choose a theory from the beginning as well as go back when the researchers are done and change theories if necessary to evaluate the empirical findings in the best way.

3.2 Research method

The research method made it possible for the researcher to structure up a process that can follow, collect, analyze and interpret the information needed to answer the research questions (Kumar, 2014). In general, there are three different approach that are used in researches, quantitative, qualitative and a mixed method approach (ibid).

The quantitative method is a structured approach where the whole process is predetermined, e.g. the objectives, design, sample and the questions the researcher are going to use in the survey (Kumar, 2014). The research method aims to quantify the extent of the phenomena. It is mostly used in large scale researches to give the study validity and reliability of the findings (Kumar, 2014). The quantitative method is characterized by relevant modes of measurement to conduct an analysis of the relationship between the measurements (Jensen, 2012).

The second method is the qualitative method which is the opposite to quantitative. It is not structured and allows the researcher to be flexible in all aspects of their process (Kumar, 2014). This approach is focused on collecting open, equivocal empirical material. With a qualitative method the study is done in the subject’s natural settings, to develop an understanding from their point of view (Alvesson and Sköldberg, 2009;
Jensen, 2012). The method is used to explore diversity in a descriptive and narrative manner, without any or less emphasis on generalizations (Kumar, 2014; Denzin and Lincoln, 2018). The qualitative method can be used to investigate smaller and more specific areas of a bigger phenomenon. Resulting in a more detailed study generating a better understanding of the subject. Since this is a study focused on quality, it has fewer participants, compared to a quantitative study (Denzin and Lincoln, 2018). In the qualitative study the researchers can collect superior information regarding the subject with follow up questions during the interviews, to deal with the phenomenon in a more specific way (Denzin and Lincoln, 2018). Lastly, the mixed method consists of attributes from both quantitative and qualitative methods. In this method the researcher uses multiple methods to find answer to the research question (Denzin and Lincoln, 2018; Kumar, 2014).

For our type of research where the researchers want to investigate how virtual teams influence the internationalization process within a Swedish SME, a qualitative research is preferred. There is no reason for us to use a quantitative method to perform different measurements to conduct an answer to our research question. The qualitative method together with a flexible approach, where the researchers get to interview the respondents in their natural setting to develop a deeper understanding on how their organization work, is regarded as the most suitable method for us.

3.3 Research Design

Skärvad and Lundahl (2016) describes the purpose of the research design as the evaluation whether the research questions can be answered. Kumar (2014) adds to Skärvad & Lundahl’s description that the research design also helps identifying gaps in knowledge, confirming the knowledge that is known to still be applicable as well as the identification of past errors and limitations. Furthermore, Kumar (2014) describes the research design as a road map which the researcher follows throughout the research to obtain the most objective, valid and accurate answer to the research questions.

Skärvad & Lundahl (2016) divide the research design into four main design categories, explorative, evaluative, explanatory and descriptive. The authors further explain that even though the research design is divided into four categories a research study can be a combination of more than one category. Saunders et al. (2007) argues “what is most important is not the label that is attached to a particular strategy, but whether it will enable you to answer your particular research question and meet your objectives” (p.135). The explorative strategy is valuable to researchers that are unclear on what is going on in the subject and want to clarify the researchers understanding on the subject. By using the explorative strategy, the researchers can clarify the problem at hand early in the study and use the information that is already known on the subject (ibid).
To acquire a deeper knowledge through an empirical study, the researcher need to design a process to find out ‘what’ they want to research, followed up by a theoretically informed purpose ‘why’, concluding with an analysis of the data collected to get the result ‘how’ (Jensen, 2012). When designing such research, Jensen (2012) suggest identifying three factors, starting with a strategy. The first factor refers to a general plan to build a relation between the researcher and their informants which allows a temporary structure for communication and reflecting over meaningful information and events. The second factor is tactics and refers to the researcher’s anticipation to conduct a pre-structured interview. For example, decide who to interview and what questions to ask to get the information needed. The last factor is techniques and reflects how the researcher documentation of the field is done, regarding verbal language, documents and sign systems (Jensen, 2012).

Furthermore, Kumar (2014) state that the research design allows the researcher to apply the most suitable research strategy. Kumar (2014) argue that qualitative studies such as this thesis are offered a wide range of research strategies. Strategies such as case studies, focus groups, participant observation and action research are in many cases referred to as part of a qualitative research method (Saunders et al., 2007; Kumar, 2014). Even though these are predominantly used in a qualitative research it does not eliminate the quantitative use, however, it depends on how the information has been recorded. By using the qualitative research method, the observer in most cases records the information in a descriptive format while the observer of a quantitative research method records either in categories or on a scale (Saunders et al., 2007; Kumar, 2014).

Case studies research are one of the more commonly used strategies when doing qualitative studies (Skärvad and Lundahl, 2016). The case study does not only examine the research question on a deeper level, it also bases its research on the natural setting of the respondent (Yin, 2007). According to Skärvad and Lundahl (2016) case studies are about exploring and understanding the researched subject, Saunders et al. (2007) add to this by saying that it is important to understand the context of which the study is being conducted in. Furthermore, knowing the ‘boundaries’ between the study and the context area of the study is in many cases hard to separate (Saunders et al., 2007). The benefit that the case study provides is the deepened understanding that the researcher receives. Saunders et al. (2007) argue that the deepened understanding provides the researcher with knowledge through a case study unlike other research strategies such as surveys and action research. The case studies ability to generate answers to the open-ended questions ‘why?’, ‘what?’ and ‘how?’ provides the researcher with information that other strategies have a harder time at obtaining (Saunders et al., 2007). However, to strengthen the researchers case study it is important to use multiple sources.

Saunders et al. (2007) distinguish four different case studies, single case, multiple case, holistic case and embedded case. As the author mentioned it is important to use multiple
sources. Skärvad and Lundahl (2016) writes that case studies are an important aspect to organizational research and to widen the knowledge base of the researchers it is important when choosing a quantitative method to increase the validity of the research by using a multiple case strategy (Skärvad and Lundahl, 2016; Saunders et al., 2007).

Explorative studies are in most cases based in the quantitative method, however, the use of it for the qualitative method is still applied in this thesis because of the newness of the researched area (Skärvad and Lundahl., 2016). Since this thesis is aimed at evaluating and exploring how virtual team can influence and impact the internationalization process within a Swedish SME, multiple case study was considered the more appropriate strategy to use. By conducting a multiple case study, the researchers are able to collect a wider range of answers from firms whom operate in different markets and industries. The collection of information from different market areas lets the authors focus on the phenomenon virtual teams rather than on specific industries application of the subject.

**Multiple case study:**

Multiple case study is as mentioned previously part of four different designs that are mainly used in researches. Yin (2014) describe the multiple case study as more than a single case. Furthermore, the author argues that “the evidence from multiple cases is often considered more compelling, and the overall study is therefore regarded as being more robust” (Yin, p.57., 2014). It is by this quote argued by Yin (2014) that the aspects and conditions that one case produces influences the received data, and it is therefore considered less influenced data when there is more than one case study. However, the use of multiple case studies is considered expensive and since the cases must have a relevance to the research questions it is important for the researcher to evaluate the data received and the companies from which it came (Saunders et al., 2007; Yin., 2014).

Yin (2014) further describe a comparison between a replication and rational multiple case study. The replication study represents the cases where each case is selected carefully on the premise that they will produce similar results (a literal replication) and the cases that predicts results that you have anticipated (theoretical replication) (Yin, 2014). The choice of which replication aspect to use depends on the studied area that the cases are looking into, if a multiple case study focuses solely on one area it is a literal replication contra to a theoretical replication which pursues more than one area (Yin, 2014). The rational multiple case study is based on the cooperation between the theoretical and literal replication.

Each multiple case can be either holistic or embedded, this means that a multiple case study could consist of multiple holistic or embedded cases (Yin, 2014). Yin (2014) further state that the difference between both holistic and embedded is dependent on the type of research question and what area the researchers study. The embedded approach is used
when the researchers analyze aspects within a case such as examining a school by examining different areas within the school such as examination of students (how many graduates?) (ibid). The Holistic approach on the other hand is used when a researcher for example pools together all schools and analyzes the success rate of the schools in comparison to one another (Yin, 2014).

This thesis views the cases from a holistic perspective, viewing the companies as a single case. In accordance with Yin (2014) this thesis also uses a replication design and not a sampling design leaning more towards the literal replication, however, contrasting results could push the thesis toward a theoretical replication design. Furthermore, conducting a single case study would require that the research is unique to a single case, which in the case of this thesis is not considered the right approach.

3.4 Sampling Method

Sampling is an important factor when performing a research, because of the information received from the sampling respondents are the information that the research and conclusion is based on (Saunders et al., 2007; Holme and Solvang, 1997). If the study accidently receives “wrong” respondents in the report, that can cause the study to be worthless regarding the main research question and purpose (Holme and Solvang, 1997). “If we want to study unemployed people we shouldn’t interview people that are employed or doesn’t want to work” (ibid, p 101). Assuring that the sampling respondents are the right ones to use in the study, the sampling selection is done by following various criteria to make sure that the respondents fit the research (Kumar 2014; Holme and Solvang, 1997). A qualitative research does not have a predetermined number of respondents when gathering information, instead the researcher continues gathering information from respondents until the point when the information is saturated (Kumar, 2014). The information is saturated when no new information is emerging (ibid).

There are two different types of sampling techniques that can be used depending on the type of research, probability sampling or non-probability sampling (Saunders et al., 2007). Through a probability sampling, it is often hard to reach the whole audience of a subject, this method is used to generalize, making the answer “probably” correct for the targeted population (Saunders et al., 2007). This sampling is mostly connected to large surveys. The other technique is the non-probability sampling, consisting of more limitation concerning generalizing their findings (Saunders et al., 2007). A purposive sampling is a sampling design within the non-probability technique, that is useful when studying a phenomenon. This design is frequently used in qualitative studies, where the researchers decides what respondents that can provide them with the best information to answer the research question (Kumar, 2014).
With the purpose of finding the most suitable SMEs for the authors to interview, a relationship with Kalmar Science Park was established through our supervisor. Leading to a successful relationship, providing the researchers with recommendations of companies to interview based on their sampling criteria. Having the purpose of our thesis in mind, to identify how the internationalization process within a Swedish SME can be influenced by using virtual teams and regards to limitations of time and resources, the researchers chose to follow the purposive sampling method. The sampling consists of international SMEs based in Sweden that are frequently using virtual teams in their everyday life. The sample of our study is well applicable to our purpose, together with our theoretical framework made it possible to answer our research question.

3.5 Data collection

In the pursuance to conduct an answer and conclusion to the research, it is necessary to collect data to base the answer and conclusions on (Kumar, 2014). The data can be collected in various ways, interviews, surveys, observations, reading scientific articles and books (Kumar, 2014). To answer the research question and address the purpose in the right manner with good data, it is important to review the data carefully (Saunders et al., 2007). In order to secure the research question to be answered by the collected data, it can be useful to split the research question into supporting sub-questions (Saunders et al., 2007). The two approaches to collect data to a research are primary data, and secondary data (Kumar, 2014). Most researches need to use a combination of both primary and secondary data to conduct the answer to their research question (Saunders et al., 2007).

3.5.1 Primary Data

Primary data is classified as data that is collected from primary, first-hand sources (Kumar, 2014). This type of data is collected by the researcher themselves through conducting observations, interviews or questionnaires (Saunders et al., 2007). By collecting the data first hand themselves, the information they receive is accurate, and has not been twisted by others (Kumar, 2014). When working with collecting primary data through any method, it is essential that the respondents know the purpose and the relevance of the study, this will enhance the quality of the data (ibid).

Gathering primary data by conducting interviews is an often-used method in qualitative studies and can be done in different forms; face to face, between two people or more, and via telephone (Kumar, 2014). Interviews help the researcher to collect reliable and valid data (Saunders et al., 2007). Studies show that managers are likely to prefer interview as the choice of sharing data if the topic is relevant (ibid). The interview gives the managers a chance to reflect on their work without needing to write anything down themselves (ibid). For the sake of identifying what role virtual teams play for the performance of born

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global firms, interviews were selected as the primary source of data collection method for this thesis.

3.5.2 Secondary Data

Data that is collected from scientific articles, books, journals, and has been brought forward by someone else than the researcher, are considered to be secondary data (Kumar, 2014). Since the data has been interpreted and reported by another organization or person, the quality of the secondary data can be distorted, hence it is important to choose sources with care (ibid). Using secondary data can provide much of the necessary information needed to answer the research question (Saunders et al., 2007). However, when it comes to research projects it is preferred to use both secondary and primary data to confirm and validate the extracted data (ibid).

This research extracted information from secondary data to write an informative introduction chapter, theoretical framework chapter and methodological chapter. The data was collected from scientific articles, books, and official websites. To strengthen and validate the extracted information, multiple sources was used to support each other. The secondary data has helped us validate our primary data, as Saunders et al. (2007) recommended.

3.5.3 Interview structure

Collecting information through interviews are one of the most common methods used in researches. The researchers conduct and asks questions to the respondents they want answers from in order to acquire the necessary information (Kumar, 2014; Jensen 2012; Denzin and Lincoln 2018). There are different formats concerning interviews, depending on what kind of research that is performed (Kumar, 2014; Denzin and Lincoln, 2018). Unstructured interviews are a format where the interview is characterized by freedom, since the interviewer can choose the order, structure, question wording as he/she like. (Kumar 2014; Denzin and Lincoln, 2018). This type of interview is useful for developing a deeper knowledge of a subject, and are well suited to identify diversity (Kumar, 2014) However, the interviewer easily become more of a listener to the respondent’s narrative story, making the interviewer withhold the desire to interrupt or ask follow up questions (Denzin and Lincoln, 2018).

Another format of interviews is the structured format, which is the antagonistic to the unstructured format. The interviewer follows a predetermined structure of questions and wording of question, without any inputs or follow up question (Denzin and Lincoln, 2018; Kumar, 2014). The main strength of structured interviews is the ease of comparability of the collected answers from respondents (Kumar, 2014).
Lastly, there is the semi-structured format which is sometimes connected to qualitative research. The semi-structured format allows the interviewer to participate more in the interview with follow up questions to create a more knowledge producing interview (Denzin and Lincoln, 2018). In comparison to the unstructured format, the interview has a better focus on staying focused on the issues that the interviewer believes are the most important to the subject (Denzin and Lincoln, 2018).

Patton (2002) state that to perform a good qualitative interview, the questions need to be open-ended, making the respondents to answer freely and with his/her own words. There are three different approach for performing a qualitative interview in a good manner, that are all designed to fit different type of researches; the informal conversational interview, the general interview guide approach, and the standardized open-ended interview. (Patton, 2002). The informal conversational interview is more like a regular conversation than an interview and consist of a spontaneous flow of questions. The general interview guide approach uses a predetermined set of questions to make sure that all topics are covered in the interview. However, the order and structure are flexible for the researcher to decide along the interview. In comparison to the standardized open-ended interview approach where all questions have a set order, with the same wording, making all interviews conducted to be as similar as possible to induce the same feelings among the respondents (Patton, 2002).

Concerning that our thesis would be based on a qualitative research method, a semi-structured approach was preferred. It is strengthened by Patton’s (2002) recommendation for a qualitative research, to use a general interview guide approach which allowed us to have a predetermined set of questions to make sure that all topics was covered, along with the flexibility to interrupt the respondent with clarifications and follow up question on topics that was interesting regarding our subject. Therefore, a semi-structured interview approach was conducted throughout all our interviews.

3.6 Operationalization

To give the respondents a better understanding of the research question that are based on the theoretical framework and the research purpose, Skärvad and Lundahl (2016) state that its suitable to use an operational definition of the theoretical framework when conducting interview questions. By giving the questions an operational definition of the theoretical framework, the respondent provides a practical vision of what the question is and are more likely to relate to the question (Skärvad and Lundahl, 2016). To conduct the best interviews possible, the interview questions used in this thesis was based on the theoretical framework, with the aim to get an answer to the research questions. Operational definition was used to give the respondents a clear vision and could relate to the question in their workplace.
### 3.7 Quality of research

To determine the quality of the research two factors will be considered, the validity and reliability of the research (Esaiasson, Gilljam, Oscarsson, Towns, Wängered, 2017; Skärvad and Lundahl, 2016). A good validity together with a high level of reliability results in a research of high quality (Esaiasson et al., 2017).

#### 3.7.1 Reliability

Jensen (2012) define reliability in the following way “*the dependability and consistency of the relationship between two variables or in the score obtained on a single variable at more than one point in time*” (p.240). Skärvad and Lundahl (2016) strengthen this by arguing that a high reliability study is not affected by whom the study is done by, or how

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Interview questions</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company and respondent profile</strong></td>
<td>3-4</td>
<td>Two general question were asked to clearly identify the interviewees position in the company, and to get a brief introduction to the company.</td>
</tr>
<tr>
<td><strong>Virtual Teams</strong></td>
<td>5-10</td>
<td>To understand how the company and respondent used virtual teams, multiple questions were asked regarding platforms/software’s, barriers, and what drivers they had faced.</td>
</tr>
<tr>
<td><strong>Internationalization</strong></td>
<td>11-15</td>
<td>This cluster of question was conducted to understand how and why the company internationalized, and if it was influenced by their virtual team.</td>
</tr>
<tr>
<td><strong>Management</strong></td>
<td>16-22</td>
<td>These questions were asked to understand what managerial experience the respondent had in an international setting, what the SME structure looked like, and how they led their employees.</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>1-2, 23</td>
<td>The first two questions were asked to offer the respondents to be anonymous, and if it was acceptable that the interview was recorded. Question 23 asks if the respondent would like to add something to the subject that had been discussed. To make sure all areas was covered.</td>
</tr>
</tbody>
</table>

*Source: Own model of operationalization*
it is done. The result should be the same either way (Skärvad and Lundahl, 2016). The level of reliability is measured by comparing the result from two similar researches that have used the same operationalization to see how much they differ (Esaiasson et al., 2017; Jensen, 2012). To achieve a high level of reliability, the research cannot contain careless mistakes and errors (Esaiasson et al., 2017). To avoid low reliability, the researcher needs to be meticulous during the collection of data and when processing the information (Esaiasson et al., 2017). Careless mistakes that could affect the reliability could be caused by anything from unreadable notes, to stress, fatigue and misunderstandings (Esaiasson et al., 2017). To reduce the mistakes to a minimum, standardization is recommended to use when collecting data to make all interviewees as similar as possible (Skärvad and Lundahl, 2016).

To give this thesis, the highest possible reliability considered the limitations with time, resources and level of experience, the researcher of this study standardized the data collection method as much as possible. The interviews were kept in neutral settings, to minimize things that could affect the respondent’s answers, the questioning was following our operationalization to keep the question focused on the subject without drifting away too much. All interviews were recorded giving the researchers the possibility to go back and listen to the answers, resulting in that the information extracted from the interviews was correct, and most likely not misunderstood. In a result of all these factors, the authors of the study believe that if a similar research was conducted, they would receive the same result.

3.7.2 Validity

Skärvad and Lundahl (2016) describe validity as an important factor in judging the quality of a study and refers to the absence of systematic measurement errors. Jensen (2012), support the definition, and explains that validity indicates if the data that is captured represents the meaning of the concept in a correct manner. There are two types of validity, internal and external, that are used when measuring the validity of different types of studies (Skärvad and Lundahl, 2016). When theoretical and methodological errors are completely absent in a research design, it is an internal validity (Jensen, 2012). To achieve internal validity, the operational interpretation of the theory must be correct, in order to measure what is supposed to be measured (Skärvad and Lundahl, 2016). External validity on the other hand refers to how well the result of the study can be generalized to other situations or groups (Ryen, 2004; Jensen, 2012). A low external validity is a sign that the result is of a unique character, and unlikely to appear in other situations or groups (Jensen, 2012).

To give this thesis a high validity, the researchers chose to collect, analyze and interpret information from different sources, to make sure that the information was supported by multiple sources. To avoid misunderstandings, the researchers performed a study before
starting with our thesis, to give ourselves a better understanding regarding the subject, and the problems that has been identified earlier. By reading previous thesis the researchers learned how to conduct a study with a high validity.

3.8 Ethical Considerations

“Research ethics is not an option – it is a fundamental feature of all good research” – Denscombe (2014, p. 306).

Research ethics refers to the appropriateness of the researcher’s behavior in relation to the company or the researched subject. Saunders et al. (2007) describes research ethics as the moral principles and norms that dictate our behavior and relationships with people that surround us daily. Ethics guides the researcher’s questions, research topic, data collection and data storage in such a way that it is done in a moral and responsible way (ibid). Denscombe (2014) argues that there are four specific key principles that researchers need to take into consideration throughout a research. The principles are; “protect the interest of the participants, participation is voluntary and based on informed consent, the researcher avoids deception and operates with scientific integrity and complies with the laws of the land” (Denscombe, 2014, p.309).

Protecting the interest of the participants:
The first principle regards the interest of the participant, Denscombe (2014) argues that there is a general agreement regarding the participants involvement stating that they will suffer no consequence by being involved in the research. During our collection of the empirical data through interviews, the researchers contemplated the safety and interest of our respondents and offered them full anonymity, by doing so they could anticipate the most honest answer possible resulting in a research with validity. Knowing the impact our thesis could have on our respondents we offered to send them a draft with the empirical findings before the final publication of the research. The opportunity to read through our empirical findings gave the respondents the opportunity to explain any inconvenience or interpretations that was falsely interpreted from our part. In the case of any wrongdoings researchers could review them and remake it before the publishing of the research.

Participation is voluntary and based on informed consent:
The second principle regards the freedom of the respondent to participate in the research. Denscombe (2014) argues that the participation of the respondents must be done through an informed consent, the researchers are thereby obligated to provide sufficient information about the research for the respondent to decide whether to participate or not. Based on the principle of informed consent, the researchers informed each respondent early about what the research was about and what commitment required from them. Furthermore, the authors informed them how the information they provided would
contribute to our research and how the authors would use it. With the information provided the respondents were able to decide whether to participate or not. Furthermore, to acquire and remember the information the respondents provided the researchers asked to record the interviews, however, this was voluntary which ultimately gave the respondent’s the choice whether to be recorded or not.

_The researcher avoids deception and operates with scientific integrity:_
The third principle regards honesty and the need to avoid deception. To uphold the highest standards of professionalism Denscombe (2014) states that the researcher needs to be open and explicit about their research. Prior to the interviews the researchers had informed the respondents about what the information they provided would be used for to provide the respondents with a clear view of where the information they provided would be used. To ensure fair interviews and to avoid deceptions and misunderstandings the researchers gave the respondents as mentioned previously the opportunity to reflect and get back to us with thoughts and reevaluations of the questions if they came up with a new answer. This was done to avoid any misunderstandings before publishing the research.

_The researcher complies with the laws of the land:_
The last principle regards the law of the land. Denscombe (2014) describes this principle as the researchers need to understand that they are not above the law, indicating that they should operate under it. However, Denscombe (2014) argues that operating within the limits of the law does not necessarily make an action ethical. The clash between what is ethical and following the law is not something this thesis will have trouble with due to its non-sensitive subject. Furthermore, all information except the interviews are can be found on official webpages. Regarding the use of articles, books and documents the researchers have referred to the authors at all times to avoid any copyright implications.

4.0 Empirical findings

_In this chapter, data gathered from interviewing top managers from six different Swedish SMEs with experience from virtual teams are presented. The chapter starts with presenting the different companies followed by a brief presentation of the manager. The empirical findings are then divided into different subheadings presenting each cases response in three main topics connected to the research questions._

4.1 Cases

Presented below are the six companies who have participated in this theory. Each and everyone of the companies listed are considered Small and medium-sized enterprises whom are active or going to be active on an international market. All the data was collected through interviews with managers from the respective companies over a timespan of two weeks, between the period 3rd of May – 11th of May 2018.
**Corlin Eyewear – E-commerce**

Corlin Eyewear is a company who provide exclusive sunglasses on a world-wide scale. They provide the sunglasses over a web-based platform sending their products globally. Even though the company is in the business of selling sunglasses, it was stated in the interview that a huge amount of energy was put on marketing making the company into a mix between a marketing company and a e-commerce company. The company currently work with 5 business partners. Since the company’s start in 2017 they have grown fast with the first international experience taking place that same year. Corlin Eyewear is actively selling and marketing to three different markets, Italy, Holland and Sweden, however, with their wide range of distributors their network spreads throughout the Asian continent, all over Europe and into Central America.

Olle Sandberg and Tobias Göransson are the founders of Corlin Eyewear and currently work together on most aspects of the company. The two founders are currently finishing their Bachelor of Science in Economics at Linnaeus University at the same time as they work full time at the company. After graduation they will devote full attention to the company and push their products on a bigger scale.

**WeCare AB – Patient surveys**

WeCare AB is a start-up company that aims to improve the health and medical care on an international market. The company was started by Pelle Snårelid, Marie Palmér Bergholm and Per Palmér in 2015. Together the founding team have over 25 years of experience in: customer and co-workers enquire, business development in the health and medical sector and in system development. Their main product and service is *KeyForCare*, which is a survey that allows the patients who are receiving medical care to leave their comments and feedback on an iPad after their treatment. The response is then sent to the department manager who can follow up on the response to improve their department and personnel. The company is currently active on the Swedish and Icelandic market, seeking to internationalize even more in a near future to potentially Germany or India. The team is spread out over the globe, the system development is done in Singapore, the customer relations are managed from Sweden, and the design and graphical contents are done in the Philippines.

Pelle Snårelid is the co-founder and CEO of the company and have a lot of management and business development experience from previously working as a CEO and senior consultant at Aligning AB. Pelle Snårelids academic background comes from a Master of Science in Business and Economics education at Uppsala University.

**Kodbruket – E-Commerce product developer**

Kodbruket is a Swedish technology SME based in Kalmar and are part of the Kalmar Science Park Incubator program. Their business idea is to develop a web service called
“Margins”, to help E-commerce retailers increase their margins in sales. It is a challenge that the company identified as a global phenomenon, websites like Pricerunner and Momondo, help customers compare prices to find the same product at the lowest cost. With their webservice “Margins”, E-commerce retailers can keep track of their competitors’ prices and inventory. Their vision is to create a completely new E-commerce platform with the name Particles, based on “Margins”.

Andreas Karlsson is the founder and CEO of Kodbruket and have over 10 years of experience from E-commerce. Today Andreas Karlsson is working with four employees and uses virtual teams to attract human resources internationally that works for Kodbruket on consultant basis.

Aponomy – Innovative sustainability work
Aponomy is a technology start-up company that wants to create a tool in the form of a game, that can be used to build and create visions for companies. The product is called “The Bourne” and is still under development, but the company hope to launch the product this year. The idea with the game is to let whole organizations play together with their employees to develop purposes, visions and strategies together. Aponomy believes that their game will help companies work with sustainability and improve collaboration with partners and customers virtually. Today the Aponomy team consist of seven members that are working with the development of the product and company in different ways.

Klas Ehnemark is the founder and CEO of Aponomy. Since 1994, Klas Ehnemark has been working with web development, and been part of Swedish and German tech start-ups. In addition to that, Klas Ehnemark have been living and working in Hong Kong for several years.

Kallenberg Coaching & Communication AB – Career coach/Leadership developer/Author
Bengt Kallenberg founded his own firm in 2007, where he focuses on developing teams, leaders, and individuals through consulting and coaching. Today the founder has become an expert in building teams, develop leaders, findings individual’s strengths and weaknesses, and putting an effective team together. He has worked with both physical and virtual teams. Besides working as a consultant and coach, he has also written seven books covering his expertise area. In addition to writing books, Bengt Kallenberg also works as a lecturer.

The respondent Bengt Kallenberg has previously worked as a boss and leader in different positions for different companies. He has been Chief marketing officer, Chief consultant, Sales manager, and IT- Director for 17 years. These experiences have taught the founder to use different tools, and models for different situations and organization to create the most efficient team possible.
**Northpress AB – Consultant in hosting, software development and web applications**

Daniel Auener founded his own company Northpress AB in the beginning of 2017, where he focused on developing software to a German company which manufactured solar power plants. Daniel Auener worked as the software’s architect and developer in a virtual team hired by the German company. Today, Daniel Auener have been able to continue working with developing software and software maintenance for companies around the world, mostly focusing on the Swedish and German market.

Daniel Auener road to creating his company started after a seven-year long master’s degree in computer science at the University of Berlin. Along with Northpress AB, Daniel Auener is the co-founder of two similar companies called Daniel Auener Solutions and Northost.

4.2 Internationalization

**Corlin Eyewear**

Since Corlin Eyewear’s start back in 2017 the overall sales figures show 25-30 percent sales abroad, however, Olle Sandberg does not see this as 100 percent international, he states that internationalization is the end goal of a long process. The founder describes their current phase in the internationalization process to be in the comfort zone which means that they are aiming their sales and marketing at markets that are close to them. Olle Sandberg however adds that it does not mean they do not want to sell to customers further away, quite the contrary, they want to sell worldwide but the time and money plays to much of a factor when they currently are studying. Tobias Göransson further describes Corlin Eyewear’s internationalization process as an active choice of picking countries with similar market cultures to Sweden. The strategy of Corlin Eyewear has been similar on each market, to actively find influencers who market on social media, by using this strategy they have managed to enter a market which is new to them. The first countries which Corlin Eyewear reached out to was Holland and Italy, Holland was chosen because of its similarities to Sweden, however, Italy is not similar to Sweden which Tobias Göransson quickly stated. He argued that they knowingly started marketing to Italy even though it was not the clear choice because they wanted to know how well their entry strategy would work on a larger market. Furthermore, Corlin Eyewear’s rapid internationalization is described by Olle Sandberg to have a connection with not limiting themselves to one market, but to be open to the worldwide market, the founders describe an internationalization process without an end.

**WeCare AB**

Pelle Snårelid states that WeCare AB is an international company since half of the founding team is based in Singapore, where all the system and programming development is done. The company also uses consultants with different nationalities, Canadian,
Pakistani, Singaporean, giving the organization a very dynamic and international structure. Their main business market is Sweden, but during the last year they internationalized to Iceland. Pelle Snårelid argues that it is necessary for a company of their size to internationalize to raise the value of their company. The Swedish market is too small and therefore they decided to internationalize to Iceland and are always looking to capture opportunities that may arise. The plan from the beginning is to make an exit from the company after 5 years, and to do so successfully the founding team needs to show that the product works on a global market. When internationalizing to new markets, Pelle Snårelid made it clear that almost everything is established from their own network and taking advantage of opportunities whenever they appear. WeCare AB uses their network to reach key personnel in the next market that can open doors for them. They are currently working on two leads, where contacts in their network have close ties to key persons in the German and Indian health and medical sector.

**Kodbruket**

Kodbruket are currently working with international customers and retailers selling their products. Their biggest customer is in Germany. Virtual teams allow the company to recruit human resource competences internationally when outsourcing. Today the company are working with two programmers employed on consultant basis in Poland. Their product is international from the start and develops primary in English giving it the possibility to be global. Andreas Karlsson states that they did not look for the opportunity to internationalize, but rather was given the opportunity when they received a lot of offers from programmers that wanted to work for them.

**Aponomy**

The company have developed a product that can be used all over the world, its relevant for everyone to create a sustainable world, and for all CEOs there is always a desire to create the best company possible. This allows “The Bourne” to be considered a global product, and the company consider themselves to be a born global company. Until today, the company have not sold anything internationally since their product is not finished. However, they are working with partners and consultants internationally. Their strategy to internationalize in the future is by creating relationship with retailers across the globe who can sell their products to the end-customer.

**Kallenberg Coaching & Communication AB**

Bengt Kallenberg have been a part of multiple company’s internationalization process, and have established companies in the USA, China and Germany naming a few. One example for such company was Sound Industries that went from a small local company to a huge global company to produces Marshal and Urbanears speakers and headphones. The virtual communication tools have opened a lot of possibilities for companies to establish virtual teams that makes it easier for companies to internationalize. Because of this, the companies can be more opportunistic and receive more offers from companies.
that wants to become retailers for different products and brands. Kallenberg states that it is often a coincidence that brands internationalize to specific markets, a lot is affected by all requests that a company receive. In a mix with conducting detailed marketing reports and marketing strategies that can be very useful and make it easier to identify what markets that is most suitable to enter.

**Northpress AB**

Daniel Auener describes Northpress AB as a consultant firm with a goal to work on the global market. The founder defines the company’s internationalization process as an essential part of the company, due to the sector in which they operate. It was therefore essential to understand that an internationalization of Northpress AB was established from the start, they are in a way ‘born global’. The idea behind the company is to prove that you can be an international company without being based in a large city or having multiple offices spread around the globe. However, the process of entering different markets is not as easy as it might seem for many technological companies who release products over night to all corners of the globe. The founder describes their current internationalization process as a random set of motions and network connections. According to Daniel Auener this internationalization strategy is closely related to the product, having a product which is applicable on more than one market from the start enables Northpress AB to penetrate markets outside the domestic market. The founder further described an internationalization strategy that is currently aimed at Germany and Sweden since those are the markets the founder knows best, however, the CEO highlights that the dream is to be open to all markets even though the company is based in the small town of Kalmar.

4.3 Virtual vs physical team

**Corlin Eyewear**

The founders of Corlin Eyewear describe a necessity of using virtual communication to connect with their broad market. Working in virtual teams means working with influencers to reach an end goal of market penetration and market power. Tobias Göransson states that most of their interactions done in and outside their company is done through a virtual platform, furthermore, the founder describes their team’s communication to mainly be done over a virtual platform. Moreover, the founder continued the argument by saying that out of the five people working in his company he has not even met all of them at this point even though they have worked in the company for more than six months. Olle Sandberg describes the reason why they have not met yet to be based in the basic idea that the company should be able to be governed from the comfort of your bed. All communication in the company team, distributors and influencers is mainly done virtually, Olle Sandberg adds to this and stated that they really do not need to meet people to have their company running. The efficiency and cost reduction is of high value to the founders.
The founders further argue that even though there are a lot of upsides to working in virtual teams or in a virtual setting the downside that they highlight is the business culture. The founders describe the problem with business culture as a matter of transcending their vision on to their team members whom are not in Kalmar. By only using virtual communication the founder’s own incentive to push further is limited by the employees that do not follow the same mindset, this is something they have worked with since the beginning Tobias stated. To increase the culture of the company and to portrait the vision they want people to know, the founders have started to use virtual platforms to gather the entire team to discuss how things are going and where they are heading.

Another challenge the founder’s noticed very quickly while working with different countries and different teams is the many language barriers that exist over a virtual setting. Tobias Göransson highlights the need to be overly clear when discussing over a virtual platform so that people truly understand the meaning of what they want. Olle Sandberg further added to this by drawing the connection between culture and communication, just because you say something does not mean it means the same thing to the other part. This is one of the bigger issues they have with virtual team and virtual communication. The trust in what is said over a virtual platform and the reliability that your words are interpreted correctly is one of the main obstacles in the internationalization process of Corlin Eyewear according to Olle Sandberg.

**WeCare AB**

Working in virtual teams is the only option for WeCare AB, due to their dynamic and international organization structure. The only way the team can communicate with each other on a daily basis is through digital communication, Pelle Snårelid explains that the CTO and Co-founder is based in Singapore, their IT-support is located in Stenungsund (Sweden), and the development team consist of consultants in various countries, Philippines, Croatia, Canada, England, Singapore and Sweden. The global workforce enables the company to be active 24/7 since they are working over different time zone that are overlapping each other. The geographical distance makes it hard and expensive for the company to have physical meetings. Pelle Snårelid estimates that they have one physical meeting every year, and that two would have been better. More than two physical meetings per year is not necessary for a company of this size he stated.

The virtual team is built upon communication through mail, FaceTime, Skype, WhatsApp and other video links. The communication tool that Pelle Snårelid found the most frustrating to use is the mail. This is a result of the large amount of mails that are sent daily, and the difficulty to follow up on what has been noticed, responded or acted on. Pelle Snårelid explains that he sends roughly 30-50 mail each day to Singapore, and it can be hard to keep the red thread through all mails, and that it is often hard to keep one
mail to one subject without adding a “By the way, can you look on this as well”. After one week, Pelle Snårelid have sent over 150 mails, and then it is not possible to go back and ask if some have answered mail number 72. Pelle Snårelid indicates that this is something that they have not found a good way to work with yet.

There is also a lot of advantages using virtual teams identified by the respondent. The work becomes a lot more effective, the meetings are more efficient because there is less small talk, and you do not want to have longer skype meetings than 1.5 hour. For the team to be effective Pelle Snårelid sees one factor as crucial, the trust. He argues that if you know the people in your team, and trust them, everything becomes very effective. Close relationship means that you understand each other better, and therefore minimize the amount of misunderstandings and misinterpretations.

Another challenge identified is the time differences. Singapore is 7 hours before Sweden in time, generating a gap between the co-founders and their international colleagues. When Pelle Snårelid is working in the afternoon, his colleagues are at home eating dinner with their families, and it is not very fun to disturb them during their family time. This challenge is something that the respondent sees an advantage with too, when he is done with his work-day, he often has things that need to be changed or adjusted in the program/survey. When he wakes up the following day all request has been noticed and fixed, thanks to the international team that are working 24/7.

The virtual team allows WeCare AB to use human resources without thinking about their geographical location. This allows the team to use expert competence from anywhere in the world and can often be found for a very low salary compared to the workforce in Sweden. That is one reason why WeCare AB outsource some tasks to the Philippines.

Kodbruket
Kodbruket is a company that uses a lot of virtual communication, almost all communication between the team is done via Slack. A communication program, which is used to get a daily flow of communication as if they were sitting in the same room. Every morning the company has a meeting through Google Hangout, going through challenges they had yesterday and what needs to be done today. Andreas Karlsson states that the virtual communication is always the primary, even when two members sit in the same room. By using the virtual communication, the members can decide whenever they want to be interrupted or not. This causes an issue that some member can be hard to reach at times. Working with virtual teams, the founder has noticed that it is easier to communicate verbally, rather than writing. He explains that sometimes he and his colleagues can be writing the same thing, without realizing it until they decide to call each other and speak verbally. When communicating physically the person can use body language and facial expression to express themselves which makes everything clearer.
Virtual teams allow Kodbruket to transcend time and space, therefore making it possible for them to recruit highly skilled personnel. Andreas Karlsson says that this is a huge advantage and argues that if he had to have a physical team none of his colleagues would be working with him today. He would also be forced to battle with the larger companies about the human resources.

Aponomy
Klas Ehnemark identified several advantages using virtual team, it is fast, effective and reduces the amount of travels, resulting in a reduction in costs. The team use Skype, Google Hangout and mail on a regular basis to keep everyone up to date, and to be effective. A disturbing moment using the digital communication is that the software requires updates, which can cause delays in a meeting. Another moment that Klas Ehnemark found a bit annoying was that you do not know what type of meeting you are going to have when using Skype and Google hangout. Some presume it is going to be a video call, meanwhile some take regular skype calls for granted. In comparison to physical meetings, Klas Ehnemark noticed that people more often become unfocused during skype meetings or attempts to do multiple things while in a meeting. The time differences were another challenge they had face, when working with colleagues based in Sweden, California and Hong Kong at the same time. It required sacrifices from everyone, stretching their schedules to find a time that worked for everyone. The founder saw the time differences as an advantage too, since the team could be active 24/7, and getting tasks delivered when waking up.

Kallenberg Coaching & Communication AB
In his work today, Bengt Kallenberg uses virtual team when working with a management team where some individuals are spread across the globe and participate through a video link. This is a result from the companies that he is working with have become globalized and have branch offices in multiple countries in different time zones. Through his work he has noticed that individuals become worn out by working across time zones through virtual teams. For instance, people in Sweden work until 16:00, and that is when the colleagues in USA wakes up and wants to sort of some questions causing the Swedes to stay up the whole evening working. Besides overcoming the challenge of stretching the workdays to overcome the time differences, the different time zones generates advantages too. The team can work 24/7 and can provide support and answers all the time. He argues that virtual team can be fast and requires the members to be alert, it is a complex environment. The speed of a virtual teams is of course a benefit too and reduces the amount of travels which is positive for the cost reduction and the environment. However, compared to a physical team, the members can hide behind the technology, and can avoid responsibility due to the physical distance created by virtual teams. When having a meeting face to face, it is more serious and harder to avoid taking responsibility for their actions.
Northpress AB
The founder of Northpress AB describes virtual teams as the pillar of which the company is built on. Daniel Auener has actively worked in both virtual and physical teams, however, throughout the interview it was clear that the virtual aspect worked better for the CEO. Touching on words surrounding flexibility and effectiveness as the highlighted aspects of virtual team, the founder saw a huge advantage in using virtual teams, especially in Northpress AB’s line of work. The CEO further stated that working with a virtual team is close to a necessity. The programing and maintenance industry is an industry that cannot stay offline for many minutes, being able to have a team working from different time zones opens the company up to a broader market. The ability to cater the customers with their problems 24/7 is highlighted as a huge advantage in the computer industry.

However, the use of virtual teams is not always the right way to do business, a huge downside the founder have noticed is the interaction part of the industry. Using virtual teams and having employees based out of all corners of the globe limits the time spent face to face. The CEO highlights the problem with trusting the one you work with which is limited since most of the time you do not meet the person you work with in a virtual team. Moreover, the founder, despite the downsides, prefers working over virtual teams because it houses the ability to enter new markets with knowledges from employees based out of those markets. The ability to always be available to an international market in an industry that never sleep is the dream Daniel Auener is aiming for, to reach that goal, virtual teams play a huge role the founder stated.

4.4 Management
Corlin Eyewear
Corlin Eyewear’s founders Olle Sandberg and Tobias Göransson are relatively new on the market and their managerial experience of the international market is limited to their own information gathered while traveling the globe. However, their international relations with countries such as China, Italy, Germany, USA and many more have taught them how to handle different situations according to Olle Sandberg. As they grow and connect their brand with new markets they tend to ask people in their network for managerial help in cultural clashes and language barriers to stay ahead of possible problems in the future.

The founders further state that because the culture in the company is not interpreted the same from all parts Tobias Göransson have had to book meetings with certain members in the company team to show the employee what they truly stand for and how they should work with their product. The interpretations are in most cases because of misunderstandings over the virtual platform which is why it is of importance to meet in person and talk to the people that work with you according to Olle Sandberg.
Furthermore, the usage of mail can in some cases be short sentences which means a lot to the founders while the rest of the team interprets it differently creating miscommunications in the team. The founders have had to work hard on being clear with their leadership and how their employees should portrait their brand to the market.

Another managerial aspect the founders brought up was the respect and the ability to neglect a boss or a buyer request over a virtual platform. The founders describe a relation between culture and how requests are perceived, the founders argued for example that certain cultures never say no which have taught them to ask the questions around the possibility of answering yes or no.

WeCare AB
Pelle Snårelid as Co-founder and CEO have a lot of international experience, he had studied abroad in USA, worked in Sweden, Finland, Denmark and Norway. During his previous career at Pictura he started up new retailers in Poland, Greece, Iceland, Japan and many more. The organization today is very decentralized, and each and everyone have responsibility over their own expertise area. Everyone is expected to participate in discussions regarding decisions. Every week starts with a routinely Monday meeting via Skype, where they often have a written agenda that they need to go through. To have an effective virtual team, the founders believed that it is important to meet with the members of the team. He argues that it is important that everyone knows their role and understands all aspects of the company. WeCare AB meet once annually in Singapore, where all members get to know each other, learn about the company culture, and build some team feeling. This is something the founders recognize as a very important part to trust the members.

From his experience in working with virtual teams internationally Pelle Snårelid have faced a few cultural differences that have caused challenges. One problem the co-founder noticed is that all Swede’s believe that the culture in Sweden, Denmark, Norway and Finland are very similar, and that it is barely any differences. According to the respondent's experience, he has a hard time trusting Danish people, believing that they tend to have a different attitude towards work. Danish people promise they will do the tasks in one way but end up doing it in another way. Meanwhile Swedes are very meticulous, and are always on time and deliver before 17:00 pm, otherwise they get very frustrated if it is not delivered. Finnish people are very executive, and get things done quickly. Pelle Snårelid believes this is because the organizations are more centralized, and there is less discussion and more actions among Finnish people. Another huge cultural difference is when their designer and graphic content manager whom are from the Philippines got married. When Philippines women get married they might not be allowed to work for their husband, they are still waiting for a response if she can continue to work for them. Otherwise, Pelle Snårelid have been spared from cultural differences.
since Per and Marie Palmér in Singapore have been working with most of their consultants before and lectured them into a Swedish business mindset.

**Kodbruket**
Andreas Karlsson have faced some cultural differences when managing an international virtual team. When they outsourced tasks to Ukraine, they were not happy with the result they received. The respondent identified the reason to this to be partly due to the language barrier, but also the amount of respect that the Ukrainian employees had to their customer. They did not want to disappoint Andreas Karlsson (Who was the customer), and therefore withheld information about problems and the process. This caused a trust-issue between Kodbruket and their partners. Andreas Karlsson learned that its necessary to meet with the people working for him in an early up-stage face, for the partnership to be successful, and to develop an effective virtual team. When Kodbruket hired the two Polish consultants that they have today, Andreas Karlsson went to Poland to help them get started, and taught them about the company culture. Since then, the collaboration has worked very well.

Kodbruket enjoys working in a small team to create strong bonds, and a family-feeling within the team. The structure of the organization is very decentralized, and everyone can influence different decisions. The founder stated that he does not want a lot of sub-groups within his company, therefore he wants small teams and grow from there. If they expand he would rather add a new separate small team.

**Aponomy**
Klas Ehnemark have a lot of entrepreneurial experience, he has started up companies in Sweden, Hong Kong and Germany. He believes that these experiences together with the cultural differences have affected the way he develops his company, team and product today. The cultural differences and dissidence is something Klas Ehnemark believe a team should use and promote. To create an effective and well working team, all members have to share the vision of the company and believe on the products capability. Giving the members a lot of responsibility and clear goals are two key factors that is required in a managerial strategy. Doing so, the founder argues that it is necessary to meet physically building up the relationship and trust.

**Kallenberg Coaching & Communication AB**
To develop an effective team through virtual communication, it is important to understand the members differences, and listen everyone and try to understand each other. If the members know each other, how they behave and why, Bengt Kallenberg argues that the team will be more effective and reduce misunderstandings. This could be done by a “person-profile mapping” model to increase the understanding of the members behavior, strengths and weaknesses. For the top management it is very important to be clear with their directions and orders in the beginning, until the work form has developed into a clear
structure. If the organization is not centralized from the start, informal leaders might be developed and can cause trouble within the company. When starting up a virtual team the members and managers are recommended to meet physically, to get to know each other in a good way, which is a lot easier to do in person. By communication in a physical meeting is much clearer, and a personal connection is developed.

When internationalizing to different markets, the companies interfere with new cultures, which causes both challenges and advantages. Swedish companies often believe that their culture is very similar to the other Norden countries, but in fact they are not. Bengt Kallenberg argues that the Finnish companies are more strictly run by the top management, the boss decides without any further discussions, and resulted in an effective work. Meanwhile Danish companies was very hierarchy, but often did not do as they were told, and the Norwegian people was very relaxed and often went home directly at 16:00 to go skiing.

**Northpress AB**
The founder of Northpress AB, Daniel Auener, has a broad international experience working with teams from all over the world, however, his main international experience is based of working within Sweden and Germany. Even though the CEO does not currently have any employees in Notrthpress AB it was stated that Daniel Auener has worked on numerous of projects and companies where the founder had a leading role. Throughout the CEO’s career Daniel Auener have worked in both a hierarchical and a decentralized governed company. Moreover, the founder noticed a need to use both ways of governing a company, in many aspects it was noticed that combining the knowledge of all employees and using that to make a decision is both good and bad. Daniel Auener quickly noticed that Sweden’s way of working is more related to a guiding process while working on the German market, most companies had strong hierarchical setups where the boss decided everything. The CEO quickly noticed the need for both ways of leading a company or a project, however, Daniel Auener's leadership surrounded in most part the aspect of flexibility. The key aspect of being flexible with time and schedules to motivate the employees as long as they do the work necessary was his philosophy. Moreover, the founder stated that it was important to have in mind that this does not always work and argued that certain situations required a stricter leadership to not lose the respect of the employees.

Furthermore, trust plays a vital role in the managerial aspect of a company. Daniel Auener described a situation that when working on projects where there are a lot of new employees working only a few months of the total project time, trust plays a huge role. Since there is no time in the getting to know the person you are working with and the physical contact is to a minimum, it is hard to trust that the person you work with actually do what is needed the founder stated.
5.0 Analysis

In this chapter, the empirical data is analyzed and connected to the theoretical framework. The empirical findings are analyzed to find patterns of barriers and drivers of how virtual teams influence an SME in an internationalization process.

5.1 Internationalization

In the late 1977, Johanson and Vahlne (1977) suggested that firms internationalized to markets with a close psychic distance to their own domestic market. After analyzing the empirical findings gathered from the interviewed companies we noticed that this theory still lingers in the minds of the CEOs. About half of the companies in this thesis started their marketing expansion strategy aimed at countries which they knew, in the line with the Uppsala stage model. The founders of Corlin Eyewear described their internationalization process as actively choosing countries with similar market cultures to Sweden, a key aspect in Johanson and Vahlne’s (1977) stage model. However, the majority of firms’ internationalization process was based out of business relations. According to the majority of firms, the business relations you have and the network you have built, increases the possibilities for internationalization opportunities.

Through our empirical findings it is made clear to us that Swedish SMEs have a managerial urge, and strong reasons to internationalize. Furthermore, the majority of the respondent firms have already internationalized their companies externally through sales to foreign markets. However, understanding the reason why firms internationalize will be a key aspect in understanding how SMEs are influenced by virtual teams in an internationalization process.

The reasons behind the interviewed companies urge to internationalize are threefold. Firstly, the firms believe that the Swedish market is too small, and if they do not internationalize in a near future they would limit their revenue stream even though there is a chance to increase sales elsewhere. Olle Sandberg, one of the co-founders of Corlin Eyewear stated that their main reason for internationalizing was to not limit themselves, and by not limiting themselves they are able to reach a wider audience with their products and gain more revenue. Furthermore, Pelle Snårelid argued that it is a necessity for a company of their size to internationalize to survive a smaller market equal to the Swedish market. Pelle Snårelid’s statement is strengthened by Golovko and Valentini’s (2011) theory discussing the relevance of growth, the researchers argue that growth plays a vital role in an SMEs success, without growth the SME faces a high likelihood of not surviving the global market. The second reason is that most of the firms have an international product to begin with, either a program based in the English language as Kodbruket, or sunglasses following the latest fashion with the ability to trend globally. The final reason which was highlighted was random events leading to an internationalization. The final reason was one of the more common ways that the firms internationalized in a
combination with the two others, Bengt Kallenberg stated that it is often a coincidence guiding the internationalization process of a firm, much is based on the connections in your network and where the request are coming from. Pelle Snårelid added to this and stated that they are always looking to capture opportunities wherever they may arise, same goes for the internationalization process of Kodbruket. Andreas Karlsson argued that they did not look for the opportunity to internationalize, but rather received international opportunities from companies abroad. The fact that most of the companies choose not to follow the historically acclaimed stage model goes to show that SMEs are evolving, and that digitalization is pushing the market into a new era where network is a distinct guiding tool in the internationalization process.

Further analysis of the researched firms showed a similarity in strategy, a strategy surrounding relationships. No matter how companies internationalized the common denominator was the network relations enabling them to enter the market, Daniel Auener described their strategy as a random set of motions and network connections resulting in a new market. Daniel Auener further adds that the strategy is closely related to the product, a product which is applicable on an international market allows the firm to access markets outside of your domestic market. The increasing importance of an individual's network which was described by Oviatt and McDougall (2005) and Johanson and Vahlne (2009) gave us the indication that psychic distance is no longer the leading denominator in the internationalization process. The researched companies highlighting the network, strengthens the theory that networks are becoming the more common way of internationalizing. Furthermore, an important factor brought up by almost every firm was the fact that trust is an essential part in both virtual teams and network relations. The need to be inside a network in order to succeed elevates the trust perspective which according to Johanson and Vahlne (2009) is one of two key factors enabling a company to look beyond the barriers of disbelief and “outsidership”. This in return allows the firm to transcend into the “insidership” of the network as described by Johanson and Vahlne (2009).

5.2 Virtual teams

With the development and modernization of today's society, and the managerial urge in SMEs to internationalize quickly, a new form of team is on the rise, the virtual team (Daim et al., 2012; D’Souza and Colarelli, 2010). The new form of team has become a popular organization structure for SMEs and allows the companies to transcend time and space to increase their speed of their internationalization process (Shrm, 2012). Through our empirical findings, it is obvious that the trend of implementing virtual teams in SMEs is on the rise in Sweden too. All our respondents to this thesis were familiar with the definition of the term virtual teams and used virtual teams in their work to various extent. The majority of respondent firms even argued that virtual teams are the only way for their
company to exist and continue to develop. However, they all highlighted advantages and challenges that appears using virtual teams in a business organization.

5.2.1 Advantages

When working within a virtual team, the members are not bound to be in an office every day, the virtual team function allows the member to work wherever they feel is suitable. Gilson et al. (2014) described virtual team as a team that work towards a shared goal transcending geographical location, time and organizational boundaries by using technology. This was a benefit that all respondents mentioned in a positive way. WeCare AB stated that working through a virtual team is the only possible way for them to exist, and Corlin Eyewear’s idea from the beginning were that they wanted to be able to run their company from the comfort of their bed. Being able to choose where you work, enables the team to be very flexible, and choose where they want to work from, and to be reachable at all times. With the fact that virtual teams necessarily do not need to think about their members geographical location, the firms can benefit from that it many ways. The firms can attract human resources from any country, and therefore find the most skillful and suitable members to their team (D’souza and Colarelli, 2010). Most of our respondents used this advantage when outsourcing tasks and recruiting new personnel to create the most efficient team. In addition to a virtual team where the members do not need to meet physically, the firm saves time and money when they do not need to travel to work together. The respondent firms stated that they could keep down the salary costs by outsourcing to the Philippines, China and Poland.

Having the convenience to avoid traveling, the team members can use their time on working instead. When working together, the team transcend time and space while working together virtually, making a virtual team to be very fast and flexible (Daim et al., 2012). Which was a key factor of using virtual teams that all respondent agreed upon. The respondents highlighted that virtual teams were perfect to use for companies with branch offices in multiple countries, and for companies to become international without being based in a large city. All respondents saw the time differences as an advantage in a global virtual team. Having members spread out across the globe allows the company to be active 24 hours a day to help customers, adjust changes and fix other problems while some members might be sleeping.

The respondents add that with today’s technology, almost everyone has a smartphone which can receive mail, phone calls, skype calls, allowing the members to stay connected to the virtual team making the team efficient. This is strengthened by D’Souza and Colarellis (2010) theory of how knowledge sharing works in a virtual team. Today technology allows the virtual team members to be mobile while working too. The respondents told us they have had taken serious business calls in shopping malls, while hiking in the forest. Most of the respondents saw it as an advantage that their members
could decide when they wanted to answer a mail or a phone call while working, since they could decide for themselves when they wanted to be interrupted or not. Allowing the members to stay focused on their main tasks if wanted. D’Souza and Colarelli (2010) argues that this help virtual teams to become very effective, with fewer interruption moments than in a physical team, and more equality in participation among the team members.

5.2.2 Challenges

With the physical distance to each other in a virtual team comes a lot of challenges that the firms need to deal with. Starting with the technology that makes virtual communication and virtual team possible. In our empirical findings we found that the technology caused meetings to be delayed, since the software e.g. Skype needs to be updated every once in a while, for it to work correctly. In addition, with the advantage that members could decide themselves when they wanted to be disturbed or answer a call or mail, made the members hard to reach at times according to Kodbruket’s founder. The firms interviewed agreed that members in a virtual team could ‘hide’ behind technology, in the meaning that they could dodge responsibility for their actions by not answering a call or mail. Delaying the processes until they are done or just answering when they feel like it. Supporting the theory that meetings face-to-face are more effective and clear than the non-visual communication (D’Souza and Colarelli, 2010). Building on the next challenge for a virtual team, reducing the amount of misinterpretations and misunderstandings. As D’Souza and Colarelli (2010) stated, face-to-face communication involves both verbal and non-verbal expression making the communication very clear. All companies in this study had acknowledged this problem and argued that things could easily be misunderstood through virtual communication. Andreas Karlsson, The CEO of Kodbruket explained that sometimes his team can be chatting on slack trying to solve a problem, without understanding each other until they called each other and spoke verbally. It was then clear that they meant the same thing but expressed it differently in writing.

Furthermore, working in a global virtual team causes some challenges trying to transcend time and space. The time differences were highlighted by all companies represented in this study, both as an advantage but also as a challenge. The time differences caused the companies with a global virtual team to stretch their work-days in different ways, either work until late nights, or start working early in the morning to match the other members in different time-zones. This led some members to sometimes procrastinated problems, until the next day when the timing was better, and they could consult with a colleague in the team. Bengt Kallenberg had noticed that members that worked across time zones become worn out, due their ‘jet lag’. Except the time difference, a global virtual team brings another issue relating to the communication challenge as well. An international
virtual team tends to face a language barrier, depending on how well the members English proficiency are, and could lead to an ineffective team, argued for by our respondents

Lastly, every one of the respondents in this research mentioned the challenge of having and creating trust in their virtual team, since you do not meet physically daily, the degree of trust decreases (D’Souza and Colarelli, 2010). Olle Sandberg identified trust and reliability as the main obstacles in their internationalization process. Pelle Snårelid supports this and states that he believes that trust creates an effective team. The trust issue is connected to the lack of physical meetings according to all respondents. Creating trust in a team, is argued by Bengt Kallenberg to relate to team building activities such as suggested by Daniel Auener, going out for a beer. All respondents believed that it is necessary to meet with all members physically, the build strong relationship bonds, and to explain the business culture and vision to new members of the team. Since most of the virtual teams used in this study are international to some extent, meeting with all members physically at once becomes a challenge too and might be expensive too.

5.3 Management

Reuber and Fischer (1997) identified the relationship between managers international exposure in the past, and their urge to internationalize to be linked together. Moreover, the researchers argue that the relevance of experience in an internationalization process is questioned because of the born global phenomenon stating that companies are global from the start (ibid). However, the researchers further argue that the founders international experience is likely influencing the firm’s actions inevitably impacting the internationalization process and performance of the firm (Reuber and Fischer, 1997; Karagianni and Labrianidis, 2001). This relationship relates to the firm’s interviewed in this thesis. All managers participating in this study, had a significant amount of international experience before working with their current company, and they all wanted to internationalize within a short period of time. Since all participants in this study are SMEs, the organization are very fast (Karagianni and Labrianidis, 2001; Acs and Yeung, 1999) and flexible (Karagianni and Labrianidis, 2001). However, when the managers in the study were asked if their company were centralized or decentralized, the response varied. Half of the respondents argued that their company was very decentralized, and everyone had the opportunity to make their voice heard, and influence decision. Meanwhile the other half argued that the company needs to be centralized, at least in the startup process. Bengt Kallenberg lifts the issue with decentralization that informal leaders may arise and that would cause trust-issues for the top management, leading the company in the different direction.

Leading a company based on a virtual team requires high demands on responsibility and trust among the employees and team members. To supervise a virtual team is not as easy as supervising a physical team, where you work in the same office and knows when
everyone starts working and stops working. The physical distance makes it difficult to see the actual work being done (Scott et al., 2012). When managers cannot supervise the members in a virtual environment, it causes a gap in the communication resulting in obstacles for the team to reach its optimal performance (ibid). Our respondents working in a virtual team managed the issue by having daily follow ups, by e-mail and morning meetings. This way the team could discuss what is going on, and what is supposed to be done that day. Most of the respondents thought it was important to give members a lot of responsibility, and deadlines to increase the trust within the team, and make sure things were getting done on time. Mathieu et al. (2017) argues that working in a team is effective when dividing the tasks to the most suitable member of the team, that possess the skills required for a specific task. This way the team uses the members strengths and weaknesses. Bengt Kallenberg supports the theory and recommend teams to perform a ‘person-profile mapping’, for the team to develop an understanding of the individual’s behavior, strengths and weaknesses.

Throughout our interviews we noticed a recurring struggle of understanding each member’s behavior in international virtual team. The majority of respondents describes cultural differences as the underlying basis to both positive and negative impacts on the team efficiency. Members with different cultural backgrounds forming a team, tend to lack cohesion (Lloyd and Härtel, 2010). Corlin Eyewear’s founders described one major cultural implication of dealing with the Asian market as a culture unwilling to show vulnerability. The founders quickly learned that whenever they asked a question regarding products the answer was always ‘Yes’. After the realization that this is how the Asian market worked, the founders adapted their questions and requests, avoiding the possibility of a ‘Yes’ answer. Costa et al. (2017) elaborates further, if there is an unwillingness to show vulnerability, it is a sign of low degree of trustworthiness, and that is easier to avoid over a virtual setting compared to a face-to-face meeting. Reinforcing the description by the respondents on another managerial aspect in virtual team’s describing the need to meet with the person you work with over a virtual setting in reality to gain the level of trust needed to build a healthy relationship. Kodbruket had a similar experience when outsourcing parts of their programming to Ukraine. They never received any negative comments from the employees in Ukraine, but their assignments where always delayed and not of the quality that they expected. They traced the reason to this to be connected to a language barrier over a virtual team, and the amount of respect the employees had for Kodbruket’s CEO. Therefore, they withheld information about the process, since they did not want to disappoint Andreas Karlsson (CEO, Kodbruket).

Another interesting cultural aspect enlightened in the interviews were the psychic distance to the neighbor countries of Sweden. Pelle Särelid and Bengt Kallenberg both had close proximity experience managing cultural differences through virtual teams with Finnish, Danish and Norwegian companies. The majority of the interviewed firms explained how it was difficult to deal with nationalities, regarding the cultural psychic
distance, not because the countries are in a close proximity to Sweden, rather because they are culturally different. Bengt Kallenberg describes this problem to be centered in the fact that Swedish companies often believe that the Scandinavian countries are culturally similar when they in fact are so different on many aspects (Ojala, 2015). The psychic distance creates challenges for virtual team collaboration, due to the misunderstanding connected to norms, behavior and values (ibid).

Although the majority of companies talked a great deal about the problems concerning the cultural aspect in virtual teams, there were more than enough advantages arguing for diversity in a virtual team to enable an easier penetration of the foreign market. One of the key factors driving the diversity in a virtual team is the ability to easier enter a market when you have someone stationed in the specific market who knows the necessities before entering a market. Daniel Auener highlighted this during the interview with Northpress AB, despite the downsides of virtual teams, he preferred to work in a virtual environment with his company because it houses the ability to easily enter markets from which the employees originate from due to their knowledge in the market. Moreover, when the founders of Corlin Eyewear described their internationalization process and stated that it is in the comfort zone, meaning they aim for markets with similar market sense as the Swedish market it relates to Daniel Auener’s description, companies tend to internationalize to markets you know and have knowledge about or have a connection with. Since the employee have knowledge about the country’s politics, infrastructure, economic situation and culture, the perception of the market can be confirmed, and the psychic distance erased (Ojala, 2015). This knowledge enables the company to develop a more accurate entry strategy resulting in a smoother internationalization process.

When looking into how a virtual team are governed, a few characteristics were continuously mentioned by our respondents. A consensus was reach, agreeing to a well organize structure, with deadlines and clear goals was necessary for creating a effective virtual team. Corlin Eyewear highlighted the importance of being clear with their leadership, and make sure the employees portrait their brand in the right way to the market. WeCare agrees with Corlin Eyewear and adds the importance that everyone knows their role in the company. This type of leadership is by globe framework identified as a “Charismatic/value-based leadership”, that is based on clear and strongly held core values, to motivate the employees and can in return expect high performance from the team members (House et al., 2004). Andreas Karlsson argued that he wanted to have a small decentralized team with strong bonds, which could generate a family feeling. Instead of expanding the team, he would rather add a new separate team instead of expanding the existing one too much, to keep the strong bonds within the team. This kind of leadership is connected to the globe theory’s ‘Humane-oriented leadership’, where the manager cares about its team members, and is very supportive, and compassionate(ibid).

The last leadership style that we noticed, in combination with ‘Humane-oriented leadership’ and ‘Charismatic/value-based leadership’ is the ‘participative leadership’
which is applicable to leadership styles that wants to involve all members of the team and allows everyone to take responsibility and influence decision (ibid). Aponomy and Daniel Auener both highlighted the key factor of allowing the members to participate and take responsibility of their own. The reason there are no universal leadership type in an international virtual team, is due to the cultural differences (House et al., 2004).

Elaborating further on running a virtual team based on the leadership style mentioned above, it was obvious that all our respondents had the same key factor in mind. Scott et al. (2012) argue that members in a virtual team need deadlines, formats, and documentation to avoid conflicts within the team, and to build up the key factor all respondents had identified, trust. The physical distance between the members of a global virtual team generates a lower degree of trust (D’souza and Colarelli, 2010). Costa et al. (2017) further explain that teams with a high degree of interdependence, are dependent on trust for the team to be effective and function in a good way. Daniel Auener acknowledge trust to be a vital factor in virtual teams when working on projects with new employees, since there is no time for team building and getting to know the new members, it is hard to trust that the other member of the team actually does what need to be done. All companies participating in this study therefore highlighted the importance of meeting all members in a virtual team, to build relationship, business culture, share information, and to build trust.

6.0 Conclusion

In the following chapter a conclusion based of our analysis is discussed and presented. The chapter start by answering the research question followed up by our theoretical implications, practical implications and recommendations. As an end to the chapter, limitations and suggestions for future research is presented.

6.1 Answering the Research Question

In a more digitalized world, small and medium-sized enterprises are looking to internationalize to new markets offering a wider set of customers and an increase in revenue (Nordensky et al., 2014). Although digitalization is said to lower the barriers between countries and open the trade market, differences hindering the expansion still exist. It was therefore established that understanding the local market, be it, network connection or employees with knowledge of the market is the pillar of internationalization through a digital world (Oviatt and McDougall, 2005). Previous research has scratched the surface of the importance of teams and the importance of understanding cultural differences, and the positive impact it has on the internationalization of SMEs in today’s digital society (House et al., 2004). The purpose of this thesis has therefore been to investigate virtual teams influence on the internationalization process in SMEs and further discuss a future possibility regarding virtual teams as a substitute for physical
teams. Consequently, one single research question has been conducted to be answered: *How does Virtual teams influence the Internationalization process in SMEs?*

In order for us to answer the research question three steps need to be covered describing how virtual teams impact an internationalization process within Swedish SMEs. The first step for us in answering the research question brings up the human resources and network that a Swedish SME can access due to use of virtual teams. All of the respondent firms in this thesis mentioned the benefits of transcending time, space and organizational boundaries (Gilson et al., 2014). Resulting in a more flexible work environment allowing the members of the team to work from any country, city or place that they like, enabling the SME to avoid limitations when it comes to recruiting new competence and expanding its network (ibid). The SME can choose competence from anywhere, increasing the competition for the job and the spot on the team. The Swedish SME can therefore benefit in multiple ways from this, the salary cost can be reduced, they can find the most suitable employee in the world, and it can help the SME in their internationalization process with their ability to build new relationships and contacts. By employing a person from a foreign market, that person brings along knowledge from its origin country, giving the SME knowledge about their culture, politics, economy and market trends. Resulting in an advantage over their competitors.

The second step of answering our research question, regards understanding the cultural differences. Before being able to capitalize of the advantages that multicultural virtual team brings, by conducting this research we quickly noticed the necessity to evaluate and understand the different barriers which a multicultural team provides. The respondents all agreed that there are challenges with cultural differences within a global virtual team that the managers and teams must overcome together, such as losing faces, time aspects, attitudes and trust (House et al., 2004). Managers that were interviewed mentioned that the presumed psychic distance were one of the sources to cultural challenges. However, if the team overcomes the challenges with cultural differences among the members of the team, they will be able to use the differences to their advantage. The respondents were very clear in highlighting the advantage a multicultural team brings, the ability to avoid barriers enabling the companies to extract the necessary information of the foreign market and put them ahead of competitors.

This leads to the third step, connecting the multicultural differences with the internationalization process of the SME. An SME implementing an international virtual team aspect in its organization, recruiting competences from foreign markets that the SME is interested in. Allows the company to learn from its employees how the culture, market and country operates, and benefit from their knowledge in the internationalization strategy (House et al., 2004; Interviewees, 2018). When the team has overcome the cultural differences, and learned how the market and culture works, the team can capitalize on its newly found knowledge and adapt to it in their internationalization
process. While working with personnel in the foreign market, the SME receives ‘inside’ information, resulting in the ability to leap over stages in their internationalization process through the usage of virtual teams with the right members.

In our analysis, we discover a connection between the above-mentioned steps and the success of an internationalization process of a Swedish SME. We have identified a relationship between the two internationalization theories Network approach and Uppsala stage model, and the new team phenomena Virtual teams. By implementing Virtual teams, the SME can as is mentioned in step one, transcend organizational boundaries, and recruit personnel globally, establish new relationships and contacts, resulting in the implementation of the network approach (Gilson et al., 2014). With the increased network the SME are not limited to follow the stages of the Uppsala model, however we have noticed that the SMEs prefer to aim their internationalization toward market similar to the domestic market. With the ability to recruit personnel over a virtual setting from foreign markets, the SME can connect the network approach with the Uppsala model, reducing the psychic distance between the SME and the foreign market pushing the next “stage” in the Uppsala model to be anywhere in the world. The Uppsala stage model indicate that companies internationalize to foreign markets close to them because they know the market, with the collaboration between the network and the virtual team, the next stage in the Uppsala model can be anywhere in the world as long as the SME have personnel in the market instructing the company on the process (Johansson and Vahlne, 1977; Johansson and Vahlne, 2009).

In order to implement the collaboration, we have noticed between the network approach, Uppsala model and the virtual team one essential key factor was identified, trust. Trust is the foundation of an effective virtual team, since a virtual team lack physical distance, the degree of trust is reduced. The members of the virtual team are required to trust that everyone follows their obligations and assignments in a good manner. If the SME can build a virtual team with a high degree of trust, the virtual team can influence the internationalization process of a SME in a positive and competitive way.

In conclusion, the answer to this thesis research question is that the virtual teams provide the SME with the opportunity to leapfrog over stages in their internationalization process, making virtual teams more effective, faster and flexible than a physical team. Confirming the relationship between the two trends of increasing international SMEs in Sweden, and the trend of implementing Virtual teams in organizations mentioned in the background and purpose.
6.2 Theoretical implications

The phenomenon virtual team is a fairly new expression as well as a new mindset for firms which have come to light in recent years. The interest of the virtual team phenomena has increased due to an elevation in SMEs wanting to internationalize without the necessary financials, resulting in the need to leapfrog over barriers avoiding failure on a foreign market (Nordensky et al., 2014). However, research of the phenomenon is limited and often overlooked by SMEs wanting to become global from the start instead of relating successful internationalization processes to virtual teams. The aim of this thesis was therefore to educate the reader on the research gap and create better knowledge about the phenomenon that could do so much for SMEs. Furthermore, the research describes relations and influences which in the future can help SMEs to easily internationalize to foreign markets dismantling the international trading barriers opening to a global market.

The findings of this research present several challenges and advantages that comes along when implementing a virtual team to the organization. The challenges and advantages have it origin from culture differences, physical distance and the degree of trust. However, the key factor for creating a successful virtual team surrounds trust, depending on how you chose to deal with trust, it will either result in a huge advantage or disadvantage for your firm. Based on the advantages and challenges it is possible to connect the internationalization strategies, the Uppsala stage model and the network approach with the phenomena virtual teams, creating a fast, flexible and effective internationalization strategy. Allowing the organization to leapfrog over stages in a classical internationalization process.

Figure 1: Updated conceptual framework (Source: Own model)
Figure 1 has been updated and now show new constructs and the relations between virtual teams and the two theories connecting into one internationalization strategy which is capable of leapfrogging over the foreign barriers. By leapfrogging over the barriers, SMEs have the ability to implement an effective internationalization process, establishing themselves on the foreign market that is not necessarily a close one.

6.3 Practical implications and recommendations

Our empirical findings highlight the importance of investigating the absence of virtual team’s impact on the internationalization process of a Swedish SMEs. Furthermore, we believe that understanding the advantages and disadvantages virtual teams brings is essential in the digitalized market which we live in, since the digital market is growing and have the ability to replace physical markets it is essential to plan for the future and adapt accordingly. By understanding the phenomenon, a Swedish SME can operate and internationalize easier. However, acquiring the necessary knowledge and overcoming the trust barrier is an essential part in the process which cannot be overlooked if the company wants a stable internationalization process.

We therefore recommend Swedish SMEs whom are interested in internationalizing through a virtual setting to acquire thorough information of the country by hiring personnel with the necessary knowledge. Furthermore, as this thesis clearly highlights, business relations and the establishment of networks are an essential part of the internationalization process, we would therefore further suggest Swedish SMEs to acquire such relations prior to the internationalization process.

6.4 Limitations

Towards the end of this research we identified certain limitations which we believe impact the quality of the research on the international market. The first limitation regards the active choice of focusing on Swedish SMEs, resulting in a lesser quality on the international market because of the different cultures in each other country. By limiting ourselves to the Swedish market we could get a clearer view of a specific market rather than having a broad focus concerning all markets. Another limitation was noticed when we conducted the interviews with the different firms participating in this study, the view on teams where in some cases different from others. Some firms involved business partners, consultants and others within their team, while some did not. Therefore, we decided to have a very broad perspective on the term team when conducting this research. The last limitation noticed regards the definition of virtual teams and the selection of cases for our interviews. Due to our time and resources it was very hard to find teams that only were active in the virtual environment, therefore we believed it was best to use teams that combined both physical and virtual meetings and communication.
6.5 Suggestions for future research

Since the research regarding the usage of virtual teams is limited, there are a lot of research areas that could be interesting for future research. By conducting our research about virtual teams, it was clear to us that there were three main areas in connection to virtual teams that would be very interesting to acquire deeper knowledge within.

1. **To investigate how firms recruit personnel to their virtual team from foreign markets?**

To be able to leapfrog over stages in an internationalization process, the virtual team need to have the right competence from the foreign market they wish to enter. Therefore, it would be very interesting to see how firms recruit personnel virtually, in order to receive the right knowledge and skills to conduct the leapfrog over stages.

2. **To investigate how a virtual team can build up a high degree of trust within the virtual team, without meeting the members physically.**

Since we identified trust as the key factor and foundation of a well-working virtual team, it would be interesting to know how the manager of such a team should act to develop the most efficient virtual team. Some of the biggest advantages of using virtual teams is to transcend time and space, therefore would it be interesting to see how it is done without meeting the team physically, as suggested by our respondents.

3. **To investigate how a virtual team could influence the internationalization process of an LSE.**

Due to this thesis being limited to the SME sector we would suggest further research into how virtual teams impact the bigger corporations in their internationalization process and how they handle their different teams within the corporation. As suggested above, there are numerous advantages with the use of virtual teams, therefore it would be interesting how an LSE cope with teams that do not meet regularly.
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