Terrorism in international business:
The impact of terrorism on internationalization and risk management for Swedish firms prospecting or operating in less developed countries.

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Abstract

Previous research has underlined the importance of the connection between the increase of globalization and the increase of terrorism. Furthermore, previous research has made a distinction between direct and indirect effects and the impact the latter has on firms in an international context. However, the research conducted on the subject is implicit thus this thesis has emphasized on the inconclusive parts to explicitly display the relationship. The purpose of this study is to see the implications of terrorism in relation to international business regarding internationalization and risk management resulting in a guideline for Swedish firms entering less developed countries.

To acquire a deeper understanding, various parts relevant to the subject was included and analyzed. A qualitative research method was used in order to obtain in-depth insights of great value on how terrorism affects international business and how Swedish firms adapts to it. By doing so and connecting the findings to theory, we were able to see patterns which led to our conclusion. The results made from this study highlighted the importance of preparedness for firms entering less developed countries, including terrorism as a factor to consider while assessing risks. Furthermore, it also showed that Swedish firms prospecting less developed countries are formatting entering strategies suitable for that market with this in mind, as well as de-internationalization if struck by terroristic events.

**Keywords:** Terrorism, Globalization, International business, Swedish firms, Less developed countries, Internationalization, Risk management, De-internationalization
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1 Introduction

In this chapter, an introduction is given to the reader regarding the thesis and study that has been conducted. Starting with a background, the concepts and areas of study are explained leading to a problem discussion exemplifying previous research and research gaps. Thereafter, the problem and how this study contributes to a better understanding of this field is defined. This chapter is finalized with a description of the purpose, research questions and the limitations of this study.

1.1 Background

London, September 15th, 2017, Londoners were heading to work on a Friday morning like every other Friday. Suddenly a bomb explodes, injuring at least 30 victims, fortunately causing no deaths. This is only one of many terrorist attacks occurring all over Western Europe in the recent years constructed by ISIS and supporters of their cause (Maher, 2017).

Barcelona, a beautiful day in mid-August the same year, a terrorist attack injured 130 people and killed 16. This was just a few days before the next attack occurred in Finland, where a terrorist killed two with a knife and wounded eight others. These examples are not the only attacks during this year, assaults both in Stockholm and Manchester had hundreds of people wounded and left dozens of dead in total (Maher, 2017).

As displayed in the charts beneath, the recent years have had a major increase in both terrorist attacks all over the world as well as fatalities caused by these events.
Figure 1. (Max Roser, Mohamed Nagdy & Hannah Ritchie, 2018)

Figure 2. (Max Roser, Mohamed Nagdy & Hannah Ritchie, 2018)
1.1.1 The core concept of terrorism and its branches

Defining terrorism and terror groups in the sense of distinguishing it from non-terrorist groups, varieties of it, triggers, or if it is increasing or declining was for a long time difficult to do. It was difficult to define since terrorism was not as common and widespread as today and therefore was seen hypothetically like beauty; diverse depending on the eyes of the beholder (Lutz & Lutz, 2004). However, in modern day society, there is a clearer definition of the term terrorism. According to Munson (2008), most scientists within the social field would define it in the line with non-combatants who gets violated or threatened to be violated for political purposes. Although in the public discussion about terrorism this might not be as accurate since global media, leaders, military officers, and even law enforcement contribute to constructing the term by labeling chosen events and individuals with it but no other similar acts and individuals (Ibid). However, the various definitions of the term terrorism all have the same central mechanism, which is the fear it evokes in a targeted population (Munson, 2008). A common statement regarding terrorism is “One person’s freedom fighter is another person’s terrorist” (Lutz & Lutz, 2004, p. 8). The ability to define terrorism is indubitably important to be able to have any valid consideration of its occurrence in the world as it is not isolated to just one certain region but affect all (Ibid), arguably partly because of globalization (Zimmermann, 2011).

According to Lutz and Lutz (2004), the first thoughts that arise when people hear the word terrorism is usually connected to evil, indiscriminate violence or brutality. However, it is fairly simplified to label groups or actions as terrorist just by them being violent and immoral, wrong, or just diverse to the basic ethical principles a reasonable human being might hold (Ibid). It can be compared to the opposite where people use terms as freedom fighters, rebels or revolutionaries, which imply that the groups are taking actions for the greater good or a higher moral principle. The choice of terms when describing an individual or a group who are taking some sort of violent action for political reasons often expresses an assumption of the goals of the group (Ibid).

When comparing the oppositions, terrorism as a concept becomes clearer. Freedom fighters, for example, suggest that there is a positive evaluation regarding the goals of the group (Lutz & Lutz, 2004). The victims of their actions are usually seen as supporters of a political system that denies freedom and in addition, seeks to oppress and repress at least parts of the population. The collateral damage in these scenarios, the innocent bystanders, may be either wounded or in the worst case killed. This is ultimately blamed on the repressive government that does not grant people their rights (Ibid). Continuously, attacks are aimed at governments that are
legitimate and accepted by the people they govern. The goal is to destroy and undermine the way of life that is desirable or good and target political systems with a strategy placing innocent civilians as objectives with the aim to cause indiscriminate casualties among them (Ibid).

Macias (2014) looks back at the year of 2014 and describes how terrorist attacks increased by 61 percent globally. This is in line with the research of Zimmermann (2011) as he mentions the relationship between terrorism and globalization. The numbers are based upon a coverage of 99.6 percent of the world's population and 162 countries included in the statistics. Macias (2014) also mentions the total death toll of 17,958 people over the year and how terrorism still is on the rise. For example, these numbers are not including the recent attacks orchestrated by ISIS which has resulted in an extensive number of victims (Ibid).

1.1.2 Terrorism and global growth

The increase of terrorism is connected to the increase of globalization (Zimmerman, 2011), which is a phenomenon that includes the expansion of international networks, reduction of country borders and an increase of trade between nations (Hamilton & Webster, 2015). As the international trade and networks expand, the countries within become interdependent and linked to each other. Events that affect one country will have an impact on the other, such as terrorism (Zimmermann, 2011). According to Hamilton and Webster (2015), globalization opens markets and nations that conduct trade with foreign countries can, therefore, utilize resources overseas and structure their business in diverse ways than they have previously done in their domestic market. Furthermore, this can possibly create more specialized companies that structure their business by outsourcing parts of their value chain to other companies. This is a strategy to increase the level of efficiency as well as lowering cost by setting up production in less developed countries, henceforth, LDC:s (Ibid). By mentioning LDC:s, the United Nations Committee of Development Policy (2018) defines such countries by the rate of Gross National Income per capita, Human assets index and Economic vulnerability (UN, 2018, A). In this thesis LDC:s are referred to as countries with low-income levels, low education and political and economic instability. In contrast, the definition of developed countries is based upon the opposite, mainly looking at economic factors as those numbers are positive in comparison with LDC:s in accordance with the United Nations (2018, B).

In comparison to Hamilton and Webster (2015), Chibba (2014) describes globalization in a similar way and defines it as any business with the view of the
world as a single business territory that possesses a significant international dimension. In addition, describing globalization as a multifaceted and multidisciplinary concept in terms of meaning – the meaning of that the world can change depending on several forces such as political, economic or technological (Ibid). Furthermore, Chibba (2014) puts globalization in a more general term that goes above the various aspects and mean it is synonymous with “the interdependence of nations and economies, the interconnectivity of peoples and cultures, global governance, global communications, the global marketplace and related phenomena (such as international migration)” (Chibba, 2014, p.477-478). Combining the diverse aspects, this embodies some sort of the main definition of globalization, which according to Czinkota, Knight, Liesch, and Steen (2010) arguably connect to terrorism and the impact of such events that arise from the world being connected.

The connection originates from the fact that terrorism and such events will raise the cost of trade goods when it strikes since it causes uncertainty within the stricken country (Bandyopadhyay, 2016). The uncertainty and raised costs are beneficial for countries that are freed from terrorism and have the possibility to produce similar goods since they will be a more lucrative partner to trade with (Ibid). The uncertainty will cause a rise in both insurance premiums and security costs that result in a decrease in competitiveness of goods. Terrorism will furthermore have an impact on the flow of goods, slowing it down in terms of greater inspections and safeguards, which also lead to a decrease in price-competitiveness. The domestic and international trade for any country stricken by terrorism may also encounter a loss in purchasing power since there will be a loss of income when the production is disrupted (Ibid).

The most devastating terror event in history is commonly known as the 9/11 attacks (Sawe, 2017). With a casualty of almost 3,000 people, it is not difficult to understand the impact it had on a global scale. However, it is also important to take into consideration the indirect effect of these events, e.g. the decrease of those who travel internationally by plane. When factors such as this are taken into the equation it is clear that looking at such events only from a short-run response of economic outcome is quite myopic and does not provide the whole picture (Egger & Gassebner, 2015).

Since 9/11, besides the indirect effects, there has been an increase in the more direct effects and attacks on international business as well. From 2001 to 2016 there were 5,367 attacks physically targeting businesses registered by the Global Terrorism Database. This equals to an average of 1.1 terrorist attacks on businesses, which is categorized as global terrorism, every day (Suder, 2016).
There are several examples of indirect attacks of terrorism (Suder, 2016). In Tunisia, the hotel Port el Kantaoui was attacked in 2015, which resulted in costs of £32 million for the business but still has ongoing effects from the attacks. Another indirect attack causing a great impact occurred in Mumbai in 2008 and resulted in a decline of India’s economy through loss of business estimated to $100 million (Ibid).

Factors that are important to look into, besides the casualties, can, for example, be the aftermath of the 9/11 attacks where the Dow Jones dropped more than 600 points and that the recession in 2001 deepened even further (Amadeo, 2017). For the first time since the Great Depression the stock market closed for four trading days, and after it once again opened, The Dow Jones promptly fell 7.13 percent. The depression was also extended because of the attacks since it made the economy contract once again the third quarter of the year. However, the recession ended in November the same year, but even then, the threats of war drove the Dow Jones down for another year (Ibid). The aftermath of the attacks made the U.S launch War on Terror program, which is the most significant government spending program in U.S history. During the next 8 years, the program cost the U.S approximately $1.164 trillion. Adding the total spent by the former President Barack Obama during his two terms and the budgeted total from President Trump, the War on Terror program have a total cost of $2.126 trillion, which is an indirect effect from the 9/11 attacks (Ibid). The funds taken into the War on Terror program were taken from other projects and stimulus programs which was meant to boost the country’s economy and take it out of the 2008 financial crisis. With the redeployment of funds, the result was that fewer jobs were created that led to fewer taxes, trade and international business (Ibid).

Since terrorism has increased over the past couple of years, especially since the events of 9/11 (Macias, 2014), several nations have created policies and projects to protect themselves from this kind of attacks (Williams, 2017). An example of such a policy is the banning of citizens from seven nations to enter the USA ordered by the President of the United States, Donald Trump. This policy was created to protect the nation from international terrorism without consideration of terrorism originating domestically. The Las Vegas shooting in 2017 where a gunman killed approximately 50 people and injured even more (Ibid) is arguably an example of domestic terrorism by definition (Munson, 2008).
1.1.3 Risk management and actions

Devinney, Pedersen, and Tihanyi (2010) describe that a result of too high risks and insecurities caused by terrorism is de-internationalization of firms. De-internationalization is not only the scenario when a firm is completely withdrawing from a specific or all foreign markets. It can also be done partly by reducing the depth or breadth of operation abroad, e.g. by decreasing ownership in a joint venture located abroad or laying off staff operating in the market (Ibid). Furthermore, Devinney et al (2010) describe the two diverse types of de-internationalization, forced and voluntary. The possibility to be forced to de-internationalize is often a result of economic boycotts or expropriation whilst voluntary de-internationalization can be a result of increased local or decreased foreign demand or if the firm manages to re-internationalize (Ibid).

Since unpredictable events cause’s threats and uncertainties for a firm, risk management is of significant importance (Chapman, 2011). The evaluation of certain risk factors on a continuous basis should be conducted by firms including all divisions of the company (Ibid) and de-internationalization is one possible outcome of such an assessment (Devinney et al, 2010).

1.2 Problem discussion

1.2.1 Previous research and research gap

Previous research has been conducted regarding the general aspect of terrorism and its impact on international business (Czinkota et al, 2010). Some research touches upon areas such as foreign consumer behavior, transaction costs, foreign direct investment, henceforth, FDI, and the impact of terrorism (Ibid). This research and its results are supported by Shengelia (2015), as she describes the decline in foreign investments. In addition, Shengelia (2015) also mentions how terrorism steers market formations and that international relations are disturbed (Ibid).

Bandyopadhyay, Sandler and Younas (2014) illustrate the consequences of terrorism and such events as an increase of economic challenges and implications. Challenges in terms of declining FDI, output losses, damaged infrastructure, costs of security, reduced economic growth, a lower percentage of tourism, less trade and an increase of insurance premiums (Ibid). The diverse losses for a country are well calculated by terrorists and they possess knowledge regarding the amount of damage they can cause in a country. They consider their knowledge as a strategic
upper hand and compose strategic moves to pressure the governments to concede to their demands. Furthermore, they stress that LDC:s are the ones that are particularly vulnerable to these types of attacks (Ibid).

Bandyopadhyay et al (2014) mention how the effect of terrorism on FDI, measured in 186 countries, reduced the net FDI position by approximately 5 percent of the GDP. The importance of studies in the area is stressed since FDI is a major source of savings for LDC:s and aligns with their efforts to secure their economic growth (Ibid). Furthermore, Bezic, Galovic and Misevic (2016) show results of the relationship between events of terrorism and a decline of FDI inflows in stricken countries. The study displays that acts of terror have a direct impact on the economy, generally when it comes to re-allocating economic resources and specifically regarding a decline of FDI inflows (Ibid).

There are two diverse types of terrorism highlighted, transnational and domestic, and it is important to understand the difference between them (Bandyopadhyay et al, 2014). Domestic terrorism can be described as homegrown where the culprits, supporters, victims, and targets all are from the same country. This may cause a political instability in the venue country that results in a reduction of FDI (Ibid). Continuously, actions like these might disrupt or in worst case destroy infrastructure, which also limits the output from a given amount of inputs. Furthermore, attacks orchestrated by terrorists raise the cost of doing business, which addresses the same result as when disrupting or destroying infrastructure (Ibid). Omay, Araz-Takay, Eruygur and Kilic (2013) results align with other researchers as they describe terrorist events and acts of terror as having a direct and indirect effect on the economy in the stricken country, especially regarding a decline of FDI. From a case study of Turkey, Omay et al (2013) concluded that terrorism and FDI are in a relationship and from their study politicians could use the results to create better policies for future events. Likewise, for foreign actors that are prospecting markets stricken by terrorism since they can locate risk factors more easily (Ibid).

Transnational terrorism concern at least two countries, e.g. the event of a terrorist bombing that destroys a foreign company owned building, even if the building is located on the domestic market of the terrorists (Bandyopadhyay et al, 2014). Transnational terrorism can, in comparison to domestic terrorism, divert FDI owing to heightened risks and reduced output. Transnational terrorism is anticipated to have a greater marginal impact on FDI in the country of the attack. And a reason for this is that the foreign personnel and assets might be targeted directly (Ibid). Bandyopadhyay et al (2014) argue that a reason for transnational terrorism being more impactful is because counterterrorism efforts against transnational terrorists are far less efficient than they are regarding domestic terrorists. Since transnational
terrorists usually have assets partly based abroad, it becomes more difficult to reach and destroy them for the counter nation (Ibid). Powers and Choi (2012) studied the impact of transnational terrorism and its impact on FDI and strengthen the previously stated arguments. Researching 123 developing countries during a period from 1980 to 2008, the authors concluded that multinational businesses harmed by transnational terrorism contribute to a decrease of FDI (Ibid).

Now, the availability for a vast selection of research regarding terrorism and its effect on international business is somewhat low. There is a research gap between current knowledge and what is needed regarding terrorism and its impact on international trade (Czinkota et al, 2010). Since researchers have focused on previously mentioned areas, future research should examine the relationship even deeper. Looking into factors such as the effect on internationalization and how it affects firm’s decision making regarding preparation and protection, including risk management and de-internationalization, against the impact of terrorism. Hence, challenges on a firm level regarding international business arise when prospecting LDC:s (Ibid).

Furthermore, Powers and Choi (2012) describe the amount of research on terrorism and the effect it has on international business as low. And even if the amount has increased since the attacks on 9/11, it is still not extensive. Another important aspect regarding the research gap in this field is the fact that most of the existing research is inconclusive (Ibid). Describing how some research show a significant and negative effect of terrorism regarding e.g. FDI, other research and reports have a more ambiguous result and finally some of the researchers have failed to find any empirical support (Ibid). Another research area that is noticeably absent is the investigation and research on the linkage between international terrorism and decision making theory in regard to preparedness when entering LDC:s (Liesch, Steen, Knight & Czinkota, 2012).

Research have been conducted in similar fields to terrorism and its impact on international business such as the aftermath of wars regarding international relations, which could strengthen previous research regarding terrorism and its impact on international business (Black, 2005). The result from such research has mainly exemplified how relations between nations becomes challenged after such events. Actions that have been conducted by one nation and were regarded as wrongly have infected its relation to other nations and areas such as trade have been affected (Ibid).

Another parallel between terrorism and its impact on international business is previous research that have been conducted regarding institutional challenges in emerging markets (Cavusgil, Ghauri & Akcal, 2013). The researchers have stressed
the importance of capital and labor markets to create functioning institutions. This has an impact on the political stability and economic growth in a country and the level of welfare is depending on these factors. According to Cavusgil et al (2013), great institutional challenges have an impact on international trade, such as higher transaction costs and difficulties regarding bureaucracy and trustworthiness for foreign actors entering such countries (Ibid).

1.2.2 Problem Definition

Since previous research have not concluded all aspects of the effects terrorism has on international business to its full extent (Czinkota et al, 2010), this thesis will research areas of implications regarding internationalization including entering strategies and decision making theory including risk management and de-internationalization. Thereby stressing the importance of understanding the complexity and implications terrorism exemplify and how to manage them. The results of this research could be useful and of high interest for companies operating in, or prospecting LDC:s. The study will examine this from the perspective of Swedish firms since they arguably reflect and are representative of firms from developed countries (UN, B, 2018) and also because of higher availability. Since Sweden is regarded as a developed country that is stable and more or less freed from terrorism, this will hopefully contribute to a higher amount of interesting aspects since it arguably could provide contrast to the LDC:s and bring value to the outcome of this thesis. Furthermore, this thesis will try to mitigate the challenges previously discussed by investigating the mentioned areas from the perspective of such firms. Thus, the result of this thesis will provide a guideline for firms operating or prospecting LDC:s and fill the current research gap and thereby contribute to both internationalization theory and decision making theory.

1.3 Research Questions

By defining the problem, it resulted in two main research questions of this thesis;

- How does terrorism and/or the threat of it affect internationalization for Swedish firms going into LDC:s?
- How do Swedish firms plan for and protect themselves against terrorism and/or the threat of it in LDC:s?

1.4 Purpose

The purpose of this thesis is to understand the relationship between terrorism and the effect it has on international business regarding internationalization and decision-making theory. This thesis will investigate how terrorism affects the aspect of internationalization including entering strategies and how Swedish firms are protecting themselves against such events in LDC:s by managing risks. Since there is a research gap in this area, an exploratory approach will be applicable and therefore conducted. The focus is targeted at analyzing various aspects of internationalization and how firms are protecting or planning to protect themselves in LDC:s. Furthermore, the purpose of this study is to provide a guideline for firms from developed countries when internationalizing to areas of interest that are regarded as less developed. Continuously, this thesis will contribute to existing knowledge regarding terrorism and international business as well as theory on internationalization and decision making.

1.5 Delimitations

This thesis will investigate the impact on international business deriving from terrorism regarding internationalization of Swedish firms and decision-making theory. This thesis will not investigate terrorism and its impact in developed countries since they are considered as stable regarding political and economic issues (UN, B, 2018). Furthermore, this thesis will neither investigate any specific region nor event since the aim of the study is to examine the overall threat and actual events of terrorism in LDC:s.
2 Theoretical framework

In this chapter, a presentation of the included theories and concepts are displayed and the connection between them is incorporated in a theoretical synthesis. The theoretical framework involves internationalization, globalization, international business, terrorism and decision-making theory.

2.1 Internationalization

According to De Haan (2014) it is difficult to define the concept of internationalization since it refers to every aspect of a firm being international. Looking at the core concept of internationalization it is described as firms moving their focus from their activities to formatting strategies enabling them to optimize their business (Ibid). Furthermore, internationalization is explained as concluding diverse fragments into one organism, meaning that several studies are made into one regarding how firms and institutions could expand internationally (Ibid). Continuously, Felicio, Meidute and Kyvik (2016) display that internationalization is a strategy executed by firms for reasons such as wanting to specialize, extend knowledge and information, strengthen their image, utilize resources abroad and to increase the communication with foreign network partners.

To reach internationalization and to obtain resources abroad, firms must enter foreign countries choosing efficient ways, thereby creating entering strategies (Selimi & Zekiri, 2017). Depending on the internationalization motives and triggers, firms conduct their entering strategies, which could differ as it includes a broad variety of entry modes such as export, licensing, franchising and FDI (Ibid).

Johanson and Vahlne (1977) present internationalization mainly from the Uppsala model that consists of, and involves, internationalization by incremental steps and an increase of market and resource commitment. Starting off with a low level of export, which escalates step-by-step until the firm reach FDI (Ibid). Santangelo and Meyer (2017) describe internationalization as a process consisting of the steps firms take when expanding their operations internationally. Furthermore, they elaborate Johanson and Vahlne’s model by adding more triggers and motives for internationalization that changes the gradual process to leapfrogging, which escalates the risk of internationalizing. However, this could lead to a faster optimization and increase of business (Ibid). Johanson and Vahlne (2017) have developed their previous research with their updated contributions to the Uppsala model but explains that the core of the model is still the same. The updated version strengthens Santangelo and Meyer’s (2017) work as it is an extended version and
needed as it involves other aspects as well of the Uppsala model (Ibid). In addition, Hamilton and Webster (2015) elaborates this by describing that international trade and globalization involves several strategies of expansion and ways for companies to internationalize. One example of this is taking incremental steps, as Johanson and Vahlne (1977) mention, another by networks and a third by looking at transaction costs. The incremental expansion strategy and the network approach focuses on expansion through networks and the transaction cost approach is a strategy where being cost efficient is the focus (Hamilton & Webster, 2015).

2.1.1 Incremental approach

The Uppsala model is described by Hollensen (2016) as an incremental step-by-step internationalization approach entering neighboring countries that are geographically close to the domestic market of a firm going abroad. The approach is based on firms being risk-averse in the sense of entering markets that are perceived as similar by starting off with modes of ‘low’ risk such as export instead of FDI. As experience and knowledge is attained, the firm commits more to the markets and successively expands their operations to countries in further distances (Ibid).

2.1.2 Network approach

The network approach assumes that a firm that internationalize is dependent on other actors in the international business environment (Hollensen, 2016). As resources is of significant importance and a necessity for conducting business, the firm that is going abroad is in great need of networks to attain such resources enabling the firm to internationalize and being successful doing so (Ibid). Furthermore, Johanson and Mattsson (1987) describes this approach as firms being intertwined in a web of other actors such as suppliers and customers. This web and the actors within are not in any hierarchical order regarding power or influence. Hence, all actors can affect the others through interactions, which this approach is based upon (Ibid).
2.1.3 Transaction cost economics

Transaction cost economics, henceforth TCE, is based upon looking at the transaction cost, which cost that will arise when conducting some sort of business or organizational change (Williamson & Ghani 2011). Continuously, they explain that this concept includes aspects such as costs of internationalization of firms, purchasing, distribution and marketing (Ibid).

Built upon Williamson and Ghani’s (2011) research, the transaction cost approach is described by Hollensen (2016). Since interdependency and negative events that strike one country could affect the other and cost of doing business possibly increase, the transaction cost approach is an efficient strategy for companies to conduct when expanding. The main goal of conducting the transaction cost approach is to reach FDI (Ibid).

FDI is an entry mode conducted by companies when establishing themselves in foreign countries mainly by acquisition or an increased level of capital investment in facilities (Hamilton & Webster, 2015). Internationalization through FDI includes managerial control over the investment and is appreciated as an efficient strategy to utilize foreign assets (Ibid). In addition, Seyoum (2011) mentions that FDI does not only stand as an entry mode but also as a way of helping countries in need of investments.

2.2 Globalization and International business

Globalization is the concept of integrating various parts of the world, the movement of people and capital and according to Appadurai (2006) it is very complex. This explanation of globalization is further developed by Guttal (2007) as the research describes globalization as a concept consisting of various forces creating an environment with positive effects regarding economic and political aspects. The increase of globalization is motivated by innovation and development in areas such as technology as well as interactions between nations creating an organic growth in the sense of expanding the range of networks and opportunities (Ibid). Even though the increase of globalization might affect all and to some extent positively, everyone is not capable of providing and delivering their parts of the undefined contract that globalization holds. Economic and political distances create an impact on the increase of globalization, thus some areas in the world might not globalize in the same pace as other more developed areas (Ibid).
To strengthen the study of Guttal, Massey (2002) displays globalization as a concept constructed by economic and political forces. The study exemplify that borders are blurred or even to some extent erased, which also applies for cultural aspects as well as it aligns with the reduced differences between nations (Ibid). Furthermore, Massey (2002) describes internet as being a factor for the increase of globalization and the ease of interactions between nations. This is strengthened by Guttal (2007) meaning that internet has played an important part in easing the process of globalization and global business. Since various areas of the world differs in cultural aspects, time and currencies, internet and the use of it is a crucial tool used by companies and governments to access and take part of globalization (Ibid).

International business includes theory and practical distinctions regarding firms and how they interact with each other across borders (Gligor, Esmark & Gölgeci, 2014). Firms that are a part of the concept international business is referred to as multinational enterprises, or MNE:s, which involves firms that operates in several countries other than their domestic (Ibid). This is supported, as well as elaborated, by Rugman, Verbeke and Nguyen (2011) as their research describes the process of a firm entering the stage of international business by outsourcing parts of the organization to other countries to create value and competitiveness. Continuously, Rugman et al (2011) mention MNE:s to execute exactly such strategies, by utilizing foreign assets available from their networks to reach new customers across borders and to escalate their sales. Buckley (2011) describes international business from the perspective of international economics and the aspect of moving capital. In addition, Buckley (2011) elaborates it to distinguish international business as a concept aligned with Rugman et al (2011) also mentioning approaches to international business and internationalization of firms. Furthermore, Johnson, Lenartowicz and Apud (2004) exemplifies international business as organizations seeking new markets abroad. By doing so, these organizations can arguably attain diverse resources than they can in their domestic market as well as finding novel places for establishment. Johnson et al (2004) also describes international business as a strategy to increase sales and lowering costs by finding more customers and locations where cost of production is low (Ibid).

2.3 Terrorism

The concept of terrorism has through the years been a struggle to define since it has changed throughout history. However, more recently, the definition of terrorism has become clearer and more broadly accepted. The central mechanism of terrorism is
the fear it evokes in a targeted population and is the common ground in every definition (Munson, 2008). Continuously, Hooper (2001) questions if terrorism in this scenario is a freestanding concept. Studying terrorism and considering the penal policy or normative configuration, it must be taken into consideration if it is something sovereign or simply a constituent element of certain kinds of criminal behavior. Fear is a dominant factor in several types of crime, e.g. violent crimes, and therefore includes the main characteristic of terrorism. Although many would agree that violent crimes could be terrorism, especially when it is employed in warfare with the aim of subjugation or humiliation, it is not the typical crime that comes to mind at first in a discussion regarding terrorism (Ibid).

Hooper (2001) continues to describe the case not as denying the terroristic characteristics of violent crimes but to underline the fact that terrorism is seen as something separate and distinct with an existence of its own. Hoffman (2006) strengthens Hooper’s description on terrorism and emphasizes the fear-inducing quality of terrorism. However, Hoffman (2006) means that terrorism cannot be based only on the factor of fear since it can be applied to almost any action that ‘scare’s us. Thus, a more correct explanation can be based on the perpetrator of the act more than the act itself (Ibid). Looking at terrorism as a political concept using it as a key characteristic instead of fear is vital to understand the aims, motivations, and purposes of terrorism to be able to distinguish it from other types of violence (Ibid).

Malone (2004) has another view on the understanding and definition of terrorism. Instead of pinpointing a specific factor like fear or the political factor, sharing the diverse experiences from terrorism is the key to be able to understand it and the horror it causes. Since the threat of terrorism is global, the need to understand it is of significant importance to be able to respond adequately (Ibid).

### 2.3.1 Transnational terrorism

A terrorist attack is characterized as transnational when the attackers, victims, location or any other affected part in some way originates from another country (Enders, Sandler & Gaibulloev, 2011). The cause of these kinds of terrorist acts has various motives compared to the domestic attacks. According to Enders et al (2011), the main motives for transnational terrorism originate from ‘spillover terrorism’. The term can be described as scenarios where domestic grievances based in other countries result in terrorist incidents. These incidents occur at certain locations with the main goal to capture the most publicity and cause as much terror as possible (Ibid). When looking back at the 1970s and 1980s, spillover terrorism
from the Middle East was occurring all over Western Europe. During these years, terrorist groups constructed incidents in major European cities for the most impact in form of publicity on numerous occasions (Ibid).

Furthermore, Enders et al (2011) presents how the impact on economy differs between transnational and domestic terrorism. Since transnational terrorism is more likely to have a greater impact, a result may be a decline of FDI. In addition, it can be considered as costlier since the resources to improve border defenses and homeland security measures are far greater than for domestic terrorism (Ibid). De Sousa, Mirza and Verdier (2009) confirms the fact that extra resources are taken to deal with transnational terrorism by referring to the American Congress voting for a new security bill in 2012 to scan 100 percent of all containers coming from foreign ports bound to the US. Continuously, more direct measures targeting more specific countries or regions have been taken, mentioning the example of the non-immigrant US visa that was established after 9/11 (Ibid).

Mirza and Verdier (2008) discuss how the possibilities of terrorism is more likely with the increase of globalization. Since trucks and container vessels traveling around the world is more common and the likelihood of smuggling either terrorists or weapons undetected has increased. Furthermore, it is stated how the anti-terrorism policies taken by governments affect the costs of conducting international business, mentioning how these policies tend to multiply the negative impact of terrorism on trading costs (Ibid).

### 2.3.2 Domestic terrorism

Domestic terrorism is defined as where all parts involved originates from the same country (Bandyopadhyay et al, 2014). When comparing transnational terrorism to domestic terrorism the latter is far more common (Berkebile, 2015). Somewhere between 80%-90% of the terrorist attacks over the world is estimated to be domestic terrorism. However, the research conducted about terrorism is far more concentrated on transnational terrorism (Ibid). Berkebile (2015) argues that the primary reason for this is the availability of datasets online regarding these attacks. Since the data around domestic terrorism is lacking, there are questions unanswered and areas unexplored. Questions that are of immense importance to understand is e.g. if the reasons for a domestic and an international attack are similar or completely diverse. As of today, most literature assumes that the reasons emerge from the same causes (Ibid).
Ghatak and Prins (2017) describe domestic terrorism as something that mainly grows from minority groups that are being discriminated and from fragile political institutions. Even if these factors are increasing domestic terror attacks it remains unclear if domestic terrorism is driven in both strong and weak states through grievance. However, comparing strong and weak states gives various results. Strong states holding stable political institutions, with a high degree of discrimination have an increase in domestic terrorism attacks and for weak states, with fragile political institutions it is the opposite. Ghatak and Prins (2017) describe the need to focus on reducing grievance to be able to eliminate discriminatory policies and thereby reduce domestic terrorism (Ibid).

2.4 The relationship between terrorism and globalization

Firms that operate internationally or are prospecting to do so are going to encounter certain aspects of importance that has to be dealt with for reaching success, such as risks and uncertainties (Cavusgil et al, 2013). Prakash-Sethi and Luther (1986) describe risks that could have great negative impact if not considered in the equation as political and economic instabilities in the targeted or prospected country. In many cases, countries with these kinds of instabilities are in great need of foreign investments to create stability and development and at the same time they are rich of resources. Both these factors create incentives for investments that are originating from developed countries, however, sometimes risks become higher than the potential profit which lead to investors being more risk averse and the rate of FDI declines (Ibid). Liesch et al (2012) continue to state the importance of strategic knowledge, stating it is one of, if not the most, key factor in a firm’s internationalization process and explains how the heightened uncertainties affect internationalization decisions. Terrorist attacks are a threat that all internationalizing firms are exposed to when conducting business in countries or regions where these types of attacks are frequent (Ibid). It is mandatory for these firms to do a risk assessment around how to conduct the various forms of operations to reduce these risks. The assessment would result in an evaluation where the firms could see the likelihood of direct damage to the firm’s operation (Liesch et al, 2012).

Zimmermann (2011) explains the relationship between globalization and terrorism, and highlights how acts of terrorism is not just occurring in the developed world but have increased in both number of victims and attacks in the Near East and South Asia. Furthermore, he argues for the theoretically situation where foreign investors would be deterred because of destroyed and scarce resources by violent attacks and
where public security and infrastructure is endangered. LDC:s that are focusing on implementing counterterrorism measures with the intent to mitigate the impact of business-related terrorist activities are more likely to attract more foreign capital and therefore realize a greater degree of economic development (Ibid). With this in mind, firms should be aware and concerned of investing in LDC:s where multinational businesses are frequently terrorized, but not as concerned about the terrorist incidents that does not directly threaten their business interest (Powers & Choi, 2012).

2.5 Decision making theory and risk management

Encountering risks while conducting business can be difficult to both prepare for and manage, especially when operating in an international environment and overseas (Prakash-Sethi & Luther, 1986). Collado, Meisel and Priekule (2015, p. 195) have figured out a way to detect risks and avoid them to some extent by the model they call “stochastic path detection”. This model describes and exemplifies how a “protector” in the sense of a firm or government could follow the path and detect threats from an “invader” which could be any other actor such as a competitor or terrorist (Ibid). One mainframe and purpose of this model is that firms can arrange their assets preparing them for any negative event with the aim to lower the impact by implementing security measures (Ibid). As it is difficult to prepare and predict events in foreign countries and markets, firms that operate in LDC:s could although possible foresee that political and economic instabilities could have some sort of negative impact on business (Prakash-Sethi & Luther, 1986). By that assumption, the model created by Collado et al (2015) functions to prepare for such possible risks as firms can allocate their resources for protection of instabilities by securing assets and arranging insurances in the sense of network partners, being risk-averse and by ensuring physical assets (Ibid).

Trying to foresee and manage risk before the actual event or threat is established is a difficult assignment, nevertheless an important one (Fertis, Baes & Lüthi, 2012). To evaluate and prepare for risks is difficult since the variables and factors included in the equation are flexible and evolves over time in some cases, which can give diverse outcomes of the risk measurement at separate points (Ibid). Fertis et al (2012) describe the importance of risk management regarding financial decisions, which is based upon probability where some factors are known and some are not, with the aim to avoid uncertainties that may arise (Ibid). In addition, Chapman (2011) describes the various types of risks that exist in regard to the business environment of a company. The diverse risks and pitfalls must be acknowledged,
measured and managed to reach success and obtain opportunities that arise for a company (Ibid). Thus, risk management and the efficiency of it can to some extent symbolize a company’s capacity to sustain competitive advantage or the ability to compete at all (Ibid).

Chapman (2011) mention that one thing that can be foreseen and certain regarding the future, is the uncertainty it entails. Thus, risk management such as Enterprise Risk Management, referred to as ERM, is of importance (Ibid). ERM entails to secure and manage risks as a unit and not by every separate division of a company since risks often affect several parts of a business and not just one area (Ibid). Thus, according to Chapman (2011), ERM could be a tool for business growth and if used efficiently mitigate risks and uncertainties striking areas and divisions across a company. When discussing risks, the contrasting perspectives must be included, both negative and positive aspects of it, since higher risks often entails greater opportunities and not just pitfalls (Ibid). Chapman (2011) mentions that great risks that are managed and dealt with efficiently could result in opportunities being seized and enhance business growth and profitability.

2.5.1 De-internationalization

Turcan (2011) describes the view on de-internationalization as a process where a firm deliberately chooses to reduce its degree of international exposure. The process can be defined as any forced or voluntary action to reduce a company’s exposure or business to the active cross-border activities (Ibid).

Furthermore, Turcan (2011) continuously describe how the concept usually is looked upon from three perspectives that consist of economic management, strategic management and internationalization management. The three diverse areas all have distinct reasons to why a firm would de-internationalize. Firstly, looking at the economic perspective a motive for de-internationalization can be in response to changing circumstances and returns related to economy, such as falling demand on the product or rising costs (Ibid). Secondly, looking at de-internationalization from a strategic management perspective, businesses might consider their business life cycle, product portfolio and the potential risk. These aspects can be in relation to market maturity, liquidity concerns or insecurities. Lastly, internationalization management entails the process of internationalization being looked upon as a barrier to de-internationalize and therefore can be exemplified in cases such as managerial commitment to internationalize, whereas it becomes a barrier to the firm’s withdrawal from foreign activity (Ibid).
2.6 Theoretical synthesis

The theoretical synthesis of this thesis explains how the theory is structured. The concepts that are used shows how terrorism affects all parts of the internationalization stages, choosing entry modes and analyzing risks before going abroad. In addition, it also shows how internationalization leads to globalization and international business. Furthermore, the synthesis shows how terrorism affects international business and that de-internationalization is a result since risks becomes too high.
3 Methodology

This chapter describes the chosen path of examination for the study, including research approach, research method, research design, data collection, method of data analysis, quality of research and research ethics.

3.1 Abductive research approach

There are three types of research approaches when conducting a study and examining an area, which are; deduction, induction and abduction (Saunders, Lewis & Thornhill, 2009).

Using a deductive research approach means in basic terminology that the author use theory as the basis of his or her empirical findings, confirming the hypotheses by strengthening previous research with the findings (Bryman & Bell, 2015). Furthermore, a deductive approach is regarded as supporting and strengthening existing theory in the sense of testing it where the outcome will support previous researchers and their results (Saunders et al, 2009). Deduction is also described by Bryman (2011) where he mentions that a deductive research approach includes the study starting with theory, moving on to the hypothesis, gathering of data, result, the hypothesis being confirmed or not and finishing the study by reformulating the theory. According to Bryman (2011), deduction involves the relationship between theory and empirical findings in a study. The research and study are conducted based on a certain theory or theories on which a hypothesis is formulated. Continuously, the hypothesis is tested by an examination regarding empirical studies such as observations or interviews to either confirm or dismiss the hypothesis (Ibid).

An inductive research approach is the opposite of the deductive research approach, where the hypotheses and the testing of it shows results and the results is defined as theory (Bryman & Bell, 2015). An inductive research approach is regarded as extending and adding to previous research where the empirical findings of a study becomes additional theory (Saunders et al, 2009). Furthermore, Bryman (2011) explains induction as a research approach in the contrast of deduction where he mentions that instead of starting from theory an inductive research approach starts from a hypothesis and results of a study, which later on will add to theory.

A third research approach has been created and is discussed by Dubois and Gadde (2002) as they argue for that either starting point, whether you start from theory or empirical findings, cannot be fully understood without the combination of the two variables. A combination of both the deductive and inductive research approach is
mentioned as an abductive approach exemplifying just that combination (Ibid). This is strengthened by Saunders et al (2009) as the authors mention that an abduction approach, as it combines two research approaches, is in many cases regarded as the most beneficial one. This since the study becomes more flexible which benefits the researcher as the research path might change a bit over time (Ibid).

As this theory derives from both theoretical framework as well as empirical findings, the most suitable choice to conduct was the abductive approach. The choice of abductive approach was based on the need of both theory and empirical findings to get a reliable result. There was some research made in regard to the part of terrorism and its relation to international business but theory was absent when looking at the preparedness of firms going into LDC:s. Therefore, there was a need for empirical findings to contribute to that theory included in this thesis.

3.2 Qualitative research method

When conducting research, there are two methods that can be used, which are qualitative or quantitative (Davies, 2007).

Qualitative research method could be simplified and exemplified into using words to understand and collect empirical material for a study instead of using statistical numbers (Merriam & Tisdell, 2015). Using this method will according to Marschan-Piekkarri and Welch (2004) lower the rate of interpretation and assumptions since one will get in-depth answers. Birkinshaw, Brannen and Tung (2011) explains qualitative research as the link between macro and micro perspectives. Whilst quantitative research shows statistics with vast samples, qualitative research explains the individual numbers and the “missing parts” that is perhaps in the shadow of the statistics. The relationship and the combination of such research is of importance as the separate methods brings value to a study but does not in all cases describe the whole picture (Ibid).

To gather and collect empirical material for a study a qualitative research method could be used to attain a more in-depth perspective on the subject (Lapan, Quartaroli & Reimer, 2012), which strengthen Marschan-Piekkarri and Welch (2004). The use of a qualitative research method will lower the rate of generalization since the input and objectives are fewer than by using a quantitative research method (Ibid). There are two approaches when conducting a qualitative research method according to Lapan et al (2012), which are used in order to both interpret and question the interviewee. The strategies are conducted by, on one hand, to ask broad and open questions to be able to interpret the answers giving an angle that is beneficial for
the researcher and, on the other hand, to bring in other factors that affect the answers from the interviewee (Ibid). Lapan et al (2012) argues that a qualitative research method is based upon the perspective of an individual in the context of the social environment and its diverse forces and factors playing a part in the perception of the individual (Ibid).

Qualitative research is a method used to answer ‘how’ something is or ‘how’ the interviewee feels and thinks about the subject of a study (Denzin & Lincoln, 2011). This research method does not, as in comparison to quantitative research, measure the amount or quantity of a subject. Instead, qualitative research is based upon looking at the individual in a social environment and the context of the researched subject (Ibid).

The quantitative research focus is to discover answers to questions with the help of application of scientific procedures (Davies, 2007). To increase the likelihood of the information gathered being as relevant as possible as well as reliable and unbiased, these procedures are developed with this as a focus and guideline. However, there is no certainty that any given research being conducted will be both unbiased and reliable but also provide relevant information. Although a scientific research procedure will more likely achieve this than any other method (Ibid).

According to Fowler (2014), quantitative research includes statistics in numbers and provides a sample of the population. When conducting a quantitative research method, using surveys is an efficient tool to collect a vast range of data from diverse attendees where the collected answers becomes statistic (Ibid).

Davies (2007) continues to discuss how the difference between quantitative and qualitative research has been an extensive discussion topic between academic circles for a long time. Describing how some scholar claiming the question of the research that decide what type of research it should be defined as while others claim it to be the type of knowledge the researchers want to achieve. However, Davies (2007) mean that this debate is misleading and the definition is more clear and common when talked about in most social research circles.

For students conducting research, it might be lucrative to go for a qualitative research approach for practical reasons as it is of smaller scale, being under limited time it is more suitable and offer the possibility to conduct research without having to learn to “do sums” or learn about statistics (Davies 2007). Based on that and previous explanations, this thesis have been conducted using a qualitative research method consisting on interviews to attain deeper answers and input from the attendees.
3.3 Research Design

Saunders et al (2009) exemplifies the term research design as developing strategies to reach answers on the research questions of a study, which is similar to a research scheme. This scheme includes the choice of research approach, methods and how the study answers the questions (Ibid). To be able to answer the research questions of a study and choosing the right path of doing so, researchers must define the research questions. When the questions are defined it will show the right path and selection of method strategies, which approach should be used, what methods should be conducted and what type of theory and data that is of importance (Ibid). Regarding research method and the collection of empirical material, such as primary data, and why we chose to interview the attendees should be argued for (Ibid).

3.3.1 Multi-case study

According to Yin (2018), a case study is one way to go when collecting data for an analysis, which often is efficient and relevant when trying to answer research questions of a study that needs to be answered in a certain way; e.g. how and why. Furthermore, he mentions that the factor that is the most determinant one for choosing to conduct a case study is the research question of the study. The research question must be defined so that it invites the researcher to conduct a thorough study and formulate it in a way so that the question is based on answering how something is or why it is like that (Ibid). Continuously, Yin (2018) means that designing your research method is difficult and sometimes several methods are applicable such as in the case of an exploratory research. By choosing to conduct a study with the use of cases, the criteria fulfilled are regarding the research question, recent events and that the researcher has no control over it (Ibid). Merriam (2011) argues that there are some difficulties when conducting a case study. A case study will include aspects that are difficult to analyze since the input in some cases are hard to read and define. In addition, she also mentions that there are diverse choices of case studies since you cannot interview all people or everything about research. Thus, the researcher must select the path for the study (Ibid).
3.3.2 Purposive Sampling

Conducting interviews as a researcher results in a lot of freedom in regard to decisions. The researcher will have the freedom to decide the interview structure, question wording, order and content. Further, the researcher is free to ask whatever is suitable for the research as well as freedom in terms of wording and in what way to explain the questions to the respondents (Kumar, 2014).

Kumar (2014) describes that the focus in purposive sampling is the ability to judge who can provide the best information for the study and state that the researchers only should approach the ones who are most likely to have the required information that also are willing to share it. When examining a phenomenon, this type of sampling is extremely useful and is more common in a qualitative research. Conducting it in a quantitative research requires the researcher to have a predetermined number of people whom, in the researcher’s judgement, are most suitable to provide information that is needed for the study (Kumar, 2014).

For this multi-case study there were three criteria that was identified and chosen in accordance with the purpose and limitations of this thesis.

The firms needed to:
1. Be located and operated in Sweden
2. Have previous and/or current experience of operating in LDC:s
3. Operate in Business-to-Business

For the interviewees there were three criteria that was identified and chosen in accordance with the purpose and limitations of this thesis.

The interviewees needed to:
1. Have a managerial position
2. Have a profound knowledge regarding the firm’s international operations
3. Have experience and/or insight from risk management in the firm
3.3.3 Cases

All firms involved in this study that have been selected for interviews operates in the same sector, which is the industry sector, providing equivalent products in the form of machines. This choice is made since the impact is great in terms of monetary issues if they do encounter such issues since each company sells in low quantities for high prices.

Yaskawa Nordic AB

Yaskawa Nordic AB is the Swedish branch of the Japanese company Yaskawa Electric Corporation. The company was originally named Torsmaskiner AB but changed the name when they were acquired in the 1970’s. Yaskawa Nordic AB is one of the world’s leading producers of industrial robots, electric motors and servo motors, with a yearly production of 40 000 units and over 400 000 MOTOMAN-robots currently installed all over the world. Johnny Jarhall was present during the whole interview as he were the person we directed our interview questions towards. He is the Director of Sales and Marketing at Yaskawa Nordic and his main responsibilities are to supervise the operations when it comes to both sales and marketing in the European market. Jarhall has over the years also conducted business in multiple countries in Africa, but also countries such as Iran, Iraq and Saudi Arabia which makes his input very valuable.

NKT HV Cables

NKT, formerly nkt cables, is a large branch in Sweden of the Danish parent company. NKT have over 125 years’ experience of high voltage cables. They are active in 18 countries and possess some of the markets most modern manufacturing facilities that has resulted in the position as markets leaders. As market leaders, they are operating with customers and projects all over the world in all types of markets. Joakim Skajvik was present during the interview and was the respondent of all the questions. Skajvik is a project installation manager at NKT and travels all over the world for several projects. He has been in the business for almost 20 years and have a vast experience of dealing with countries in the Middle East, which makes his input of great value to this thesis.

Norden Machinery

Norden machinery is a Swedish firm operating in the tube filling industry. Currently, the firm is a pioneer and industry leader operating worldwide with 97%
of their machines being exported from Kalmar, Sweden. Their operations and machines reach over the globe as they conduct business in several continents including Africa, Middle East and Europe serving over 1400 customers. Norden Machinery have a vast and extensive experience of operating in the tube filling industry supplying international customers for over 50 years with an aim continuing to do so. Eric Pehrsson was present during the interview and was the person of interest, the interviewee. He has worked at Norden Machinery for over 30 years and has a vast experience of the company and its surroundings. Pehrsson has a managerial position at the company and is involved in its international operations and risk management team.

Modig Machine Tool

Modig Machine Tool is a Swedish founded company, founded in 1947 as a mechanical workshop. In 1980 they switched focus and started to create precision machinery for the airplane industry. Operating in the airplane industry, with the increasing threat of terrorism, can sometimes be a challenge. Something that Modig Machine Tool experienced in 2002, as they went into bankruptcy as an indirect effect of the 9/11 attacks which made the market drop significantly. However, David Modig did reestablish the company and is now the CEO of the company. Modig was present during the interview and was solely the respondent of the questions. Modig is as mentioned the CEO of Modig Machine Tool and has worked there most of his life, from helping the mechanics when he was young to becoming the CEO after the 9/11 attacks. He knows everything there is to know about Modig Machine Tool and the input he had, especially considering their bankruptcy after 9/11 and how to come back from such an event is valuable.

3.4 Type of data

When defining data, it can be simplified by saying it is what we can see, taste, hear, touch or smell e.g., information. It comes from the study of how people respond to particular kinds of situations, asking the same identical question to several people when giving them a limited set of answers. There are three types of dimensions when considering data which are; content, origin and form. Content is what people say and do, origin is data produced by researchers and is naturally occurring and form are either words or numbers (Loseke, 2016).

Loseke (2016) continues to explain how it is possible to distinguish data if analyzed at its origin. Researchers often produce data themselves by making people answer
surveys, participate in experiments or observing what they do. This is what is known as primary data. Researchers create the data for a reason, with the purpose to answer their research questions. However, data produced by researchers and used by others is called secondary data (Ibid).

Secondary data is collected from secondary sources. These sources can be researches extracting data from a census or checking hospital records to find out diverse statistics (Kumar, 2014). This type of data is collected by other previous researchers for other studies than your own and could take the form of surveys and other sources (Ibid). Using secondary data and the purpose of doing so is to support your own findings and create a wider angle of the study providing a context of it for better results (Ibid).

### 3.4.1 Primary data

Primary data is gathered from primary sources, which can be sources that the researcher finds out first-hand on the subject studied. Their attitude towards something, health needs for a sector, evaluating various factors or checking job satisfaction within an area (Kumar, 2014). Continuously, Kumar (2014) argues for the fact that neither primary nor secondary data is 100 percent accurate and reliable information. The quality of the data collected is dependent on the skills of the researchers and their ability to take care and deal with the factors that could affect the quality (Ibid). Furthermore, Saunders et al (2009) means that primary data is collected by the author or the researcher of his or her own study and for the sole purpose of it consisting of collecting data from observations, interviews and surveys or questionnaires.

This thesis has used primary data. Since this study has conducted research using a qualitative method, information has been gathered from interviews that is the primary data collection. The primary data collection has derived from the concepts and theories that were used, which was also the basis of the gathering of primary data.

### 3.5 Interview structure

Conducting research using a qualitative method could include interviews (Lapan et al, 2012). Interviews are formed to collect and gather empirical material, data, to answer the research questions defined in a study (Denscombe, 2014). Hence, the
data that is gathered from interviews are basically the answers from the interviewees that are selected by the researcher (Ibid). There are diverse types of interviews that are structured differently depending on the researcher’s choice of what is the most efficient and applicable one for the study, which are either structured, unstructured or semi-structured (Denscombe, 2014).

Interviews that are structured includes high control regarding the order of the questions and is according to Denscombe (2014) like questionnaires. The scholar that conducts the interview has assembled a predetermined set of questions that will limit the possible answers given from the interviewee (Ibid).

Interviews that are unstructured involves the idea of letting the interviewee speak freely on the subject that is presented by the researcher (Denscombe, 2014). This construction is based upon that the researcher does not limit the answers by a specific set of questions and instead lets the interviewee develop his or her answers from the basis of the subject (Ibid).

### 3.5.1 Semi-structured interviews

Interviews that are semi-structured involves the combination of structured and unstructured interviews (Denscombe, 2014). The researcher has a set of questions based on a subject as in the case of a structured interview but at the same time a flexible approach towards the answers given by the interviewee. Since flexibility is a variable here, the interviewee is not limited to follow the order of the asked questions. However, instead is given the opportunity to elaborate his or her answers and touch areas of interest for the researcher in the order he or she wants (Ibid). In addition, semi-structured interviews allow the researcher to change the interview questions over time as the study is developed and answers given by the interviewees affect the researcher’s mindset towards diverse investigation approaches (Denscombe, 2014).

Since this thesis has investigated several firms and interviewees with a vast experience that could arguably be diverse, a semi-structured interview has been applied since it did neither limit the input as a structured interview can, nor made the interview superfluous.
3.5.2 Operationalization

When conducting an interview, the questions should be based on the theory that is used in the study (Jacobson & Furgerson, 2012). By doing so, it will help the researcher to operationalize the interview questions so that the answers will be both useful and answer questions that has not yet been answered, which will create data that is of significant use and contributes to theory (Ibid). Furthermore, Kumar (2014) describes the importance of the operationalization of questions so that the answers will be relevant. In addition, this will make it easier and clearer for the respondents to understand. The questions should also be interactive in the sense that the respondents feel like it is more of a conversation and someone talking to them (Ibid). This is of extra importance since there might be questions that have a more intimate character where the respondents might hesitate to answer. To overcome issues like this, there should be an introduction to the question where the relevance of question is explained by an interactive statement (Ibid).

For this study, the interview questions were divided and connected to the used theories and concepts in the theoretical framework. The questions that are connected to the background includes general information about the company and interviewee to start off the interview and get an overview of them both. The questions that are connected to internationalization includes the incremental approach, network approach and TCE. The questions that are connected to terrorism includes both transnational and domestic terrorism and the questions that are connected to decision making and risk management includes de-internationalization. The concluding questions are used to summarize and obtain general information about every theory and insights that can be useful from the interviewee.
<table>
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<th>Interview questions</th>
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<td><strong>Background</strong></td>
<td>1-4</td>
<td>These questions are asked to get a general understanding of the company and the respondent. We asked for the company’s operations and concept and also the experience the respondent inhabits and its current position.</td>
</tr>
<tr>
<td><strong>Internationalization</strong></td>
<td>5-10</td>
<td>We wanted to get an understanding of how the respondents decide what foreign markets to enter and if the entry strategies differ from market to market depending on its development.</td>
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<td><strong>Terrorism</strong></td>
<td>11-13</td>
<td>These questions investigate the experience the respondent and the respondent’s company have with terrorism, both direct and indirect. This will lead to the questions on how to deal with it and how to be prepared.</td>
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<td><strong>Concluding questions</strong></td>
<td>18-21</td>
<td>The concluding questions is based on getting more general information of the respondents approach to future business in LDC:s and what they would have done differently analyzing the past.</td>
</tr>
</tbody>
</table>
3.6 Method of data analysis

Analyzing the gathered empirical material, primary data, is a way of trying to understand it as well as finding the connections between the dots (Merriam, 2009). Furthermore, Merriam and Tisdell (2016) argues that by conducting an analysis the researcher is trying to answer his or her research questions since the combined findings from interviews will lead to a conclusion. Furthermore, Saldana (2015) argues that the starting point of an analysis of data is when a researcher conducts his or her research design. The data analysis is in regard to analyzing and depicting all the collected data derived from e.g. interviews (Ibid). Continuously, he describes several methods of data analysis mentioning that they are constructed to enable the researcher to capitalize on the most central parts of the data (Ibid). One method of data analysis is to pattern the data, trying to find patterns in the empirical findings. Furthermore, Saldana (2015) explains that a researcher can ‘code’ the collected data meaning that he or she should divide the data into what it is in regard to. In addition, he argues that another method of data analysis is to ‘narrate’ the collected data, presenting it in an efficient way (Saldana, 2015). Furthermore, Leavy (2014) argues that researcher can analyze the collected empirical material of a study by dividing it into segments. By doing so, the researcher can segment each part and analyze it separately and at a later point reassemble the diverse parts into one and make it connect (Leavy, 2014).

For this study, the empirical findings have been divided into segments that are in connection to the used theories of this study. Hence, the analysis is divided in four major areas; (1) Internationalization, (2) Globalization and international business, (3) Terrorism and (4) Risk management. By doing so, it enables an easier data analysis in accordance with Saldana (2015) and Leavy (2014). Furthermore, this has led to the assembling of a conclusion since patterns could be seen, a narrative of the analysis has been made and connections have been asserted between every segment.
3.7 Quality of research

3.7.1 Validity

Validity of research concerns the matter of the research being true or perceived as true (Wyse, Selwyn, Smith & Suter, 2017). When conducting research by examination of a subject, the legitimacy of the output and result is of significant importance for it to be accepted as actual research and not just as someone's opinion. The level of validity is dependent on various factors, for one, the research method and how the study is conducted is such a factor determining the validity of the result of the research (Ibid). The concept of validity is further described by Cohen, Manion and Morrison (2011, p. 179) as they mention the term and concept as the “honesty, depth, richness and scope of the data achieved...”. The authors mention that validity should be measured and analyzed to a certain rate instead of being answered as either valid or invalid (Ibid). In this study, the degree of validity has arguably increased since the research method used was qualitative and that the interviews that were held attained in-depth answers. Furthermore, the validity of this study increased since the companies interviewed are similar as they operate in industries that are the same.

3.7.2 Reliability

Connected to validity, reliability involves the matter of a result of something that is researched being frequent and consistent and that the result of a sample could be generalized into the larger audience of the targeted group or segment (Bryman & Bell, 2015). If a result is volatile and not consistent the reliability is going to be questioned and not perceived as reliable in the sense of being able to generalize a sample (Ibid). The reliability in this study concerns the matter of companies interviewed being similar, working in the same type of industry, and that the questions were the same for every company. On one hand, the outcome and answers therefore became reliable since it was a qualitative study examining similar companies using the same criteria and questions. On the other hand, in-depth answers could and probably will differ depending on when they are asked and to whom.
3.8 Research ethics

Research ethics involves the researcher being honest and transparent with the attendees of his or her study, e.g. asking for permission and consent when including someone external in the study (Wyse et al, 2017). Furthermore, they describe the opposite of research being ethical is if the researcher takes somewhat of advantage of an attendee’s position and vulnerability almost forcing them to take part of the study. For assessing true and reliable answers when conducting an interview, confidentiality could be of great use making the interviewee comfortable of providing the researcher with information. Breaking this given confidentiality is regarded as being unethical since the trust between the researcher and interviewee is disrupted (Ibid). Based on that explanation, this study and the interviews conducted included questions enabling the interviewees to be anonymous. Before the interview the interviewees were also informed about the subject and main targets of this study as well as what the questions were based upon. An open dialogue about the conducted interview was held to make sure that the interviewees are fully aware of how their answers are used.
4 Empirical findings

This chapter includes the answers collected from the interviews and multi-case study. The order of the firms that are presented and the gathered answers starts with Yaskawa Nordic AB and continues with NKT, Norden Machinery, and Modig Machine Tool. The empirical findings are segmented into four themes that are connected to the theory used in the theoretical framework.

4.1 Yaskawa Nordic AB

Yaskawa Nordic AB is an international organization operating in the robotics and machine industry. The interviewee involved in this study from the company was Johnny Jarhall who is the director of sales and marketing and has worked for the company for about 30 years with insights of the company’s international operations and risk management.

4.1.1 Internationalization

Johnny Jarhall, director of sales and marketing, explained that their internationalization process is based on calculating how much their sales would increase in terms of volume. When prospecting markets or customers, if they see the possibility to increase the volume of sales they might establish themselves at that location. He continued by adding that;

“In many cases where already existing customers chose to enter some markets, we must follow and establish ourselves in the same location to keep the customer satisfied”.

Continuously, Jarhall mentioned that Yaskawa Nordic AB sometimes establishes an own office in these cases, but also occasionally allies with an engineering company in the located market. Thus, they do not have to use as many resources.

4.1.2 Globalization and International business

Jarhall mentioned that Yaskawa Nordic AB currently has production facilities in Japan and China but also a facility in Scotland. Furthermore, he added that Yaskawa Nordic AB mainly has their facilities, offices and subsidiaries in Europe and North
America, however, customers all over the world. He also explained that he personally is engaged in handling a lot of these customers and has experience from almost all parts of the world.

In addition, Jarhall explained how the parent company in Japan is prospecting and handling the Asian market and the responsibility of the Swedish office is the European market. However, over the years they have seen potential in other areas and therefore South Africa, North America and Brazil have become important locations for Yaskawa Nordic AB.

Jarhall continued to discuss how they always calculate risks versus profit and adds;

“We can take Turkey for example, they are considered to be relatively unstable but we have a lot of business located there. However, when something bad happens over there it gives our team in Sweden a bad feeling about going there and conduct business. But our colleagues in Turkey might not see it as serious as they are more used to it”.

4.1.3 Terrorism

Jarhall described his view on terrorism as the events and threats conducted by the terror organizations ISIS and Al Qaeda, events such as the one in Stockholm in 2017. Although, he elaborated and further explained his perception by giving a minor example of his own experiences during his many years at Yaskawa;

“We have had employees that got stones thrown at them in Iran. Every morning when they left their hotel there was a crowd standing outside waiting with stones. At first, we all thought it was some random kids playing a prank but it was not as they once again met the same crowd the following morning”.

Jarhall explained that the crowd actually thought that the Swedish workers originated from the USA, hence the stones.

Jarhall mentioned that several operations are steered from the parent company in Japan and that there are some things that are prohibited because of risks originating from terrorism and the connection to such networks. The rules of engagement in foreign countries are diverse but in regard to the overall picture, the Japanese company often follows the direction of USA and firms operating in the same industry within. Thus, conducting business in countries that are labeled as terrorist infected or unstable in that sense is prohibited. But Jarhall added that such orders often changes over time. Furthermore, he explained that the same rules go for clients as he describes that Yaskawa does not provide their products to companies
producing military supplies such as canons and grenade launchers as they do not want to be associated with that kind of business.

In addition, Jarhall mentioned one of his own experiences meeting with a customer in Ankara, Turkey, just after a terrorist attack describing that he felt unsafe and exposed just being there even though he was not directly threatened or targeted in any sense.

4.1.4 Risk management

Jarhall mentioned that Yaskawa Nordic AB is aware of risks when conducting business and that risk management is incorporated in the business model. He exemplified this by describing that Yaskawa have what they call;

“The Yaskawa Blue Book”.

This is a handbook and guide of how they should assess and manage risks. One of the things mentioned in the handbook is in which regions they are not allowed to operate in as well as to which types of customers they cannot sell to, e.g. the military industry being one.

Jarhall described that risks are a part of the business and that you always have to calculate risks and opportunities stating that with better opportunities the firm is more willing to take bigger risks. In addition, Jarhall mentioned that Yaskawa is doing very well and that they are having difficulties to even supply their customers since they are so many and therefore the firm does not need to enter unstable regions taking risks to exploit opportunities. Furthermore, Jarhall explained that it would differ if there was a recession and the firm had to fill the quotes and thereby must enter unstable markets and take risks to access the opportunities.

Jarhall mentioned that a reason for their constant risk assessment is because of their parent company in Japan. He described how the Japanese’s are extremely afraid of being discredited in any way or associated with anything they cannot stand for and therefore rather avoid scenarios that could cause this. He mentioned how it also applies to countries and that Afghanistan is an example of a country Yaskawa never would deliver anything to. He exemplified the reason with a well-known truck manufacturer that had a caravan of trucks orchestrated by either ISIS or Al Qaeda, which created a huge backlash for their brand.
When talking about risks, Jarhall mentioned that they do have a strategy if something would happen abroad;

“Most of the times we do not enter from start, but if we do and something happens, then we leave, it is not worth it. It is a constant evaluation of risks and opportunities”.

Jarhall described that all aspects of conducting business in general but specifically abroad come with risks. Thus, risk management and assessments of risks are of importance and he mentioned that firms have to consider all risks and compare them to opportunities to see if it is really worth it. Quoting Jarhall;

“Either it is worth it or you conclude that the stakes are too high and you stay out of it. So it is risk assessments every day, but different types of risks”.

4.2 NKT

NKT is a company that originates from Denmark with a large branch in Sweden. They produce high voltage cables for their customers all over the world, mostly with the aim to connect countries to each other or to provide electricity to wind farms or oil rigs. The interviewee was Joakim Skajvik who is a project installation manager for NKT and has almost 20 years of experience in the industry.

4.2.1 Internationalization

Joakim Skajvik, project installation manager, explained that NKT:s sales processes are very extensive and are time-consuming, often up to two full years and sometimes even more. He added that with that in mind, it is highly important to get close to the customers, a strategy for that is to not use any middlemen and to use internal key account managers instead that has the required skills and knowledge. Skajvik described that even though they want to have a close connection to their customers it is not necessary to be in the same region since the interaction between them is often just every other month and in some cases just by telecommunication. In addition, he mentioned that when NKT is identifying new future potential markets they have skilled personnel for just that, creating strategies, surveys and making prognoses of how the business climate is in a certain area. If the market seems profitable after an evaluation the company will enter choosing a mode that is the most suitable one for just that market depending on risks and other factors.
Skajvik described how NKT uses key account managers that are responsible for an area each, e.g. the Middle East and customers in that region. But very often, those key account managers are still in-house working from Sweden even though their responsibilities include identifying new clients abroad in their respective area. He added that in general, NKT always tries to look into the future and what it might hold for the company and in addition, looking at where the competition is and their strengths and weaknesses.

4.2.2 Globalization and International business

Considering the globalization and international business, Skajvik compared NKT to Roxtec, another successful company in Karlskrona that makes smaller products but in greater scale. Roxtec’s sales strategy are focusing on being able to sell as large volumes as possible and Skajvik means that NKT is conducting business in the opposite way. He explained that the production of one cable can be as much as three years and therefore volume is not something they can focus on. He continued to compare these two companies and told us how Roxtec have agents all over the world whilst NKT cannot use the same strategy. Instead, they have assigned key account managers to various markets over the world, e.g. a small group focusing on the Middle East, one on Europe and so forth. The key account managers are located on several sites around the world that NKT holds, however, they are mainly located in Karlskrona and Köln. This means that the sellers must travel to the prospected country every now and then.

When asked about if NKT ever establish manufacturing facilities in countries to come closer to the customers, Skajvik informed us about the typical flow of a sale from start to finish, and thereby explained that it would be almost impossible. Since they have negotiations for approximately 1-2 years, another 1-2 years of production if the customer decides to go with the offer and after that another 1-2 years to install the cable. Considering this and the complexity of the production, it would not be a profitable choice to establish it somewhere else according to Skajvik.

4.2.3 Terrorism

Skajvik talked about terrorism and that he perceives it as a danger to society more than a single event or events. He looks at it more from a bigger perspective than at an individual level. He told us that;
“It is rarely targeted against one or two individuals, it is with the aim to take out as much as possible and get the society out of balance”.

He continued to inform us in regard to how he personally never has been directly affected by terrorism. However, his colleagues were in Brussels at the time the terror struck back in 2016 to sign a contract. This resulted in the contract signing not happening and a negative impact occurred that resulted in several delays and other factors.

Continuously, he feels that NKT is exquisite to secure the safety of both staff and operations. He said that the company might even choose not to enter countries or regions where there is a threat of terrorism and that NKT have a lot of communication with the State Department and similar organizations to always be informed on where they can operate or not. He also added that when conducting business abroad NKT are always well prepared with emergency plans, meaning that if an attack would occur everyone is informed on what to do, who to call and where to seek cover and so on. This is something that has been increasing over the past couple of years and also becomes better and more informative, and Skajvik believes that it might be in line with the increase of terrorism overall.

### 4.2.4 Risk management

Skajvik mentioned that in their risk assessment competition are included. Adding that if their competitors is ahead of them NKT does not put in the effort in orders in that region since they know the competition is too strong.

Skajvik described how NKT is involved in governmental affairs and business in the public sector. With that mentioned he added that:

> “These types of affairs often results in high risks especially when working in LDC:s and because of the longer deals in which a lot can happen”.

Furthermore, he also explained that one great risk of conducting business in LDC:s are corruption and getting paid. Skajvik added that these risks are especially sensitive since they have very few orders each year, which are of great value.

Skajvik described how the business culture is diverse in LDC:s, especially in the Middle East as they are famous for dragging with the payment. They also have a difficult bureaucracy according to Skajvik and even if there are no problems, they always find reasons to stall with the payment. He added that such risks or aspects
are very important to consider since the selling company then have to more or less lend money and act as a bank, which has consequences. In addition, Skajvik described that reasons like this are why risk assessments and evaluations are of importance and if you have done your homework you can avoid such complications. Skajvik described that risk management is of great importance especially in LDC:s as he mentions Iran and Iraq but also parts of South America where it is common for employees to hire security.

According to Skajvik, NKT is sometimes willing to take risks to a higher extent than others, but at the same time, he mentioned that they are good at doing it as well because of their risk assessments and carefulness. He added that it depends on the current business situation if you have a lot of orders or not. If the company is busy they are more risk averse than if they do not have any current clients or just a few. Furthermore, Skajvik explained that NKT is a company that gets more affected and sensitive to impacts more than any others since they just have a few, although very large, affairs each year. He added that it is a necessity to evaluate risks since that is what it is all about when conducting business;

“The key is to find, evaluate and minimize risks”.

Skajvik explained that sometimes a result of risk management is to not enter a region, but in some cases where NKT is already active, the result can turn into them leaving the region and to de-internationalize.

Skajvik described risk management as something positive and as a necessity, something that he believes most companies, especially in Sweden is good at doing. He added that it is of importance since risks are arising all the time, before, during and after an affair. Skajvik also mentioned that this is something that originates from both customers, suppliers but others as well.

4.3 Norden Machinery

Norden Machinery is the leader of tube filling systems in the world operating all over the globe. The interviewee involved in this study was Eric Pehrsson who has a managerial position at the company with over 30 years of experience with insights of the company’s international operations and risk management.
4.3.1 Internationalization

Eric Pehrsson, IT- and HR-manager, mentioned that Norden Machinery always used agents abroad since the 1980’s, except for the few offices in Germany, France, England and North America since that was the major markets. Furthermore, he explained that using agents as an entering strategy has been the focus up until they joined the Coesia Group as they have establishments abroad in the form of sales offices, but in a way, those offices still function as agents for Norden Machinery. In addition, Pehrsson described how Norden Machinery still operates in over 40 countries using own agents.

Pehrsson described;

“Using agents as an entering strategy and establishing networks abroad in the targeted countries are ways to obtain useful insights about the business climate, culture and general information that is of good use, especially in LDC:s”.

Furthermore, he explained that in some cases they often work with customers of large scales which is helpful since those customers on-site can provide Norden Machinery with that important information and set everything up so that risks are reduced when entering.

Pehrsson explained that for Norden Machinery, toothpaste, pharmaceutical, and the cosmetic industry are the main areas of business that steers the company to markets and countries, often since their major customers are established there. For smaller customers it is often the case of them grow bigger, both enabling them to, but also forces them to purchase machines from Norden Machinery as they are needed for competitiveness and further growth. Continuously, he exemplified that they recently had a customer from Tanzania that previously was a small firm but as for now they have started to grow and was in need of better machines, hence they come to Norden Machinery directly for that sole purpose.

4.3.2 Globalization and International business

Pehrsson mentioned that Norden Machinery sells their products to countries all over the world both in small and larger markets. In addition, he explained that the company focuses more on some larger markets such as North America, Europe, and Asia, mainly in China, India and The Middle East. Pehrsson also described that they
are more or less always interested in increasing sales by finding new customers, hence Norden Machinery’s flexibility when it comes to operating in several countries. Furthermore, he explained that since they use agents it enables them to be flexible.

According to Pehrsson, Norden Machinery sells about 130 machines every year to their customers, meaning that the affairs in every region are not of large scales if one would look at the quantity. Furthermore, he explained that the frequency of sales comes mainly from North America and Europe.

Pehrsson mentioned that he sees potential in the future when it comes to conducting business in LDC:s and especially in Africa since more and more countries are stabilizing their economies and people can afford to consume, which leads to higher production. The downside of this aspect is according to Pehrsson that risks will also increase together with the possibilities as Africa is a large continent with diverse areas with various needs, which makes it difficult to operate and assessing the risks.

4.3.3 Terrorism

Pehrsson mentioned that he perceives terrorism as something that he does not want in this world but something that everyone must be aware of and acknowledge. Furthermore, he explained that the difficulty lies in the unpredictable aspect of it that makes it hard for individuals and companies to protect themselves. Pehrsson also described that for him, the first thoughts that arise when talking about terrorism is the events that happened close to himself, customers and other network partners to Norden Machinery. Pehrsson gave an example of a bombing in India where some of the company’s personnel were at the time;

“We had a close call one time, some of our personnel were located in India and were going to a fair. But since there was a terror attack, a bombing at a hotel close by, the fair was cancelled”.

Pehrsson gave another example of when they encountered the impact on international business deriving from terrorism;

“We have a machine still left in Iraq that we delivered in the 1990’s that we have not yet installed and gotten paid for, it is probably gone by now”.
He mentioned that Norden Machinery delivered the machine just before the war started and that the company was not contacted by their customers since then. Furthermore, Pehrsson described how terrorism has affected business in regard to higher costs, partly affecting trade costs and partly affecting costs in the sense of hiring personnel that sometimes must go into areas that are unstable. He explained that one time as there was a rocket launch between Gaza and Israel, nobody inside Norden Machinery wanted to work there and they had to hire external, more expensive, personnel for that installation.

4.3.4 Risk management

Pehrsson mentioned that there are several risks to consider when conducting business and that Norden Machinery works with risk management a lot. Furthermore, he explained that in regard to LDC:s, it is especially important to assess risks since it is often regarding political instabilities and sometimes terrorism as well. Pehrsson described how Norden Machinery is managing such risks by using their customer’s insights on-site as well as hiring security personnel that takes care of Norden Machinery’s employees while in such unstable environments. Furthermore, Pehrsson said that because of their risk management in those countries, he would be more afraid of taking a taxi in India, referring to the traffic, than being kidnapped by a terrorist in Pakistan.

Pehrsson mentioned that sometimes it is difficult to motivate the employees to work in unstable areas even though they have security on-site, hence the use of agents in many cases. At the same time Pehrsson mentioned this, he explained;

“Norden Machinery is a very Swedish company in the sense of being risk-averse and careful, if we cannot find any sufficient security measures we do not take any risks”.

Pehrsson explained how he personally have worked with risk management at Norden Machinery and been in contact with a security team to manage risks abroad, including training programs regarding how to behave and think while abroad operating in LDC:s. Furthermore, he mentioned how the Coesia Group internally has a special team that works with issues regarding operations in LDC:s and unstable environments that provides Norden Machinery with reports every week of the status of certain countries. Pehrsson also described how the Coesia Group has a network that is willing to help out if something would happen by giving advice and consulting them on how to solve the issue.
Pehrsson mentioned that the network is of significant importance and that a cooperation between Norden Machinery, their customers and suppliers are a strategy for risk management as they cannot afford to have a security team with them everywhere they go. Furthermore, he explained that often when they are meeting customers in Nigeria and Pakistan, the customers have own housing in gated communities so that the employees never have to encounter risks that are deriving from terrorism. In addition, Pehrsson mentioned how they have been lucky so far and he believes that this is mainly because they have production in Sweden and not in LDC:s, which is a strategy to both protect their employees but mainly for protection of their R&D.

4.4 Modig Machine Tool

Modig Machine Tool produces precision machinery mostly for the airplane industry with customers in most regions of the world. The interviewee was David Modig who is the CEO of the company and has worked for Modig Machine Tool for more than 30 years.

4.4.1 Internationalization

David Modig, Chief Executive Officer, mentioned that Modig Machine Tool does not choose countries to enter based on the country specifics, instead they enter countries where there are potential customers. He gave an example of how they entered India since Boeing started their operations there and described how Modig Machine Tool follows their larger customers and how those customers steer the direction of the firm to some extent. Furthermore, Modig explained how the firm’s entering strategies are formed, mainly by the use of agents except for when they entered North America on their own. He described that they use agents in LDC:s especially since the agents have better insights of the market and business culture. Modig mentioned that the agents are used to lower risks when entering unstable countries and usually takes a fee for helping Modig Machine Tool abroad.

Modig mentioned that they only have production in Sweden and uses the agents to open up communication with new customers abroad, finding the right fit between them to optimize business and easing the process of internationalization. Furthermore, he gave an example;

“The agents introduce the products to new potential customers and then we enter and close the deal”.

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4.4.2 Globalization and International business

Modig explained that the majority of their machines are sold to the North American region, however, in the last couple of years there has been an increase in countries such as India, South Korea and a few ones in Africa. However, they do not produce their machines anywhere else than Sweden. He mentioned that larger companies such as Airbus can make a deal with a country such as India, where they promise to establish production there if the country promise to buy a given number of airplanes. However, Modig Machine Tool is yet too small to be offered those kinds of deals.

Furthermore, Modig sees the problem of conducting business in countries where the information is low and mentioned that there is various aspects of almost every country he wishes he knew before entering. Although, he believes that if you have a strong product and deliver what you promise, all these types of things are easy to conquer. Being better than your competition is the key factor that made Modig Machine Tool successful according to himself.

Thinking about the future, Modig is certain that business will increase in LDC:s since more and more of the larger actors on the market will establish their production in those countries. And when they do, Modig Machine Tool will have to follow to keep up with their competition. He hopes that America, Europe, and Canada will become more efficient and lower the cost per hour so it beats the lower labor and production cost in the LDC:s. He said;

“When talking about high technological products, the labor in LDC:s are never efficient, so that is where we have to beat them to keep the production in more developed countries. But there will be an increase of requests from those countries anyway, that will increase the demand on us to produce”.

4.4.3 Terrorism

When the topic of terrorism is brought up, David immediately brings up the 9/11 attacks;

“We are definitely a company affected by terrorism, after the 9/11 attacks we went into bankruptcy. The airplane industry collapsed, after 50 years of solid numbers one incident created so much chaos. We did not receive an order for 16 months, we had 150 employees with nothing to do, so eventually we did not have any money left”.
However, when you talk about terrorism today, it is something that is benefiting the business of Modig Machine Tool according to Modig. He explained that the increase of terrorism equals more military activity from the USA, and that results in more orders for the company. That is one reason Modig Machine Tool has moved more into the USA than other countries, and additionally also because of the similar mindset and almost no language barrier, everything to lower the risks.

4.4.4 Risk management

Modig mentioned that the firm works with risk management a lot, he gave an example of how they screen markets before they enter and says that they would not enter Russia because of the political risks and racketeering. Furthermore, he explained that Modig Machine Tool is too small to be risk-averse, meaning that since they have to follow their customers they have to take risks sometimes that is connected to internationalization. Modig also described how the firm has changed their risks management after 9/11 because of the bankruptcy and how they after that event spread the risks by producing machines, not just for the flight industry. He added that this is something essential in the firm today as they are always trying to find new ways to minimize risks by spreading them out finding new areas to apply their machines on. Modig explained that since they cannot be risk-averse it is a must to minimize risks and always assessing them.
5 Analysis

This chapter shows the connection between theory and empirical findings to be followed by our analysis regarding the relationship between them leading to our conclusion.

5.1 Internationalization

De Haan (2014) and Felicio et al (2016) describes internationalization as firm’s motivation to seek opportunities abroad formatting strategies to create competitive advantage, increase sales and lower costs. From the empirical findings, this definition matches Yaskawa, NKT, Norden Machinery and Modig Machine Tool’s internationalization triggers, as one of their main motives was to increase sales and optimize business. According to Selimi and Zekiri (2017), firms conduct diverse strategies for entering prospected countries, such as through export or FDI depending on the individual internationalization motive. This is also connected to the case firms as they all internationalized creating their own entering strategy. All the companies have been forced to follow their larger customers into new markets and thereby have formatted various strategies suitable for each new market. We can see that the adaption of entering strategies into each market, as done by the firms, is a crucial factor for success in regard to attaining the opportunity abroad.

Johanson and Vahlne (1977) describe one of those entering strategies to be an incremental approach called the Uppsala model, which emphasizes a gradual commitment from the firm to foreign markets. Furthermore, Santangelo and Meyer (2017) adds to the definition and include the perspective of firm’s committing more and faster to new markets, making the gradual steps longer. Johanson and Mattson (1987) mention another entering strategy that is based on actors that surround the firm and the need for utilization of other’s resources to succeed. The approach is based upon interaction between the actors in the network, where every actor is connected on some level and any action or interaction taken to influence the others. Furthermore, Williamson and Ghani (2011) describe a third internationalization approach, TCE, that involves cost efficiency and firms that, depending on costs, chose markets and entering strategies based on the lowest cost of conducting business. Connected to the incremental approach, the empirical findings show that NKT, Norden Machinery, and Modig Machine Tool started with export to countries that were similar to their domestic market. Likewise, in regard to Yaskawa Nordic as they started by exporting to neighboring countries and other European countries at first. In comparison with the network approach, all the case firm’s expanded internationally with the use of agents, local people with better insights of the new
market as well as a broad network to exploit. Furthermore, Yaskawa uses allies in new markets to be as efficient as possible, obtaining resources and contacts from an already established actor. In regard to TCE, the case firms are well aware of being cost efficient while conducting business abroad. Yaskawa, NKT, Norden Machinery and Modig Machine Tool format strategies to increase sales and at the same time lower costs. Therefore, all firms use export and agents as main strategies, however, occasionally when their cost evaluation points out a potential profitability they set up shop closer to their foreign customers.

From this, we can see that gathering of experiences and insights as well as evaluating these aspects combined is crucial for firms that are expanding internationally. Taking small steps into the global business environment is something that is useful for industrial firms as their flexibility is low and they need great financial resources. Resulting in the possibility to more easily analyze potential markets as the pace is lower and the information is wider. Furthermore, we argue that the use of agents in foreign markets, especially in LDC:s, is an adequate strategy to obtain information and tap into foreign networks. Continuously, we can see that using agents or allies in a new market also is a strategy conducted for the purpose of being cost efficient since a firm owned facility is in many cases not necessary. We can also see that when the opportunity is potentially profitable enough for the company to establish firm owned facilities in a market, they will utilize it. An establishment of that caliber within this sector is financially challenging but the potential profit from such an opportunity coming closer to customers thereby weighs over the input.

5.2 Globalization and international business

Appadurai (2006) and Guttal (2007) defines globalization as an increased interaction between countries and firms from diverse areas of the world. Furthermore, globalization is a result of various forces such as innovation and growth in regard to economic, political and technological factors that enables firms to tap into global networks (Appadurai, 2006; Guttal, 2007). Gligor et al (2014) exemplify globalization and international business as firms that are active and conducts business in several areas outside their domestic market. In addition, Rugman et al (2011) argue that globalization and international business can be defined as the process of firms outsourcing parts of their value chain to other international companies or countries for the purpose of being more efficient and optimize business. Connected to the empirical findings, Yaskawa, NKT, Norden Machinery and Modig Machine Tool all argued that their globalization process and
the motives for expanding their international business was to increase sales volumes. Furthermore, all case firms are tapping into larger global networks that expands due to the internationalization of their customers. In addition, the case firms are active in several markets in regard to export but are also established by production in some major areas to optimize and bring efficiency into their value chain creating a competitive advantage.

By connecting theory to the empirical findings and the results from the case study, we can establish that firms seek efficiency by outsourcing some parts of their value chain to other international firms, such as the use of agents and production abroad. Furthermore, we can see that the case firms are selective when choosing which markets they will outsource production too. The need for outsourcing to the most suitable market is of great importance since such an establishment for firms active in the industrial sector is very costly and challenging. Furthermore, we can see that being selective of markets is of importance since an establishment of production in a region where the amount and frequency of buyers are low or temporarily could result in a negative long-term impact. Hence, we can also see that the future aspect of international business and globalization is of importance. In addition, we can also draw a parallel between being efficient and lower costs since the empirical findings showed that competence results in faster production. Continuously, since firms often have to follow their customers into new international areas we can establish that global networks expand and new interactions are made as a result of such an expansion.

5.3 Terrorism

Munson (2008) defines terrorism from what he believes is the core factor, fear. Furthermore, this definition is narrowed down by Hooper (2011) and Hoffman (2006) as they exemplify terrorism as the motives and goals of the individual terrorist. Continuous, they mean that the political perspective is crucial to include since that is the main difference between terrorism and an overall violent crime that causes fear in the victim. In comparison to the empirical findings, the definitions are accurate in regard to the case of Yaskawa. Jarhall mentioned that they had stones thrown at them in Iran for political reasons, which caused fear in the employees and made them want to leave the country. Furthermore, another example of the fear terrorism evokes was given by Jarhall as he was present in Ankara recently after an attack that made him feel unsafe in that environment. In contrast, even though NKT have never experienced any direct attacks of terror, just being aware of that it could happen has led to some sort of fear. This resulted in them creating emergency plans
and strategies if something would occur trying to reduce the fear terrorism has evoked in the employees operating abroad. Furthermore, the actions taken by NKT aligns with Norden Machinery as Pehrsson described terrorism as something that is unpredictable. In regard to Modig Machine Tool fear was evoked after 9/11 as they went bankrupt. That fear is still something that is present today, which has resulted in them not solely committing to the airline industry as they for now consistently are trying to find new areas to apply their machines too.

The relation between empirical findings and theory resulted in us being able to establish that terrorism and the fear of it is a costly and challenging factor to consider when conducting business abroad, especially in LDC:s. We can see that terrorism is a constant component for multinational firms when formatting strategies. In contrast, we can establish that the constant threat of terror and the fact that firms need to constantly prepare for it has led to something positive in regard to business. The positive aspect is that the firms are prepared for an attack to occur, which will minimize the damage an event of such measures would have. An example of this is the 9/11 attacks since firms were not prepared the damage was of great proportions as in the case of Modig Machine Tool and their bankruptcy. We argue for that if firms such as Modig Machine Tool would have been equally prepared as they are today because of the increase of terrorism, the impact would have been lesser.

In addition, Malone (2004) puts weight on the global perspective of terrorism and the need to understand the complexity of it. He means that sharing knowledge between nations and firms internationally is crucial for the purpose of enabling adequate actions towards it lowering the impact. Furthermore, Mirza and Verdier (2008) mention that transnational terrorism has increased due to globalization and has an impact on international business regarding higher trade costs. Continuously, Berkebile (2015) also mention domestic terrorism, which is a result of political instabilities that can affect firms operating in LDC:s where such a factor is prominent. Connected to the empirical findings, we can see that the relationship between terrorism and international business exists and it often results in higher costs and lack of income. In the case of Norden Machinery where they sold a machine to a customer in Iraq and since the country was stricken by domestic terrorism they did not get the payment for it. Furthermore, in regard to NKT, some employees were to sign a contract with a large customer in Brussel but because of that a terrorist bombing occurred the signing did not happen and they missed out on a customer that day. Another factor to consider is the cost of preparing for terrorism in the sense of creating strategies and actions plans, which is both time-consuming and costly as described by Skajvik from NKT. He also adds that an effective strategy for them to lower such impacts in the future is that they have opened up
better communication with state departments and similar organizations, which align with Malone’s (2004) perspective of sharing knowledge. In addition, Jarhall at Yaskawa mentioned that they are prohibited from operating in certain areas due to the risk of terrorism even if they have potential customers in those areas, which is a loss of business.

From this, we can establish that the increase of globalization also has led to an increase of terrorism including greater and higher amounts of firms and countries involved and stricken by such events. Furthermore, we can see that terrorism is something that will increase the cost of conducting business internationally whether it actually occurs or not as it is a constant factor to consider. Continuously, we argue for that being prepared is an investment and not as much of a cost since the impact will be lesser if a firm would be stricken by terrorism. In addition, we are certain that communication between firms and nations is needed since globalization has resulted in terrorism not being isolated to just one firm, country or shape.

5.4 Risk management

According to Prakash-Sethi and Luther (1986), risks are difficult to foresee in general before they are present, especially when firms operate in an international market. Furthermore, they mention that a firm operating in an LDC could arguably foresee some kind of negative impact deriving from unstable political and economic situations (Ibid). Collado et al (2015) mean that there is a way to detect or at least be able to assume consequences of actions made by organizations or situations in certain environments. They explain that by conducting such an analysis, a firm could prepare for the assumed outcome of an event or scenario by securing assets, being risk-averse and gather information from a developed network (Ibid). In addition, Fertis et al (2012) mean that it is difficult to evaluate risks since they are volatile and constantly changing over time. Hence, they argue for that risk management is something that should be consistent (Ibid). Chapman (2011) refers to ERM and points out that risks must be acknowledged and managed. In addition, risks should be dealt with as one solid unit and not separately divided between divisions in a firm (Ibid). Furthermore, he explains that risk management is a strategy for obtaining business growth and competitive advantage. Chapman (2011) means that if a firm could manage risks efficiently and avoid pitfalls they could acquire opportunities and increase profit.

In comparison with the empirical findings, Yaskawa, NKT, Norden Machinery and Modig Machine Tool all mentioned that risk management is incorporated into the business model. Continuously, all case firms stated that great opportunities come
with high risks, but by assessing them they could reach for such opportunities and increase sales. In the case of NKT, they must assess risks especially in regard to conducting business in LDC:s. NKT provides cables to governments where deals are time consuming and extensive. They stated that much could happen with unstable political and economic conditions and terrorism is a factor to consider during the process. Connected to Chapman (2011), NKT stated that by evaluating risks deriving from unstable conditions and terrorism in such environments, they could minimize them and therefore obtain business growth that would not be reachable without risk management. Continuously, in the case of Norden Machinery, they stress the importance of risk management in LDC:s since the amount of them is high and in some cases connected to terrorism as well. Thus, a useful tool for the firm to manage such risks is by using the established network in that kind of environments to gather information and experience. In addition, in regard to Yaskawa, Jarhall stated that risk management is of great importance for other reasons than business growth as well. He mentioned that by not conducting business in territories and with firms involved with warfare they can avoid being associated with war, and in some cases even terrorism, as there machines and robots will not end up in the wrong set of hands.

As a result of risk management, Turcan (2011) describes de-internationalization as the process of leaving a certain international arena. Furthermore, he displays that there are two various types of de-internationalizing; forced or voluntary e.g. where a firm reduce the extent to which it is exposed to the international business environment. In addition, he mentions how firms sometimes must exit as a result of insecurities, economic difficulties or managerial preferences (Ibid). Connected to the empirical findings, Skajvik at NKT mentioned that a result of their risk management and always assessing risks is de-internationalization, leaving a region where risks are too great. Furthermore, he explained that risks are constant and must be considered both before and after an operation. In addition, Pehrsson at Norden Machinery described how they had to de-internationalize from Iraq after they had provided a customer with a machine since the war broke out. Continuously, Jarhall at Yaskawa Nordic displayed how they had formatted strategies if something would occur, e.g. a terrorist attack, whilst operating internationally, e.g. to de-internationalize as a result.

From this, we can establish that risks are a constant factor to consider both before and during an international operation, especially in regard to LDC:s and events in regard to terrorism. Furthermore, we can see that risks can sometimes force companies to de-internationalize since they cannot manage them in such a way or if they can, it is too costly. Hence, we can see that terrorism and such insecurities combined with economic challenges could lead to de-internationalization. In
addition, we can also see that managers prefer to leave a region if he or she perceives it as too challenging or even dangerous in regard to the threat of terrorism.
6 Conclusion

This chapter concludes the study by answering the research questions, stating both the theoretical implications as well as managerial implications, limitations, and suggestions for future research.

6.1 Research questions being answered

As of today, an extensive number of firms are seeking to optimize their business by outsourcing parts of their value chain to other actors located in international markets. Hence, globalization is increasing and both more firms and countries are becoming intertwined in a larger global network. Globalization has also been one factor of the increased operations and business activities in LDC:s. On one hand in regard to their economic situation growing and on the other hand regarding the lower cost of production in those countries. In connection with the increase of globalization, terrorism, and attacks of such measures have also increased. Besides the direct outcome of terrorist attacks, e.g. death and destruction, indirect effects have become a prominent reminder for firms. The indirect outcome of terrorism is in many cases striking firms in regard to higher trade costs, lower purchase demand and loss of business, especially regarding international operations. Thus, the aim of this thesis has been to answer two main research questions;

(1) “How does terrorism and/or the threat of it affect internationalization for Swedish firms going into LDC:s?”

(2) “How do Swedish firms plan for and protect themselves against terrorism and/or the threat of it in LDC:s?”.

The first (1) research question is in regard to the diverse strategies that can be formatted by companies when entering a foreign market and how terrorism, including actual events and the threat of such events, are affecting the formatting process for firms that are internationalizing to LDC:s. The theoretical framework and the theories regarding this subject displayed that firms could format strategies of various characteristics that suits diverse targets. Firms can according to theory choose to conduct entering strategies that are assumed as incremental and risk-averse, by foreign networks or by seeking to be cost-efficient. All with a purpose of adapting to the environment and goals of the firm. The empirical findings showed that when planning to enter a LDC they chose to format entering strategies in
accordance with theory. As a result of terrorism being a constant factor to consider when entering such countries, the firms chose to enter by using networks, minimizing the risks by outsourcing sales and by not establishing themselves by production. Hence, the risk of being struck causing physical damage to the company is reduced, likewise the economic risk.

The second (2) research question is regarding risk management and how firms are evaluating risks that arise from terrorism and the threat of it to occur in LDC:s. Furthermore, this research question concerns the matter of how companies are acting if an incident of terrorist measures would be factual while operating in LDC:s. The theoretical framework that was used in this study exemplified that a constant risk management and an evaluation of risks are of great importance, showing certain ways of how to detect and foresee consequences of actions and situations. The theory also presented the importance of managing risks as a unit in regard to a firm and not individually between divisions. Furthermore, the theory also displayed how risk management could lead to business growth and competitive advantage if conducted efficiently. Continuously, the theory in regard to de-internationalization showed us that firms can exit and/or reduce the degree of its international operations, e.g. because of insecurities and economic factors. The empirical findings of this study displayed that all firms constantly evaluate risks when seeking opportunities in foreign markets, especially in LDC:s. Risk management is of great importance in regard to internationalization as firms format entering strategies to minimize risks. Continuously, firms interact with several instances to gather information and useful insights regarding the threat of terrorism while operating in LDC:s. The process of evaluating risks did also, for the case firms, resulted in them securing assets by not establish production plants in LDC:s and also creating emergency plans if they were to be struck by a terrorist attack. Furthermore, another result of risk management is if something in regard to terrorism would occur, an actual attack or just the threat of it, all firms would leave the stricken country or region. Thus, a de-internationalization of all or at least some international activities in the area of matter.

6.2 Theoretical implications

The theoretical matter of the relationship between terrorism and international business has proven to be lacking and are in some detailed areas absent. By assembling previous research that has been conducted we could see a research gap
non-consistence of terrorism’s impact on internationalization processes, the connection to risk management and de-internationalization. Hence, this thesis has stressed the importance of displaying the full explicit picture of the problem and contributed to theory providing future researchers with a more solid basis for further studies. Future research is needed since there still exists a gap in research and the subject is constantly evolving, probably moving into the more digitalized world and a new era. Continuously, this thesis has added to the existing theory since it connects terrorism to internationalization and risk management. The thesis identified the relationship between terrorism and globalization involving Swedish firms that are active in LDC:s and part of a global network. Furthermore, this thesis provides a guideline to these firms, including solutions to problems the case studies have encountered as well as strategies to proactively avoiding them.

6.3 Managerial implications

This study has stressed the importance of understanding that there is a relationship between the increase of globalization and terrorism and that it affects firms in regard to their international activities. Furthermore, the firms involved in the multi-case study are all successful firms operating in LDC:s, hence the result of this thesis strengthen the purpose of creating a guideline for Swedish firms. Continuously, we therefore, recommend that managers in Swedish firms adopt the strategies of the case firms as they were successfully conducting the same business in areas of interest. By assessing risks connected to terrorism and formatting entering strategies with terrorism in mind, firms can lessen the impact of events of such measures. To lessen the impact we recommend that firms follow the examples of the case studies and while outsourcing some parts of the value chain to international actors be selective and risk-averse. Thus, industry sector firms should outsource their sales by using agents and not outsource production to LDC:s to lower costs, instead focus on higher competence to enhance efficiency. Furthermore, establishing networks is a crucial factor to succeed in LDC:s which firms must adapt to their strategies. Continuously, it is of great importance to work proactive with the threat of terrorism, having a plan if it would occur and being able to take immediate actions to protect the firms and its employees, e.g. by de-internationalizing.

6.4 Limitations

While conducting this study examining the effects terrorism have on international business regarding internationalization and risk management of Swedish firms we noticed some limitations. Previous research has been conducted in regard to
globalization and terrorism, however, it is inconclusive as it does not include internationalization processes or risk management. Thus, we discovered that a limitation was the absence of information that we could base our research upon. However, since research is lacking in regard to the subject this thesis could contribute to theory, which is of importance even though our findings are a result of just four case firms. Furthermore, another limitation that was of consideration was the generalization that was made based on four cases as mentioned. However, as stated before, this did contribute to the theory that was inconclusive which will provide a basis for future research.

6.5 Future research

As terrorism is increasing in combination with globalization, we believe that future research must be conducted to further acknowledge and to better understand the complex effects of the concept. Furthermore, we stress the importance of, and emphasize on, sharing knowledge to face the aftermath as a unit that will lessen the impact of terroristic events. Thus, we believe that future research should be conducted in three main areas;

(1) Investigate the new kind of terrorism, cyber-attacks, including the relationship between a digitalized and connected world with intangible terrorist attacks.
(2) Examine how terrorism affects internationalization of firms entering developed countries from LDC:s.
(3) Explore the concept of psychic distance and how it evolves in regard to terrorism and events of such measures from the perspective of firms from developed countries prospecting LDC:s.
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Appendices

Interview Questions - Companies

Background

- Do you wish to be anonymous?
- What does your position within the firm entail? Can you tell us more about your prior experience?
- We understand that *our explanation* is the core concept of the company, is that correct?
- In which international markets are the company operating in? Is the company active in less developed countries? (Explanation is given from the definition in our text).

Internationalization

- Which criterias are used to select foreign markets? Why?
- In contrast, which criterias are used for LDC:s? Does it differ?
- Which type of entry mode is the most common for you when internationalizing? Why? Pros & Cons? (Explanation and examples of entry modes are given)
- What is your perception of risks entering less developed countries? For example regarding political and economic instability which is often a factor to consider in such countries.
- Which entry mode would you say is the most common when going into LDC:s? Why? Pros & Cons?
- To what extent do you consider your company being risk-averse? For example willing to take risks if the opportunities of business is located in unstable countries/LDC:s.

Terrorism

- What is your perception of the term ‘Terrorism’?
- When it comes to international business and your operations abroad overall, have you ever encountered any direct threats of terrorism or actual events?
If yes, can you give examples? If not, same question but regarding operations abroad in general terms (anywhere).

- When it comes to international business and your operations in LDC:s, have you ever encountered any indirect threats of terrorism or actual events? Such as losing business and/or experiencing higher trade costs. If yes, can you give examples? If not, same question but regarding operations abroad in general terms (anywhere).

Decision making & preparedness for terrorism

- Do you personally have experience of dealing with, or preparing for terrorism? If so, can you give any examples?
- Are you aware of if the company has experience of dealing with or preparing for such issues? If so, can you give any examples?
- If you and/or your company do not have any experience of such things, how would you deal and prepare for such issues in theory? For example, by exiting the country or choosing entry modes with lower risks than others such as using an agent instead of establishing a sales office.
- Has the way of conducting business in LDC:s changed over time as you noticed risks regarding terrorism? If not, the same question but regarding political instabilities instead of terrorism.

Concluding questions

- Is there anything in general you would like to add to this interview?
- Of your own and your company’s experience when operating abroad in LDC:s, is there anything you would have liked to know before entering that you had to learn by doing?
- What would you say is the key to succeeding in LDC:s? For example by managing risks or establishing networks etc...
- What is your perception of the future for your company and/or in general regarding doing business in LDC:s?