

SAVONIA UNIVERSITY OF APPLIED SCIENCES
UNIT OF BUSINESS AND ADMINISTRATION, KUOPIO

**INTERNAL READINESS AT SMEs FOR INTERNATIONALIZATION
A CASE STUDY: IBAM INTERNATIONALIZATION ANALYSIS IN YKO PROJECT**

Ulla Carroll
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Author (s)
Ulla Carroll

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Abstract

Topics around SMEs' internationalization process are discussed and the available guidance supporting companies' internal readiness for internationalization is evaluated. Findings at YKO (Yritysten kansainvälinen osaaminen/ Expertise in International Business) project, especially concerning IBAM (International Business assessment Model) analysis process, are at the core. Research consists of a mixture of quantitative and qualitative research completed by interviewing YKO companies, and the personnel and consultants in the project. With findings from questionnaires the extent of IBAM's competence to support company internationalization, is measured.

Analysis has had a demand in companies and among the persons who advice companies in strategic internationalization. IBAM has been essential tool at YKO project and will have an impact on the final results at the end, in 2012. IBAM increases the level of internal communication at companies and supports strategic planning. Each company is evaluated on the individual bases strengthening the internal readiness for internationalization.

Recommendations cover targets for development including IBAM form layout, control features and the language options, and refinement to the structure of IBAM advisory procedure. Dispute to the necessity of the most complex level at IBAM, integrative phase. At the end of YKO project a more detailed picture of IBAM competences in internationalization analysis and development areas will be available.

Keywords
SMEs, internationalization, internal readiness, IBAM

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1. INTRODUCTION

Successful participation in international business holds the promise of improved quality of life and a better society, even leading, some believe, to a more peaceful world (International Business, Czinkota, Ronkainen, Moffett, 2005, 4).

Internationalization is a key matter for companies that have seen daylight in a small country, as Finland is, if the business is seeking for growth. Local markets offer prospective and potential end-users only to certain extent and expanding sales area to other countries is a necessity if there is a will to go further. After all, with only 5.4 million citizens (Tilastokeskus, 2011), Finland is definitely limited with a buying power. Therefore a dynamic, modern company will search more traffic to boost growth from abroad. For gaining growth, firms must understand where the opportunities are, what consumers' want, why they want it, and how they satisfy their needs and wants so that the supply will meet the demand (Czinkota, et al. 2005, 4).

Entering new markets need always a thorough research and familiarization of the area before there is a certainty that what is offered for sale will fit the destination. All the relevant information that can be gained before the new market entry will reduce the risk for choosing the wrong approach which might lead into failure (Pasanen, 2005, 19). A company that is looking to expand to abroad should have a crystal clear understanding of what is the base for the success (Äijö, 2001, 16), but for a small business, understanding all the various points in internationalization process can be daunting. Although, knowhow, innovations, and effective applications have been known to be the benefits in Finnish exporting companies (Vahvaselkä, 2009, 15) lack of explicit strategy in initial phases of internationalization, weak understanding of international activities, problem in identifying appropriate partners and under achieving assessment of market potential are all common to a company expanding abroad (Observatory of European SMEs, 2004).

However, different support channels have been built to guide especially SMEs in aims to internationalize operations. An objective view, with a robust knowledgebase can solve out many issues and lead incoherent actions into right direction.

The purpose for this thesis is to discuss the topic around SMEs' internationalization process and moreover, to consider the guidance that is available for these businesses. Thesis will focus on findings of YKO project (Yritysten kansainvälinen osaaminen/

Expertise in International Business) of Savonia UAS (University of Applied Sciences), UEF (University of Eastern Finland) and Oulu Business School. During the years 2010-2012 YKO project will help 30 local companies in North Savo, Finland, in their internationalization challenges. As a key procedure YKO companies are assessed by using an IBAM (International Business Assessment Model) analysis that demonstrates how the company can improve actions that support success in markets abroad. The author of the thesis has worked in YKO project since August 2010, and has therefore gained interest toward the IBAM process.

One of IBAM's most important factors is that it assesses all of the key players' opinions within the company; internationalization after all requires the support from whole of the management team. Information brought to attention by IBAM is at the core of this study. This in mind, the following research questions are the frame for the thesis:

How does the IBAM improve companies' internal readiness for internationalization?

What kind of an impact does IBAM have on YKO project's effectiveness in supporting companies' internationalization process?

What is the value of IBAM to an individual, analyzed company?

Thesis consists of mixture of quantitative and qualitative research completed with questionnaires to YKO companies, the personnel in the project and consultants that are experts in the field of international business. With findings from questionnaires the extent of IBAM's competence to support company internationalization, can be measured.

Thesis is divided into chapters. 1st and current chapter, introduction, is focusing on the topic SME's internationalization in general, and explaining the core of the thesis, as well as surroundings where the topic is evident. It also helps to clarify the over view of the thesis. 2nd chapter holds theory of companies' abilities for internationalization. Internal readiness and competences within the business are valued and discussed here.

As there are many internationalization models and methods these are considered in the 2nd chapter, as well.

3rd chapter is focusing on IBAM that has been the catalysis for the thesis process. History and creation of IBAM is discussed and insight of structure is offered. With this chapter the reader will understand the purpose of IBAM and how it is guiding the companies that are analyzed by using the tool. YKO project, that offers the environment to IBAM, is also introduced in 3rd chapter. Personnel, organizations involved in the project as well as the partners to YKO, are addressed.

The research method is introduced and explanation of why this method was selected can be found in the 4th chapter. The research is based on questionnaires that are unfolded here and data is analyzed the reader; the 5th chapter unravels the findings from the research. Objective discussion to success of the research and recommendations can be also found from chapter 5. Finally, 6th chapter concludes the thesis; the topic, discussion and results are brought together.

2. INTERNAL READINESS FOR INTERNATIONALIZATION

Since SMEs' international trade abilities and strategic internationalization are at the core of this thesis, factor of readiness within the company is covered. After all, a thorough knowledge of the internal situation within the company is vital information for success in business; *the power within* is the base for all strategic actions when compared to the opponent power (Pasanen, 2005, 32). Therefore, in 2nd chapter the factors of company's internal readiness in the viewpoint of internationalization and international trade are considered.

2.1 Short introduction to international business in Finnish SMEs'

International business as whole means trading in between two or more parties that are located on different countries. Global business, instead, refers to trading actions done in all crucial areas in the world. Factors differentiating international business from domestic trading are:

- different set of rules and behavioral models
- various cultural values
- vast range of demand and supply.

(Pasanen, 2005, 15).

Czinkota, Ronkainen and Moffet (2005, 5) explain how primary types of international business operations are export-import trade and direct foreign investments. Additional types of international business are licensing, franchising and management contracts. International business is constantly expanding within all fields of trading.

Exports and imports of goods

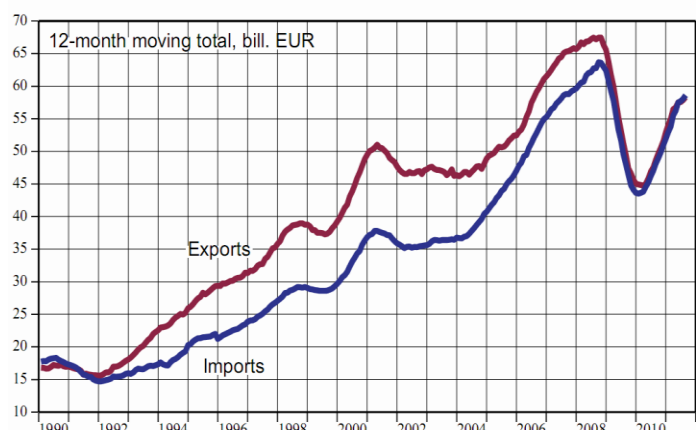


Figure 1. The Confederation of Finnish Industries EK

The growth of foreign operations in Finland has been rather fast from the 80s' and plays even more important role in the future (see figure 1.) (Foreign ministers office, 2011).

Suomen yrittäjät (2011), the organization for Finnish entrepreneurs, informs how there are in total 320 682 companies in Finland; businesses with less than 250 employees, and therefore are called SMEs' (small and medium sizes enterprises), total to 98 % of all companies in the country. This figure demonstrates how important SME companies are in Finnish labor markets. In many of these companies internationalization is one of the strategy aspects. In a paper *SME internationalization research: past, present and future* by Ruzzier, Hisrich & Antoncic (2006, 476) it is emphasized how it's no longer possible to act at the marketplace without taking into consideration the risks and opportunities presented by foreign markets. Moreover, "an increasing number of SMEs are realizing that for the firm to maximize profits or even to survive, the firm must expand internationally" (Ruzzier, et al. 2006, 478).

By Sutinen (1996, 11) growing trend in internationalization is vital to Finnish society as the country is dependent of export business. Small and sparsely populated country cannot provide enough profit for specialized businesses for them to have continuously a positive turnover. External commerce is, therefore, indispensable for Finnish businesses. (Sutinen, 1996, 11). Moreover, internationalization projects, such as YKO is, are funded by the European Social Fund for a reason; supporting export-import trade of the member states increases the competitiveness of EU, as well.

2.2 Reasons for internationalization

Successful internationalization process depends on company's ability to research the market and find out what is the best forum to interact with potential customers Nevertheless, international expansion is exceptionally important decision to SME's as these normally have a limited financial base and limited geographic scope. (Ruzzier et al. 2006, 481). McDougall and Oviatt (1994, 45) continue to explain how internationalization performance itself is kind of a "black box", given the multiple motivations and goals that might affect an internationalization strategy. Even so, two of the most common goals attributed to international expansion are aim for growth and improving profitability (MacDougall and Oviatt, 1994, 46-47).

Taking a closer look to the factors behind internationalization where two main motivations can be recognized: *proactive* and *reactive* motives. Chinkota, Ronkainen and Moffet, (2005, 352) explain how proactive motives act as a stimuli for creating a firm-initiated strategic change where as reactive motives are a set of reasons influencing the enterprise to respond and adapt to changes imposed by the outside environment.

Proactive motives

Expectation for more profitable business is major proactive motivation. International markets are many times seen as chance for higher profit margins and a possibility for add-on sales. A unique product line and a high level technological knowhow are seen to be competitive advantages as well as exclusive information of a particular sales field or a consumer group can ease the market entry. Tax benefits can also be a major motivator as for a result companies can offer the products with a lower cost or gain a higher profit. Final important proactive motivation is the economies of scale: with higher productivity and output production costs are likely to drop. This may have great effect on the domestic production costs as well, making company more profitable throughout. (Chinkota et al. 2005, 352-353).

Reactive motives

Environmental reasons and pressure are the factors behind reactive motives for internationalization. Pressure from the competition and overproduction may lead into a search for new consumers. As well, the decline in domestic sales acts as a forceful reason for survival. Company seeking for new markets from abroad might also have an excess capacity and the production line is not fully utilized. Lastly, proximity to customers and ports has a great role in reactive motives for internationalization; psychological distance in geographic closeness eases the decision making for the new market entry. (Chinkota et al. 2005, 353-354).

Czinkota, Ronkainen and Moffet (2005, 354) continue by explaining how in general, companies that are more successful in international markets are motivated proactive and therefore internally eager for foreign trade. These firms are normally more service, marketing and strategy oriented than reactive companies (Chinkota et al. 2005, 354).

2.3 Execution of internationalization

Decision making in the company to start international trade comes from the highest element in the company; management team, owner or a chairman. Going international means a fundamental change to the culture within the company and the implementation requires a support from the key actors in the business. (Czinkota et al. 2005, 350). Miettinen, Sutinen, Diov and Vornanen (1998, 281) explain how the process for change breaks familiar pattern that can act as a comfort factor to personnel at work. Change requires a lot of attention from the management and thorough communication with all members of staff. With such widely affective change as stepping into global markets, requires trustworthy from everybody employed in the company.

Nevertheless, internationalization can face many internal problems that depict the level of internal readiness. Rejection for change, lack of vision and weakness in risk taking, can all set crucial boundaries. Idealistic situation for this sizable change is possessed when personnel sincerely want the internationalization to happen. (Miettinen et al. 1998, 282-283).

Planning the internationalization starts by valuing the internal abilities and preconditions for internationalization with understanding the “story” of the company, explains Vahvaselkä (2009, 107) and considers readiness to be measurable with the following topics:

-basic readiness: business plan is up-to-date, solid financing, the management team is internationally able, readiness to built networks, information and communication systems are compliant

-product/ service and marketing: superiority in the eyes of the consumer, competitive advantage in quality and/or price, productization and branding in control, consideration to adaptation, understanding the market position

-personnel: Expertise of the key personnel, right language skills, ample number of personnel

-production and service abilities: the level of technology, processed production and supply capacity, working logistics, strong quality control

With this idea frame Vahvaselkä (2009, 108-109) contemplates that conclusions can be made whether the company is internally ready for internationalization, or not.

Sutinen (1996, 63) follows quite a similar pattern to Vahvaselkä for unraveling the companies' internal readiness for foreign trade but seems to value even more the mental resources within the company. Sutinen (1996, 63) explains whereas the internal market staff must grasp the more familiar grounds of homeland, personnel for foreign business have more unknown market variety to face to. Although appropriate communication skills are important in any sales job, international trade requires skills beyond that normally are sufficient. Issues of versatile languages skills, cultural understanding of more than one specific area as well as the ability to relate to others and *be liked* out in the world are issues that only some sales people are able to handle. Therefore, it not just a case of economical handling, also political and especially social ambitions fuel the international trade. (Sutinen, 1996, 63-64).

To help growth and internationalization, by Vahvaselkä (2005, 31), requires a certain *path*. These are *Organic growth path*, *Cooperation-based growth path* and *Born Global path*. Paths vary from each other by the pace of internationalization, the amount of recognizable stages, cooperation and networks. (Vahvaselkä, 2005, 31).

Organic growth path

Typical characteristics for organic growth are traditional, slow expansion from success at local markets to international sales where only small risks are taken. Expansion is done in stages which are funded mainly with cash inflow. Boundaries for faster internationalization are ability or desire to take risks, a lack of knowhow at international operations and marketing as well as restricted language skills. (Vahvaselkä, 2005, 31-32)

Cooperation-based growth path

This path focuses on networking and to ability to benefit from business cooperation in internationalization. A mind frame of moving forward in a value chain as a network of companies supporting each other in dealings with suppliers, business partners and

consumers is central. Normally funding comes from existing cash inflow and research-and development investors. Intense networking is needed as own capacity is not sufficient enough for successful foreign trade and especially for expanding the sales field independently. Companies that choose this path have normally experienced management with vast networks. (Äijö et al. 2005, 23)

Born Global path

Born Global is a term that is used for companies that have had an immediate international market entry at the same time as starting domestic trade or do not operate at all on the local markets (Chetty and Cambell-Hunt, 2004, 60). According to Rennie (1993, as stated in Ahokangas and Pihkala 2002, 119) exportation is started in Born Global companies during the first two years of the company's existence. These companies base all their strategic planning; products, structure and funding, on international trading. With a small amount of personnel Born Global companies are normally eager to take risks, have earlier experience of international trade high level of motivation and ambition for international success. (Vahvaselkä, 2005, 35).

Internationalization and the selection of the right path are important decision for growth and internationalization strategy. Decision should be made with a reflection on resources, expertise, internationalization aims and by understanding what possibilities and challenges does the environment offer. (Vahvaselkä, 2005, 35).

Chosen internationalization path is divided into four phases:

- *Preparation phase* where requirements of internationalization are reinforced and business model is perfected.
- *Launch phase* which starts the classic exportation to nearby areas, but the amount of export sales in total turnover is still rather low. Mental resources play key role, and management must have a strong vision to oversee initially unprofitable trading (Sutinen, 1996, 63).
- *Growth phase* offers an intense uplift at international trading as some market areas are proving to be profitable. Additional investments are made to

strengthen the position on these markets. Company has experience and production in many countries.

- *Maturity phase* explains how company has reach most of its' target markets and is able to expand further in controlled manner with profitable operations. Company employs staff from many nationalities in different levels of the organization.
(Vahvaselkä, 2005, 36).

There are various models and theories concentrating on company internationalization which can be divided are not meant to draw one another out. These models and theories are described by Vahvaselkä (2009, 21):

- Theories based on economical direct placement
- Internationalization process models of behavioral science
- Models based on resources and networking
- Growth models

As a conclusion, it can be said that growth is very important factor for the welfare society and therefore is not only a concern of the company. Growth that is often sought for from abroad with international business operations is necessary for the continuously growing demand to cover overall expenses. (The Confederation of Finnish Industries EK, 2011).

3. IBAM

As mentioned in the introduction, the thesis discusses the topics around SMEs' internationalization process and moreover, considers the guidance that is available for these businesses in YKO project. YKO helps local companies in North Savo in their internationalization challenges and as a key procedure uses IBAM analysis. The role of IBAM is to demonstrate how the company can improve actions that support success in markets abroad. Therefore, in the third chapter the purpose and use of IBAM are explained. Operational environment for IBAM is stated, as well as YKO project offers the possibility to pilot IBAM with companies in Northern Savo. IBAM is already recognized on a wider field of organizations and these partners are included in this chapter.

Since IBAM is not commercialized tool as yet, the material to refer to is not published information. Various ppt slides, notes and other given instructions are used as a base for the main part of the text. All the information about IBAM was given to the author of this thesis via email and discussion with Oulu Business School Petri Ahokangas and Marjut Uusitalo.

3.1 Purpose and aims

Commonly in business networks nowadays, there are no more chances to operate just with the national consumers, and foreign business contacts must be recognized. This seems to be a desire, fortunately, for most companies anyway, and operating internationally is rather a standard expectation. Even though foreign markets are craved and expected place to get into, international field is much more complex than it is many cases credited for. Important issues, such as selection of market areas, possible product adaptation, needed supply chain, price determination and marketing, as well as legalities, customs and payment channels need a lot of concentration and constant re-evaluation. (Pasanen 2005, 26).

The need to clarify this complicated structure has been noticed by the experts in international trade. Various tools have been designed to recognize companies' internal readiness with some concentrating especially on international abilities; such as IBAM.

IBAM is a systematic tool for assessing SMEs' international business abilities and the areas of improvement. Method has been created in order to meet the growing demand of business without national boundaries. IBAM offers the company a clear and realistic picture of what is completed well and what should be improved to maximize the success in foreign trade.

The creators of IBAM are at Oulu Business School; team of experts in the field international business with a lead of Professor Petri Ahokangas have crafted the tool to systematically build companies internal readiness for international markets.

3.2 Structure

IBAM analysis focuses on four areas of internationalization:

- Market understanding
- Customer understanding
- Business knowledge
- Entry mode

Overall assessment focuses on five different processes:

- Management process
- Innovation and development process
- Consumer control process
- Product management process
- Information system process

By crossing the four areas of internationalization and five overall processes there are 20 assessable subjects. Therefore, all functions within the company that are connected to internationalization process will be covered. Maturity to operate on international field will be viewed by valuing all the 20 aspects, as well. Findings offer the company a possibility to have a development plan of how to optimize the resources that the company has, in order to reach the set targets. The analysis is not seeking to alter the company, but to direct the operations so that the necessary changes can be done for internationalization becoming more accessible. Moreover, IBAM will not solve issues for the company; all of the actual work must be done by the company. Therefore it

could be said, that IBAM helps in finding the points to improve and sets the standards, and the rest is in hands of the company and , in this case, the advisory team of YKO.

As there are various companies on the markets there are also many different levels these businesses are on. A small company looking to do first sales in international markets, without previous business contacts is in very different position to a firm that has conquered international markets years ago, but has problems with international sales processes. Therefore, IBAM is looking to instruct each company on the actual level where the company is on and push forward without a comparison to other companies.

The picture with stages *emerging, experimental, planned, systematic* and *integrative* explains the different levels of companies' internal readiness for international business. The picture is much used with IBAM analysis whilst explaining to the key members of the company realistically of which level the company is currently on, and what the next level to reach to is.



Figure1. Different levels of internationalization

As a foundation for IBAM realization of where are the arenas for action such as product categories, market segments and geographic areas as well as understanding how to speed and sequel moves, and how to obtain returns with growth and profitability in mind will set out an economic logic to operations. Means to reach the markets must be valued with sight to internal development, structure and processes. Finally the point of differentiation with pricing, productization, tailoring, level of

quality and branding will shape the point of how to win in situation of competition. (Hambrick and Fredrickson, 2005).

IBAM consist of four stages:

- *Introduction phase*: IBAM is introduced to a case company; the reason for creation, benefits and usage of excel questionnaire
- *Answering phase*: all the key actors at the case company answer excel questionnaire and return the sheets to YKO contact person
- *Analysis phase*: YKO team at Oulu Business School analyzes the returned material, binds all the replies and concludes the findings into written form.
- *Presentation of the findings-phase*: Integrated results based on answers are presented to the board of management at the case company. The level of internal readiness for international trade is explained and the development areas are described. The case company in cooperation with YKO project form of plan of action for the duties supporting case company's internationalization abilities and confidence.

IBAM is an excel tool that includes about 550 questions. Under the four headings of internationalization that were introduced previously, *market understanding*, *customer understanding*, *business knowledge* and *entry mode*, is a selection of operative actions. The purpose for the management team is to individually answer simply 'yes' or 'no' if the company's operations include the action or not. As an example, for covering the topic *market understanding*, key members of the management team will answer to questions "do the key players in the company understand the complexity of foreign business in comparison to domestic sales?" or "has a market survey for the desired areas of business been completed in the company?" By comparing the answers received, a clear map is drawn to the analyzer of what has been done in the company in terms of international operations and what should be done for it to become more successful in foreign trade.

MARKKINAOSAAMINEN									
Kysymys	Taso	Prosessi	Markkinat				tj	myyntip.	myyntip.
M1.1	1	C	Yrityksen avainhenkilöillä on selkeä kuva siitä, mikä on yrityksen toimiala				1	1	1
M1.2	1	C	Yrityksellä on arvio kotimaan markkinan koosta				1	1	1
M1.3	2	C	Yrityksen avainhenkilöillä on selkeä kuva siitä, millainen on yrityksen toimialan rakenne				1	1	1
M1.4	2	C	Yrityksellä on tieto kotimaan markkinoiden koosta				1	1	1
M1.5	2	M	Yrityksen kotimaan markkinoista on tehty markkinatutkimus				1	0	0
M1.6	2	C	Yrityksen avainhenkilöillä on selkeä käsitys siitä, millä maantieteellisillä alueilla siellä on kasvumahdollisuuksia				1	1	1
M1.7	2	C	Yrityksen avainhenkilöt ymmärtävät ulkomaan markkinoiden erilaisuuden kotimaan markkinoihin nähden				1	1	1
M1.8	2	P	Yritys on valinnut, millä tuotteilla ja palveluilla se haluaa ulkomaan markkinoille mennä				1	1	1
M1.9	2	P	Yritys ymmärtää tavoittelemiensa kansainvälisten markkinoiden viranomaisvaatimusten erot kotimaan markkinoihin nähden				1	1	0
M1.10	3	P	Yritys tuntee tavoittelemiensa kansainvälisten markkinoiden viranomaisvaatimukset				1	1	0
M1.11	3	C	Yrityksellä on selkeä käsitys tämänhetkisestä markkinaosuudestaan kotimaassa				1	0	1
M1.12	3	C	Yrityksen avainhenkilöillä on selkeä käsitys toimialansa markkinoiden kehitystrendeistä ja kasvuvauhdista				1	0	1
M1.13	3	P	Yritys tuntee tavoittelemiensa kansainvälisten markkinoiden lainsäädännölliset vaatimukset				1	1	0
M1.14	3	C	Yritys tietää mikä on sen tavoittelemien kansainvälisten markkinoiden vuotuinen kasvuvauhti				1	0	1
M1.15	3	M	Yrityksen nykyisistä tai tavoittelemista ulkomaan markkinoista on tehty markkinaselvitys tai -tutkimus				1	0	1
M1.16	3	C	Yritys tuntee tavoittelemiensa ulkomaisten markkinoiden kehitystrendit				1	0	1
M1.17	3	C	Yrityksen täytyy sopeutua asiakkaiden vaatimuksiin niillä kansainvälisillä markkinoilla, joilla se toimii				1	1	1
M1.18	3	C	Yritys tietää oman asemansa ja markkinaosuutensa kansainvälisillä markkinoilla				1	0	0
M1.19	4	C	Yritys tietää oman asemansa ja markkinaosuutensa maakohtaisesti				1	0	0
M1.20	4	C	Yritys tuntee tavoittelemiensa kansainvälisten asiakkaiden toimintatavat				1	1	1
M1.21	4	C	Yritys tuntee tavoittelemiensa kansainvälisten jakelijoiden toimintatavat				1	1	1
M1.22	4	C	Yritys tuntee tavoittelemiensa kansainvälisten kilpailijoiden toimintatavat				1	0	0
M1.23	5	C	Yritys voi vaikuttaa asiakkaidensa toimintaan niillä kansainvälisillä markkinoilla, joilla se toimii				1	1	0
M1.24	5	C	Yrityksellä on merkittävä markkina-aseman valitsemisessaan kansainvälisissä segmenteissä				0	0	0

Figure 2. A screenshot of IBAM analysis in Excel

3.3. Operational Environment for IBAM

YKO project, that offers the environment to IBAM, is introduced next. As well the personnel, organizations involved in the project and the partners to YKO, are addressed in the coming chapter.

3.3.1. YKO Project

European Social Fund activities, as YKO project is, have been designed to seek, create and produce new solutions to national labor and education politics as well as spread out the good practices found within the project work. As a fundamental point, the completed work and the gained results should always remain for the future use. (Aro, Kuoppala, Mäntyneva 2004, 11).

YKO (Yritysten kansainvälinen osaaminen/ Business Expertise in International trade) project runs from 2010 until 2012 with a purpose to help local SME companies in internationalization challenges. 30 local companies at North Savo are selected to receive guidance from the team at Savonia University of Applied Sciences, University of Eastern Finland and University on Oulu; YKO team consists of 17 personnel. Some work is carried out in cooperation with local business consultants in order to utilize their knowhow at internationalization process. YKO is mainly funded by European Social Fund. YKO process could be clarified with a following figure:

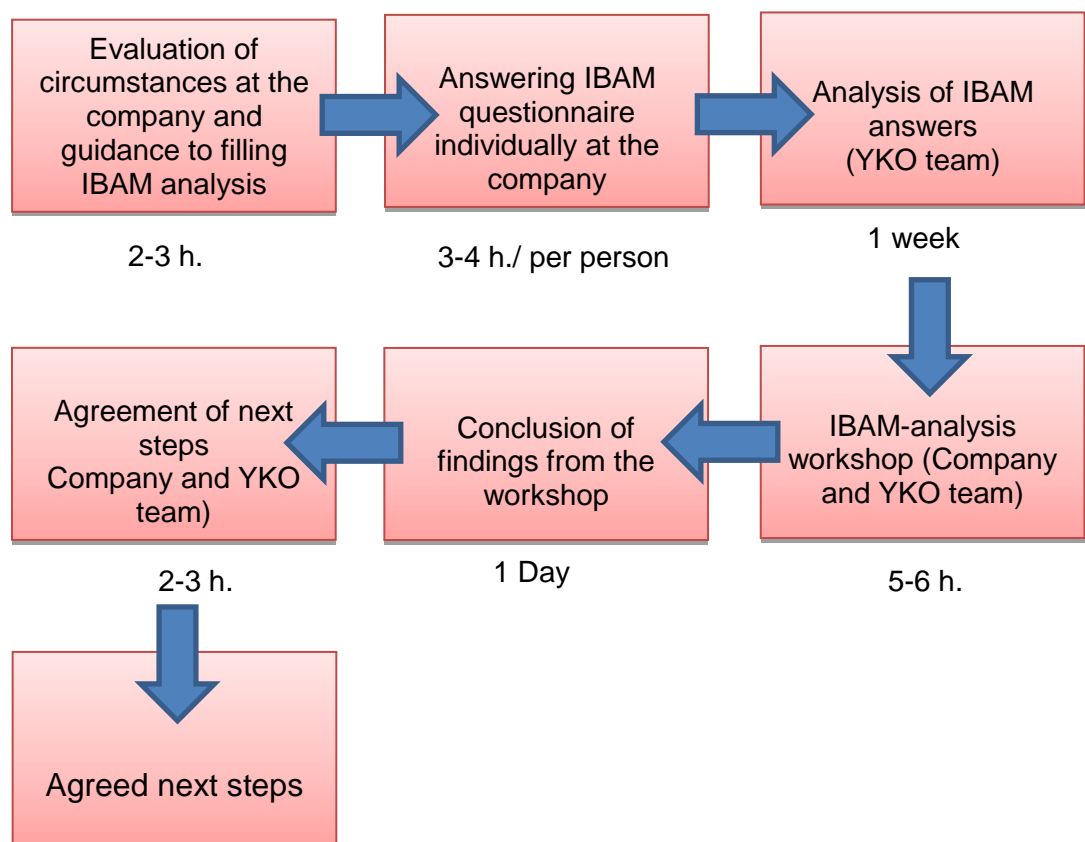


Figure 3. YKO process

As the diagram states IBAM analysis tool is used to clarify the stage of company's internationalization level. After IBAM questionnaire is analyzed the company will receive appropriate support and is more able to operate on the international markets more successfully. Analyses will be gathered to a databank and used in the future for research and for educational purposes at business studies. After all, the long-term plan of YKO project is to offer growth and vitality to area of North Savo.

The IBAM analysis has helped YKO personnel to understand in which areas the companies have the majority of the maintenance needs. Although one to one advice is given to companies, an intense training sequence is offered to fulfill the service promise that is agreed by contract. The six training sessions include:

1. Knowhow of market area and customer behavioral understanding
2. Product/service productization
3. Strategy and business model
4. The leadership and the practical sales work of international business
5. Actions of management team, executive board, and a manager
6. International funding

In these training sessions, that are held January-June 2012 the topics are unraveled by experts in each specific area. With careful planning and implementation, aim is for the key members in companies to gather information that is going to decrease operational failures in international field.

Trainings must be completed in quite general level as the participants join from various companies, and therefore, personalized guidance to each company is carried out, as well. Individual needs of every trader have been good to identify as this offers better foundation to build improvements upon. Discussions, workshops and consultative meetings are the ways to interact with companies. The purpose is to pin point the loopholes of where operative work goes to wrong direction or important issues have not been recognized. Realization of these issues will lead into realistic action plan answering to the questions:

What is to be done to improve company's international readiness?

What can be realistically completed and in what kind of a timeframe?

How can YKO project assist?

What should the company carry out by themselves?

What other outside recourses are available to cover issues that are out of reach to the company and YKO?

In addition to one to one advice and trainings mentioned above, student work is involved in company improvement plans in considerable amount; after all the executing organizations of YKO are institutions of learning. The pupils carrying out the work are

students of Savonia UAS (University of Applied Sciences), UEF (University of Eastern Finland) and Oulu Business School. The tasks completed by the students are in many forms, for example market analyses and surveys, product designs and marketing tasks are much completed tasks for students. The way how student work is carried out is versatile as well, as there are several ways how duties can be completed:

- *Internship period:* One student will work for the company for a time of 2-5 months and will produce and agreed outcome
- *Thesis:* One or two students will create a paper with an insight that will support company's operations
- *Course work:* A certain load of work (for example market survey) will be accepted by a teacher and at the selected course or a group of students will complete the work.
- *OIS work (Open Innovation Space):* A larger and more versatile work is completed in cooperation of different departments or learning organizations to produce findings for more complex cases.

Based on these processes, *completion of IBAM analysis, one to one guidance, training sessions and student works*, the aim is for every company to be more confident in international business by the end of YKO project in 2012 (Picture xx). This can be measured by redoing the IBAM analysis at the end of the project, which will clearly demonstrate the happened changes in company's operations.



Figure 4. Benefit of YKO project to companies

Partners

As stated earlier YKO team consist of personnel from three learning institutions: Savonia UAS (University of Applied Sciences), University of Oulu and UEF (University of Eastern Finland). Main partners for YKO are:

- Potential companies for internationalization in the area of North-Savo
- Finpro
- Kuopio Innovation Ltd.
- Kuopio's Chamber of Commerce
- The City of Kuopio
- The Centre for Economic Development, Transport and the Environment
- Savon Yrittäjät
- Technopolis Ltd.
- The City of Varkaus
- Local KIBS Companies (Knowledge Intensive Business Services)
- Ylä-Savon Kehitys Ltd.

3.3.2. Other Advisory Organizations

YKO project with IBAM tool is not the only internationalization process available for businesses in need of directing. Advisory services for company internationalization in Northern Savo area have reached attention, as many organizations offer guidance for especially SME companies looking to expand business to abroad. City of Kuopio (Kuopion Kaupunki, päivitetty 12.5.2011) inform the different options for the companies seeking for help: Finpro Trade Center network together with the Centre for Economic Development, Transport and the Environment has started a program called Go Global. The program Go Global is set to deliver new knowhow and ability to enter to international markets or reshape the existing foreign business. (Elinkeino-, liikenne- ja ympäristökeskus, päivitetty 11.5.2011). Finpro also guides companies in different stages of internationalization. The Centre for Economic Development, Transport and the Environment, on the other hand, has consultancy services and other programs to assist companies in internationalization.

Kuopio Innovation network has also a Business Development Advisory Service that will help individual companies with internationalization issues. Kuopio Innovation

focuses especially in finding international partners and problem solving in technological field.

Finnvera Ltd. offers support by giving out loans and guarantees for businesses entering the international field. For businesses in export trade coverage in exportation guarantees help to minimize the risks.

Tekes- the Finnish Funding Agency for Technology and Innovation offers connections to international research and development networks and also finances SMEs' and other organizations' project that operate with international issues.

Finally, learning institutions, such as Savonia UAS and UEF, have various projects running simultaneously integrating learning, teaching and business field together. After all, the students of today are very soon the workforce of local companies.

Therefore, it is very clear that there are plenty of support channels and organizations available to guide companies' internal readiness for conquering the foreign markets.

3.3.3 Other assessment methods for international readiness

In this thesis IBAM (International Business Assessment Model) analysis is valued, although there are many other comparable methods, as well. IBAM is used in YKO project and is not yet available for commercial use. Nevertheless, the systematic results and positive feedback from the companies has marketed the tool well, making IBAM greatly desired as an analysis method in Northern Savo area. Therefore, it is clear that IBAM will undoubtedly receive wide usage after the commercialization.

As a comparison, a list of some other analysis tools that are used to support companies' internalization process:

- *Globaali* program has been created for companies that are seeking advice for internationalization or for shaping the international trade operations. Globaali investigates and values the internal abilities for foreign trade, as well. (Yritys-suomi, 2010).
- *Balanced Scorecard*, a strategic planning and management tool, is used to align business activities to the vision and strategy of the organization. Balanced

Scorecard improves internal and external communications, and monitors organizational performance against strategic goals. (Balanced Score Card Institute, 2011).

- *IMP³rove* aims to offer SMEs' a solid and sustainable development base and offers a chance to benchmark innovations within the company. IMP³rove measures management performance versus other companies from the same industry sector, country, size and age. (IMP³rove, 2010).
- *MMI* ,The Measured and Managed Innovation Programme, introduces a strategic approach to management, helping Nordic companies measure and focus their efforts for increasing return on innovation and become more competitive. (Norden, Nordic Innovation, 2011).

Commonly used are also interviews and background surveys for understanding the situation within a company. Some business consultants also carry their own methods and tools for analysis.

3.4. Role of the author with usage of IBAM

The author, working in YKO project as a secretary, has seen almost all the stages of the usage of IBAM: *Introduction phase, answering phase, analysis phase, and presentation of the findings-phase*. Secretarial duties would normally not include advisory duties, but as stated in the YKO project plan, knowledge transfer is an important part of the project results, and therefore, author has been involved in most stages repeatedly.

4. RESEARCH PROCESS AND METHODS

In planning the research process the challenge was faced of which method would be chosen for data collection: qualitative or quantitative research. The following points (Family Health International, 2011) that differentiate the two methodologies helped with the decision-making:

- their analytical objectives
- the type of questions they pose
- type of data collection instruments they use
- the forms of data procedure
- the degree of flexibility built into study design

In the 4th chapter the research process, research strategy and methodology are explained to the reader. In addition, the data collection and analysis phases are introduced. The thesis schedule and progress are opened for the reader to understand the process as a whole.

4.1 Research Process

By Saunders, Lewis and Thornhill (2000) to thesis process includes commonly:

- formulating and clarifying a topic
- reviewing the literature
- choosing the strategy
- collecting data
- analyzing data
- writing the paper

If comparing this logic to this thesis process, the workload was divided in the following way: in total, the process took about 16 months to be completed (Figure 4). The progress started from the internship period completed in YKO project as an employee of Savonia UAS. The title for the internship was a secretarial role and the duties involved mainly from organizing meetings, managing communications, documentation, negotiations and marketing. The actual topic, idea and insight for the thesis were born

at the very end of the internship. As the contract for work continued after the completion internship it was easier to continue planning the process for the thesis and advice and discussions were held with colleagues in the YKO project. Research around IBAM was seen to be valuable and much needed among the personnel of YKO project. The planning phase, though, took rather a long time as IBAM tool had have only a little usage and the main analysis work was carried out during the 2011. Therefore, with a little delay the material has become wider and the usage of IBAM more process-like making it easier to approach the subject.

Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Internship at Savonia UAS, YKO project, secretarial role.					Consideration to topic and thesis question					Process of literature studies, writing, and completion of questionnaires				Finalizing thesis process	

Figure 4. Thesis process

Process of literature studies, the start of writing ideas down and creation of questionnaires was done in the summer and autumn of the following year from the internship period. Discussions with thesis mentor helped especially to define the frame of reference and therefore, gave the thesis further dimension.

4.2 Methods

For the thesis to be as logical as possible a strategic view point was used in creating the research. A general plan was made of how to answer research questions, from where to collect the data and consideration to constrains that will be faced help the progress (Saunders, Lewis, Thornhill, 2000). As stated in the introduction chapter answers were needed for the next questions:

- *What kind of an impact does IBAM have on YKO project's effectiveness to support companies' internationalization process?*
- *What is the value of IBAM to an individual, analyzed company?*
- *How does the IBAM improve companies' internal readiness for internationalization?*

The research is a case study concentrating on attitudes of several SMEs in the North Savo as well as of personnel and consultants at YKO project. The focus of the case study was to map out usability and experiences of IBAM as a tool to define internal readiness for internationalization. Empirical data was collected via email and interviews. (Eriksson, Kovalainen, 2008, 133).

As the whole matter of internationalization and internal readiness is very complex, the writer wanted the approach to subject to be as flexible as possible. An inductive approach to the research was chosen as interviewees' feelings towards the IBAM are at the backbone for the questionnaire (Sauders, Lewis, Thorhill, 2000, 90-91). Therefore, the questionnaire was mainly based on qualitative factors such as opinions, feelings and future aspects making it easier to get a grasp of right kind of answers by using open questions. This left the respondent to share thoughts more freely. Nevertheless, some quantitative numeric data has also been collected to find out, for example, an amount of IBAM respondents from every company.

4.3 Data collection

The research was done by valuing two different viewpoints of the companies and people who have been involved in IBAM process at YKO project in order to gain maximum feedback of the analysis tool:

- a) The companies that are in YKO-project and have completed the whole of the IBAM process
- b) The personnel of YKO at Savonia and University of Eastern Finland who have been working with the IBAM and the consultants who have been working among the YKO project as an extra support and have used the tool

In this chapter the questionnaires are explained further for the each group of respondents. After all, the set of questions varies slightly depending of the role of the respondent in YKO project.

Companies

12 companies within YKO project had completed the whole of the IBAM process at the start of the research, and therefore these companies were approached with the first questionnaire. Questionnaire was sent to these selected companies via email and given 10 days to reply. At the deadline four companies had replied to the set of questions. Further contacts were made in the coming meetings and answers to the questionnaire were received, face to face, from two more companies. Most of the companies wished to stay anonymous and for this reason the names of the companies are not being used. Responding companies have been named Company A, B, C, D, E and F.

1. How many of your personnel filled in the IBAM (International Business Assessment Model) questionnaire?
2. How long time (hours) did it take to fill in the questionnaire and did you feel the questionnaire was too short/long?
3. Were the instructions for filling in the questionnaire appropriate; would you improve instructions somehow?
4. Has there been previously an internationalization strategy at your company/ the company you work for and would you feel that IBAM has clarified this strategy?
5. To your opinion, were the topics relevant to internationalization and would you improve the insight of the questionnaire, how?
6. How were the findings from report explained to you and would you improve this part of process, how?
7. How were the next steps for action plan explained to you?
8. What practical benefits did your company gain from IBAM process?
9. Why would you recommend IBAM to other companies
10. Anything else you would like to share?

YKO personnel and consultants

The second questionnaire was sent to YKO personnel of Savonia UAS and University of Eastern Finland, and to consultants who have all actively used the IBAM tool whilst working in YKO project. In total, nine persons were approached of which six responded to the questionnaire making the answer rate 67 %. For this group of respondents a different set of questions was created, as a comparison to questions to the companies, to gain more knowledge of the bigger picture of IBAM's advantages and

areas to improve. In line with the anonymous approach to answers that was upheld with companies, also these answers are named Respondent A, B, C, D, E and F. With following questions the survey was done:

1. In which ways does IBAM tool in your opinion support companies' readiness to operate on international markets?
2. Do you think company internationalization could be valued as efficiently by using another method? If yes, what?
3. How would you improve IBAM questionnaire usability?
4. How do you see IBAM process as a whole?
5. How do you think IBAM benefits YKO project?

5. RESULTS AND DISCUSSION

In the 5th chapter, interviews are unwrapped and results are drawn with discussion to similarities and variances of responses. Impact of IBAM in companies' internationalization process, value of IBAM to an individual company, and IBAM's support to companies' internal readiness in internationalization stage are all brought to consideration in the coming chapter.

Questionnaire to the companies

The total answer rate was 50 % as from the 12 approached companies six answered to the questionnaire (Table 1.). The number seems rather low and can possibly be seen to be a limitation to the research. Nevertheless, at the point of completing the survey only these 12 companies had gone through the whole of the IBAM process; *Introduction phase, answering phase, analysis phase, and presentation of the findings-phase* (see chapter 3.2, p 17). Therefore, only these companies had the efficient amount of experience about IBAM to answer the questionnaire.

To the first question, of how many personnel filled in the IBAM analysis questionnaire within the company, the average amount was 3.3 persons, answers varying from 2-4 persons. 2nd question covered the time that was spent in answering IBAM. As mentioned earlier, the analysis tool consists of over 500 questions and can seem to be daunting to answer, for which reason feelings were asked if the set of questions was too long. In average the six respondents gave an estimate of 2.25 hours varying from 1,5 to 3 hours. Four of the respondents felt the length was appropriate and two instead said it was too long. Speculation on this factor will follow with the coming answers.

Thirdly, about the given instructions all respondents felt it was clear or quite clear to start filling in the IBAM questionnaire. This indicates this particular *introduction phase* of IBAM is handled well. It seems as in companies' opinion; personnel or consultants of YKO succeed in offering a good level of advice at the introduction of the tool.

The 4th question revealed answers if previous to IBAM analysis internationalization strategy had been in the focus, and if yes, did IBAM help in clarification of the particular strategy. Four of the six answered there had been such strategy previously and IBAM

succeeded in improving it. At this point IBAM has done what is meant for; remind the company which are the key elements in internationalization and brush up the operations around it. One company simply gave an answer “no” perhaps implicating that a strategic viewpoint is not considered to be the right method for the operations. The last company responded that it had not had a previous internationalization strategy, but IBAM helped the management team in creating one implying that the company is at an emerging phase of internationalization (See figure 2, Different levels of internationalization, p 17).

Feelings toward topics of IBAM were asked at 5th question and if the respondents at the companies feel the headers were relevant to internationalization. As mentioned previously in the chapter 3.2 structure of IBAM topics are: market understanding, customer understanding, business knowledge and entry mode. Four of the respondents answered that topics were relevant; three felt the set was too extensive, and two that some of them are irrelevant. This dispersion signals, perhaps, for the lack in ability to solve all matters in successful internationalization making the management team want to push some issues aside.

6th question focused in the *presentation of the findings-phase* and if the respondents felt this process should be somehow improved. All companies answered this phase had been concluded well, four of these said there was no need for improvement but variance still arose from the other responses: one responded how a clear written report was not received and another felt some findings were irrelevant. In total, this phase of IBAM process seems to be rather well under control, just some slight fixing is needed in individual cases.

In question 7, *presentation of the findings-phase* was still under surveillance; since the phase defines the companies' next steps in strategic internationalization process and requires attention to detail. Five out of six companies responded the next steps based on the IBAM analysis were clear. One respondent, the same company that was left wanting a written report in the previous response, said clarification was needed. Therefore this could indicate how the advice was not given in full to this particular company; perhaps the personnel or consultant was not absolutely sure of the case.

The practical benefits were inquired in 8th question and all companies gave different answers that could be concluded in the following way: IBAM clarifies the current situation, and although there is a lot to do in the eyes of internationalization, strategic plans for internationalization are easier to develop with the gained information. This is a desirable result, after all none of the work can be done on behalf of the company, instead management team must find readiness and competence from within to take strategic actions for internationalization.

9th question asked for what reasons IBAM would be suitable for recommendation to other companies. Comments, “such as better ability for problem-defining”, “level of internationalization seen clearer”, “complements strategy”, all indicate that feedback is mostly positive. One respondent felt, though, IBAM could be recommended to bigger size companies than what they represent. This same respondent felt in question 1 that IBAM was too long to answer and it was also too extensive.

The last question left some space to share thoughts freely about IBAM tool and the process. Only two out of six companies answered saying how IBAM is practical and have a lot to offer. Praise especially for the consultant’s role and the experience of YKO personnel in Oulu Business School was commented, as well.

As an outcome of these results a majority of the respondents thought IBAM serves companies well in the internationalization process providing structure for strategic decision-making. IBAM offers a definite value to an individual company as it increases considerably the level of internal knowledge and the level of communication. Nevertheless, half felt the process was too extensive, perhaps pointing out that the method is looking to highlight all the issues in internationalization that need to be minded of. For some companies IBAM seemed to show too voluminous amount of information and it is forgotten that everything should not be done at once, but rather each level at a time. In line with this thought, the author wanted with 1st question to point out a direct indication of how small or large the management team is in comparison to how ready the company is for internationalization. Can a small company with a very limited number of key players and staff have a successful internationalization phase, especially if domestic sales are to be considered simultaneously? One response directed to this way, it was felt that could be recommended to bigger size company than what they represent. This same

respondent felt in question 1 that IBAM was too long to answer and it was also too extensive.

Questionnaire to the personnel and consultants of YKO

The answer rate of respondents among the personnel and consultants of YKO was higher than the one with companies; 77,8 % replied to emailed questionnaire (Table 2.). In total, nine persons were approached with the set of questions and out of these, seven answered. All the approached persons have seen the whole of IBAM process through: from *introduction phase* to *presentation of the findings-phase* (see chapter 3.2, p 17). The writer decided not to interview the YKO personnel in Oulu Business School as IBAM has been created by this team which might lead to biased results. Therefore, YKO personnel in Northern Savo at Savonia UAS and UEF, are only personnel included in the survey. With the questions appointed to the personnel and consultants a view of the usability and capacity of IBAM was hoped to be gained. Whereas companies were asked to reply to questions that have an effect to the company itself, these questions focused to understand the benefits of IBAM on a larger scale.

Firstly, respondents were asked if IBAM supports companies' internal readiness in operations at international markets. Responses were on a positive note complementing on IBAM. Answers gathered together state that IBAM offers a collective vision to the management team, tells a great deal about internal communication, and works well as a to-do-list. The results were said to be hard to dispute, as they are an outcome of the answers by the management team. Although, it was underlined, how the actions following IBAM analysis play the most important role. After all, what is analysis if nothing is done with the results?

Secondly was asked if company internationalization could be evaluated more efficiently by using another analysis method. Five out of seven replies were "I don't know any" and two gave some samples of other analysis methods (see chapter 3.3.3 Other assessment methods for international readiness pp 23-24), but stated that none of the others were as simple and as well working as IBAM is. This implies there has been a need for an analysis method such as IBAM is in Northern Savo area and no other methods, so far, are known of to cover the demand.

3rd question focused on IBAM's usability. Although logic of the tool was seen as a benefit, all respondents felt the appearance was not quite appropriate and web version was recommended. Current excel environment was seen to be volatile as alterations to the frame could be done by inappropriate persons quite easily. In addition, a remark to the appearance of questions was given as there is a chance for some questions to be left unnoticed or misunderstood. A need for language options was noted, as well. This all indicates there is some work to be done with the usability of the tool to give IBAM more appeal factor, reinforce the image and increase the level of security.

Opinion to IBAM process as a whole was asked next. Overall process was mainly praised for being the strength of IBAM. Method was said to be a clear and distinctive tool in the analysis of internationalization. As a contrary though, one respondent mentioned how the process is too greatly dependent on the analyzer's experience of internationalization.

Lastly, the benefits that IBAM offer to YKO project were asked. Answers were genuinely positive throughout and IBAM was seen to add substantial value to the project's results. Comments such as "IBAM enables comprehensive development plans", "it defines structure to YKO", and "is a key factor" all explain how personnel and consultants of YKO are collectively feeling.

Concluding the answers of personnel and consultants, IBAM is seen to add a great deal of value to individual company by supporting the internationalization process. IBAM is competent in improving internal readiness by increasing the level of awareness of various needs of successful internationalization process. The points of development were the layout in excel and control features of the form, as these give the certainty that the tool is used in line with instructions. Development factor was also the needed language options. By responses, IBAM procedure seemed to be well under control at some points of the analysis cycle, although did not quite maintain the level throughout. After all, process-like behavior leads to the same level of advice without being dependant on the personnel's experience and is, therefore, vital in ensuring continuous high quality results.

Limitations of the research are the restrictive base of answers. Altogether there were 13 respondents which is a rather small amount to be able to gather a thorough understanding of the benefits of IBAM to company internationalization.

Table 1. Questionnaire and results: Companies

Questions	Company A	Company B	Company C	Company D	Company E	Company F
1. How many of your personnel filled in the IBAM (International Business Assessment Model) questionnaire?	3 persons	4 persons	4 persons	3 persons	4 persons	2 persons
2. How long time (hours) did it take to fill in the questionnaire and did you feel the questionnaire was too short/long?	1,5h, length ok	2,5h, length ok	2h, too long	2 h, length ok	2,5h, length ok	3h, too long
3. Were the instructions for filling in the questionnaire appropriate; would you improve instructions somehow?	Clear	Clear	Clear	Clear	Clear	Quite clear
4. Has there been previously an internationalization strategy at your company/ the company you work for and would you feel that IBAM has clarified this strategy?	Yes and IBAM improves it	No	Yes and IBAM improves it	Yes and IBAM improves it	No, IBAM helps to create one	Yes and IBAM improves it
5. To your opinion, were the topics relevant to internationalization and would you improve the insight of the questionnaire, how?	Yes	Too extensive & irrelevant	Yes	Yes	Yes, but too extensive	Too extensive
6. How were the findings from report explained to you and would you improve this part of process, how?	Well, but clear report needed	Well, no need for improvement	Well, no need for improvement	Well, no need for improvement	Well, no need for improvement	Well, but some themes irrelevant
7. How were the next steps for action plan explained to you?	Clarification needed	Clear, and written copy received	Clear	Quite clear	Clear	Quite clear
8. What practical benefits did your company gain from IBAM process?	Helps to clarify current situation and future	Clarifies situation	Complements strategy and defines problems	New perspectives in operations	Underlined different viewpoints which helps strategy	Helped to see there is a lot to do
9. Why would you recommend IBAM to other companies	Helps to clarify current situation and future	Helps to see points that have not been taken care of	Complements strategy and defines problems	international operations are thought of and level is understood	Helps to see key points that every company should think time to time.	Helps to see what should be done, better for bigger companies
10. Anything else you would like to share?	-	-	-	IBAM is practical & useful and has a lot to offer	Consultant was good, Oulu business school team was professional	-

Table. Questionnaire and results: YKO personnel and consultants

Question	Respondent A	Respondent B	Respondent C	Respondent D	Respondent E	Respondent F	Respondent G
1. In which ways does IBAM tool in your opinion support companies' internal readiness to operate in international markets?	Helps in finding core points in need of fixing	Supports internal readiness, offers results to collective vision in the company	Comprehensive method to recognize level of internal readiness	Results cannot be questioned as they are based on own answers. Following actions are crucial	Comprehensive method to analyze overall business operations. Explains the situation in internal communication	Gives clear picture of company's current internal readiness and helps to define needed actions	Defines the current situation and the internal development needs, works as a to-do-list, based on company's own answers-hard to question
2. Do you think company internationalization could be valued as efficiently by using another method? If yes, what?	I don't know any	I don't know any	I don't know any	Yes, interviews and familiarization of company's internal operations. Process not as fast as IBAM is	I don't know any. Analyses based on interviewing leaves too much room for personal opinions	Yes, e.g. Progress, IMP3rove, Innovation Radar, but none work similarly to IBAM	I don't know any and IBAM must be most simple and effective tool
3. How would you improve IBAM questionnaire usability?	Web version and databank needed	Appearance could be better and clearer, questions can be hard to understand	Language options and web version are needed	Web version, benchmarking, consideration to in which form results are. Language options needed	Web version needed. Some questions can be left accidentally unnoticed	Web version and databank needed. Logic works well	Web version needed
4. How do you see IBAM process as a whole?	Strength in overall process	Works well, process is functional.	Works well	Process defines development areas, benefits are reliant on experiment of analyzer. Core point is to progress with action plan	Analyzer's role should be more process-shaped to assure equal level of guidance to all companies	Overall process should be more efficient. Analyzer shapes form of work shop	Process is clear and functional. Company gains the information what should be done for successful internationalization
5. How do you think IBAM benefits YKO project?	IBAM is crucial for YKO project	IBAM enables comprehensive development plans and monitoring	Strengthens project, defines structure	IBAM is foundation for YKO project. Progress with companies is the main factor	IBAM is systematic tool bringing credibility and valuable data to YKO project	IBAM is the key factor in YKO project helping to define required actions	Role of IBAM is significant in YKO project.

6. CONCLUSIONS AND RECOMMENDATIONS

In this research, topics around SMEs' internationalization process have been discussed and the available guidance supporting companies' internal readiness for internationalization has been evaluated. Findings at YKO project, especially concerning IBAM analysis process, have been at the core of the thesis. A mixture of quantitative and qualitative research was completed by interviewing YKO companies, and the personnel and consultants in the project. With findings from questionnaires the extent of IBAM's competence to support company internationalization, was aimed to be measured.

Key findings of the study show that this type of analysis has had a demand in companies and among the persons who advice companies in strategic internationalization. IBAM has been essential tool at YKO project and will have an impact on the final results at the end, in 2012. The results clearly state that IBAM increases the level of internal communication at companies and supports strategic planning. Findings point out the each company is valued on the individual bases strengthening the internal readiness for internationalization.

Recommendations for further improvement are the layout in excel and control features of the form, as these give the certainty that the tool is used in line with instructions. Development factor was also the needed language options. IBAM procedure among users needs improvement, as more structural advice guarantees to maintain the same level of service to every responding company. In addition, a consideration for leaving out of IBAM the most complex levels of international business abilities could be discussed. Highest level at IBAM, *integrative phase*, after all describes companies that are trading globally in all continents which is far out for being relevant to companies seeking for internationalization.

A company seeking for growth in international markets is faced with many challenges. IBAM tool has been proven to be a beneficial method in helping a company to solve the problems in the internationalization phase. Strategically planned tasks are, after all, much easier to put into action than duties based on gut feeling.

This survey has been a small part of YKO project and the work with companies looking for internationalization will continue. At the end of YKO project after all the analysis for the 30 companies involved in YKO are completed, a more detailed picture of IBAM competences in internationalization analysis and development areas will be available.

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