



Internationalisation Pathways of Technology-Driven SMEs: A Case Study of RIKUTEC

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Dissertation written under the supervision of professor

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Dissertation submitted in partial fulfilment of requirements for the
MSc in Management with specialization in Strategy, Entrepreneurship
& Impact, at the Universidade Católica Portuguesa,
January 05th, 2026.

Abstract (English)

Title: Internationalisation Pathways of Technology-Driven SMEs: A Case Study of RIKUTEC

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This dissertation examines how institutional and cultural conditions, organisational capability development and network relationships influence the internationalisation of technology-driven small and medium-sized enterprises (SMEs). Taking the German family-owned manufacturing SME RIKUTEC as a case study, the research explores international expansion in the context of varying levels of institutional distance and market complexity.

Drawing on established theories of internationalisation, including the Uppsala model, dynamic capabilities, network theory and institutional theory, the study takes a qualitative case study approach. Empirical data were collected through semi-structured interviews with key decision-makers, and these were complemented by internal documents and secondary sources. The analysis follows an abductive logic, iteratively linking theoretical concepts and empirical insights.

The findings demonstrate that internationalisation is neither linear nor uniform, but rather evolves through context-dependent learning, incremental commitment and organisational adaptation. In institutionally closer markets, such as the United States, RIKUTEC developed capabilities and internalised activities at an early stage. By contrast, expansion into institutionally distant environments such as South Korea required a prolonged reliance on intermediaries, stronger network support and the development of advanced documentation, coordination and regulatory capabilities before a local subsidiary could be established.

Overall, this study makes a valuable contribution to the field of international business research by demonstrating how institutional distance, capability-building processes and network positioning can influence the outcomes of SME internationalisation.

Keywords: internationalisation; SMEs; institutional distance; dynamic capabilities; networks; case study

Resumo (Português)

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Esta dissertação analisa como as condições institucionais e culturais, o desenvolvimento de capacidades organizacionais e as relações em rede influenciam a internacionalização de pequenas e médias empresas (PMEs) orientadas para a tecnologia. Utilizando a PME familiar alemã RIKUTEC como estudo de caso, a investigação examina processos de expansão internacional em contextos caracterizados por diferentes níveis de distância institucional e complexidade de mercado.

Com base em teorias consolidadas da internacionalização, incluindo o modelo de Uppsala, as capacidades dinâmicas, a teoria de redes e a teoria institucional, o estudo adota uma abordagem qualitativa de estudo de caso. Os dados empíricos foram recolhidos através de entrevistas semiestruturadas com decisores-chave e complementados por documentos internos e fontes secundárias. A análise segue uma lógica abductiva, articulando conceitos teóricos e evidência empírica.

Os resultados demonstram que a internacionalização não ocorre de forma linear, mas evolui através de processos de aprendizagem dependentes do contexto, compromisso incremental e adaptação organizacional. Em mercados institucionalmente mais próximos, como os Estados Unidos, a RIKUTEC desenvolveu capacidades e internalizou atividades numa fase inicial. Em contraste, a expansão para ambientes institucionalmente mais distantes, como a Coreia do Sul, exigiu maior dependência de intermediários, apoio em redes e o desenvolvimento gradual de capacidades de coordenação, documentação e conformidade regulatória antes do estabelecimento de uma subsidiária local.

O estudo contribui para a literatura em negócios internacionais ao evidenciar como a distância institucional, o desenvolvimento de capacidades e o posicionamento em redes moldam os percursos e os resultados da internacionalização de PMEs orientadas para a tecnologia.

Palavras-chave: internacionalização; PMEs; distância institucional; capacidades dinâmicas; redes; estudo de caso

Acknowledgements

Firstly, I would like to express my gratitude to Professor Ricardo Reis for supervising this Master's thesis, and for his valuable guidance and academic support throughout the research process.

I would also like to thank RIKUTEC, and in particular Bodo, the company's CEO, for placing their trust in me and allowing me to base my Master's thesis on RIKUTEC. I would like to express my particular gratitude to Bodo, Andreas, Robin and Stefanie for collaborating with me during the interviews and for providing such valuable insights into RIKUTEC and its internationalisation process.

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Disclaimer: AI algorithms (namely ChatGPT & DeepL) were used for word compression and language correctness under the supervision of my advisor. Prompt conversation is available upon request.

List of Abbreviations

AHK Korea – German-Korean Chamber of Commerce and Industry

DC – Dynamic Capabilities

DOT – Department of Transportation (United States)

HDPE – High-Density Polyethylene

IBCs – Intermediate Bulk Containers

INVs – International New Ventures

IT – Information Technology

MNCs – Multinational Corporations

RBV – Resource-Based View

SMEs – Small and Medium-Sized Enterprises

UN – United Nations

US – United States

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1. Introduction

1.1 Problem Statement

In an increasingly globalised economy, companies of all sizes must make the strategic decision to expand their activities beyond national borders to access new markets, maintain competitiveness, and secure long-term growth. Small and medium-sized enterprises (SMEs) play a particularly significant role in this context. They account for around 90 per cent of all firms worldwide, generating more than half of all global employment (World Bank Group, 2024). Despite their economic importance, SMEs often encounter significant challenges when expanding internationally, including limited managerial resources, restricted financial capacity, and a lack of international experience. These challenges are particularly challenging for technology-driven SMEs, who must simultaneously protect standardised production processes and adapt to different institutional, organisational and cultural environments.

The RIKUTEC Group is a family-owned German SME headquartered in Bad Honnef, North Rhine-Westphalia. Founded in 1986, the company specialises in high-purity extrusion blow moulding technology. Its multi-layer industrial containers are used in demanding sectors such as the chemical and semiconductor industries. This underlines the company's technology-intensive profile and the need to meet globally standardised quality requirements. Unlike many SMEs, RIKUTEC benefits from UN certification standards that are recognised in numerous regions, simplifying compliance and supporting a high degree of product standardisation. However, certain markets, including the United States (US), require additional approvals, such as Department of Transportation (DOT) certification. While this facilitates regulatory alignment, it does not guarantee it. Consequently, the company's challenges in expanding internationally arise less from adapting its products and more from navigating diverse regulatory frameworks, customer expectations, and business practices in Europe, the US, and Asia.

In order to empirically explore these dynamics, this thesis presents a case study based on RIKUTEC's international trajectory. This study provides a foundation for analysing how SMEs navigate the multifaceted conditions of international expansion. These dynamics reflect the broader challenge faced by technology-oriented SMEs with highly standardised products. As technological and regulatory barriers are largely mitigated, international success hinges on how effectively firms develop organisational, institutional and relational capabilities. Therefore, understanding how such capabilities develop in practice is essential for explaining the international expansion of SMEs such as RIKUTEC.

1.2 Research Questions

Drawing on the challenges outlined above, this thesis examines how technology-driven SMEs navigate the organisational, institutional, and relational complexities of international expansion. The case study of RIKUTEC provides the empirical basis for this analysis. It illustrates how a technology-oriented SME encounters and responds to diverse market conditions in the US and Asia. The following research questions therefore guide the analysis:

- 1. What impact do institutional and cultural differences have on the internationalisation process of technology-driven SMEs like RIKUTEC?*
- 2. How can SMEs develop organisational structures and capabilities that enable them to manage international operations across different markets?*
- 3. What role do networks and institutional partnerships play in supporting SMEs during their international expansion?*

2. Literature Review / Theoretical Discussion

2.1 Definitions and Characteristics

2.1.1 The concept of Internationalisation

The concept of internationalisation has evolved significantly within the field of international business research. Johanson and Vahlne (1977) were among the first to formalise it as a behavioural and incremental process through which firms expand their foreign operations, developing experiential knowledge and reducing uncertainty. They explain that “several studies of international business have indicated that the internationalisation of firms is a process whereby they gradually increase their international involvement” (p. 23). Their Uppsala model focuses on the gradual acquisition and integration of market knowledge, as well as the incremental increase of commitments to foreign markets (p. 26). Firms are assumed to enter new markets with greater psychic distance only after gaining experience in markets that are closer to home (p. 27). This implies that internationalisation typically begins with low-risk entry modes, such as exporting, before progressing to agents, subsidiaries or production units abroad (pp. 27-28). Building on this process-based view, Welch and Luostarinen (1988) also define internationalisation as “the process of increasing involvement in international operations” (p. 36) but emphasise its multidimensional nature. They include both outward activities, such as exporting, and inward ones, such as importing or collaborative agreements. This portrays

internationalisation as an ongoing, cumulative phenomenon shaped by learning and resource commitment over time (pp. 36-38).

Later perspectives build on this understanding by moving beyond gradual expansion. For instance, Oviatt and McDougall (1994) define an “international new venture” as “a business organisation that, from its inception, seeks to derive a significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (p. 49). Knight and Cavusgil (2004) describe “born-global” firms as organisations that aim to achieve superior international performance by applying knowledge-based resources across multiple markets from or near their foundation (p. 124). These definitions challenge the Uppsala model's incremental logic, emphasising entrepreneurship, innovation and knowledge as enablers of rapid internationalisation.

Overall, internationalisation is a dynamic process involving the creation and capture of value across borders through the strategic adaptation of resources and capabilities.

2.1.2 Definitions of Small and Medium-sized enterprises & Multinational corporations

Small and medium-sized enterprises (SMEs) and multinational corporations (MNCs) both engage in international operations, but their structures, resources and strategic behaviour differ fundamentally. According to the European Commission, an SME is defined as a firm with fewer than 250 employees and either an annual turnover below €50 million or a balance sheet total not exceeding €43 million. They are autonomous if no more than 25 per cent of their capital or voting rights are owned by a larger enterprise or public body. Beyond these quantitative thresholds, SMEs are characterised by resource scarcity, flat organisational structures, strong owner involvement and managerial flexibility (Ruzzier, Hisrich & Antoncic, 2006, pp. 478-480). While these features make SMEs agile and adaptive, they also constrain their strategic scope and capacity for large-scale coordination. In contrast, MNCs benefit from extensive financial, informational and managerial resources. Together, those resources allow them to exploit economies of scale and coordinate complex international operations. Furthermore, large multinational corporations usually have formalised organisational structures and systematic management systems in place. These systems enable them to coordinate and integrate operations across multiple international subsidiaries effectively (Lu & Beamish, 2001, pp. 566-569). In contrast, SMEs rely more on informal relationships and network-based coordination mechanisms. This is because their internationalisation behaviour is shaped by informal ties,

non-hierarchical systems, and interactions within their networks (Coviello & McAuley, 1999, pp. 227-228).

These structural and resource-based asymmetries influence the internationalisation behaviour of both types of firms. MNCs tend to adopt deliberate, resource-driven strategies, supported by accumulated market knowledge and formal decision-making processes (Lu & Beamish, 2001, pp. 566-569). In contrast, SMEs often internationalise incrementally and opportunistically, leveraging personal networks, partnerships, and niche market strategies to overcome their limitations (Johanson & Vahlne, 2009, p. 1424). Their smaller size and limited network embeddedness expose them to a higher “liability of outsidership”, as they lack the institutional and relational advantages of established multinationals (Johanson & Vahlne, 2009, p. 1411).

Overall, these organisational, structural and strategic differences demonstrate why traditional internationalisation models developed for large corporations cannot be transferred to SMEs without contextual adaptation. Recognising these distinctions is therefore essential for analysing how established theoretical approaches can be meaningfully applied to explain SME internationalisation processes.

2.2 Theoretical Foundations of SME Internationalisation

2.2.1 The Uppsala Internationalisation Model

The Uppsala Model is one of the most influential theories explaining how firms gradually expand into international markets. Developed by Johanson and Vahlne in 1977, the model conceptualises internationalisation as an incremental learning process driven by experiential knowledge rather than rational planning. This process-based view contrasts with economic explanations by emphasising the reduction of uncertainty and the stepwise building of commitments. As firms gain experiential knowledge, they increase their foreign involvement, thereby reinforcing their ability to make further commitments (pp. 26-27).

At the core of the model lies the relationship between market knowledge and commitment. The “state” variables (market knowledge and market commitment) influence the “change” variables (commitment decisions and current activities), creating a self-reinforcing cycle of learning and development (pp. 27-29). Typically, firms begin their internationalisation in psychically close markets that share similarities in language, culture and business practices, and then expand to more distant ones as uncertainty decreases (p. 24).

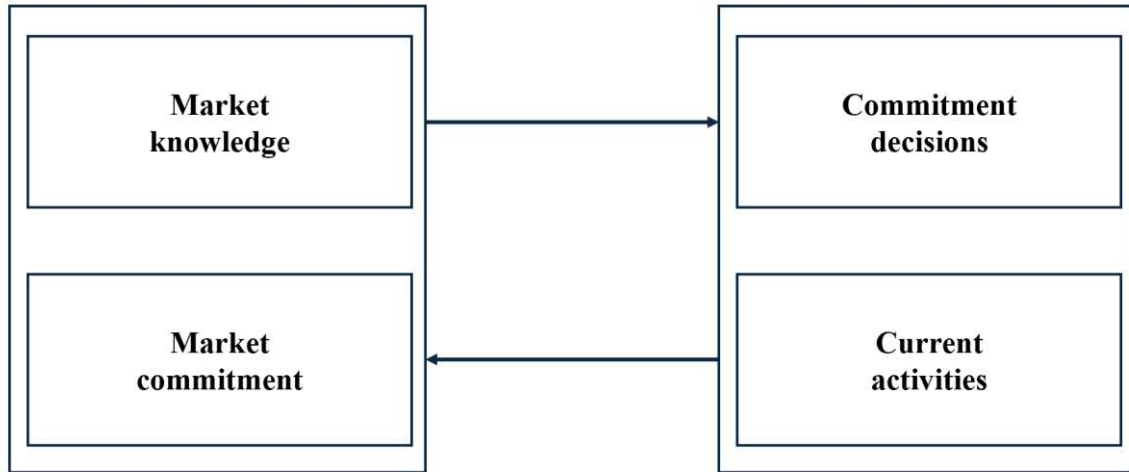


Figure 1: Own illustration based on The Basic Mechanism of Internationalisation—State and Change Aspects (Johanson & Vahlne, 1977, p. 26)

In their later work, Johanson and Vahlne (2009) revised the internationalisation model, emphasising the increasing significance of inter-organisational networks. They introduced the concept of “liability of outsidership”, which describes the disadvantage that firms face when they lack a position in relevant networks (p. 1411). Knowledge and opportunities arise through relationships, making learning both experiential and network-based (pp. 1422-1425). This perspective is particularly relevant for SMEs, as they rely on partnerships to overcome resource limitations (Coviello & McAuley, 1999, p. 244).

However, Forsgren (2002) criticised the model for relying almost exclusively on experiential learning. He argued that firms also acquire knowledge through mechanisms such as imitation, hiring, and collaboration (pp. 259-263). Vahlne and Johanson (2017) later integrated these ideas, presenting the model as a system-based theory of capability development within networks (pp. 1088-1090).

Overall, the model presents internationalisation as a cumulative process of learning and commitment driven by experiential and relational knowledge.

2.2.2 The Born Global and International New Venture Perspective

The concept of Born Global firms emerged in response to the limitations of traditional models of gradual internationalisation, such as the Uppsala framework. Oviatt and McDougall (1994) introduced the theory of International New Ventures (INVs), which they defined as “business organisations that, from inception, seek to derive significant competitive advantage from the

use of resources and the sale of outputs in multiple countries” (p. 49). Their research challenged the assumption that firms expand sequentially through experiential learning. Instead, they demonstrated that technological advances, global communication and the mobility of knowledge enable firms to operate internationally from the outset (pp. 46, 52).

According to Oviatt and McDougall, early internationalisation is driven by four factors: the internalisation of key transactions; reliance on alliances or networks; exploitation of foreign location advantages; and possession of unique, transferable resources (pp. 53-57). INVs use entrepreneurial orientation and strategic flexibility to overcome resource constraints, relying more on inter-organisational networks than on incremental market experience (pp. 46, 52).

Knight and Cavusgil (2004) built on this foundation by demonstrating how international entrepreneurship is closely linked to organisational capabilities and innovation, thus expanding the Born Global perspective. They define “Born Global” firms as business organisations that aim to achieve superior international performance by applying knowledge-based resources to the sale of outputs in multiple foreign markets from or near their founding (p. 124). Their conceptual model (Figure 2) illustrates how international entrepreneurial and marketing orientations influence strategic decisions regarding technological competence, product development, quality focus and leveraging foreign distributor competencies. Ultimately, these capabilities enhance performance in international markets (pp. 129-131).

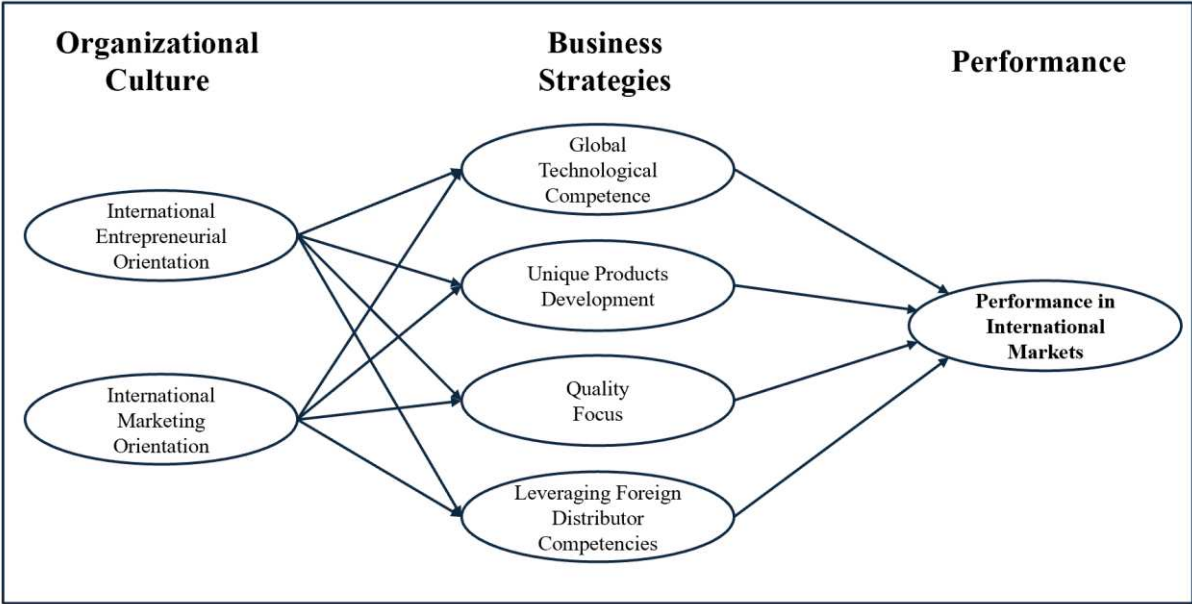


Figure 2: Own illustration based on Conceptual Framework of Constructs and Linkages (Knight & Cavusgil, 2004, p. 129)

Overall, the Born Global perspective emphasises that entrepreneurship, innovation and knowledge are the key enablers of rapid and early internationalisation. By leveraging technological capabilities, global networks and the ability to recognise opportunities, Born Globals overcome the gradual learning constraints of traditional models, achieving international competitiveness from or near their foundation.

2.2.3 Comparison Uppsala model and Born Global approach

Together, the Uppsala model and the Born Global approach provide contrasting yet complementary reference frameworks for analysing the internationalisation of SMEs. The Uppsala model conceptualises internationalisation as a gradual, experience-based learning process in which firms increase their foreign commitments incrementally as uncertainty is reduced through accumulated market knowledge and network relationships (Johanson & Vahlne, 1977, 2009). By contrast, the Born Global approach emphasises the early and rapid internationalisation of firms driven by innovation, entrepreneurial orientation, and the exploitation of knowledge-based resources. This enables them to operate internationally from or near their inception (Oviatt & McDougall, 1994; Knight & Cavusgil, 2004).

The key difference between these two approaches lies not only in the speed of international expansion, but also in the sources of knowledge underlying it and the timing of strategic commitments. While the Uppsala model highlights experiential learning and progressive commitment, the Born Global model focuses on opportunity recognition and proactive market engagement. Together, these approaches enable the internationalisation of SMEs to be assessed as following a gradual, accelerated or hybrid pattern, which is particularly relevant for technology-oriented SMEs operating in dynamic international environments.

2.3 Drivers and Enablers of SME Internationalisation

2.3.1 Internal Drivers: Resource-Based View

The Resource-Based View (RBV) is a fundamental framework for explaining how internal factors can give a firm a competitive advantage and drive its internationalisation. Wernerfelt (1984) conceptualised the firm as a bundle of resources. He defined these as “anything which could be thought of as a strength or weakness of a given firm” (p. 172). He argued that a firm’s ability to acquire and control unique, inimitable resources is key to achieving sustainable

advantage (pp. 172-173). This resource-based logic shifted the focus from market conditions to internal capabilities.

Building on this, Barney (1991) argued that a firm can only achieve a sustained competitive advantage if its resources are valuable, rare, difficult to imitate, and have no strategically equivalent substitutes (pp. 106-112). He further emphasised that resource heterogeneity and immobility are fundamental assumptions that explain why some firms can sustain superior performance, since competing firms cannot easily acquire or replicate such unique resources (pp. 104-106).

Expanding on the RBV in the context of international business, Peng (2001) argues that firms expand abroad when they possess distinctive knowledge-based resources and the capability to leverage these resources internationally (p. 815). These resources influence not only entry mode and market choice, but also a firm's ability to sustain performance in diverse institutional settings (pp. 810-815).

For SMEs, the RBV highlights the importance of intangible assets such as managerial experience, knowledge and reputation. Westhead, Wright, and Ucbasaran (2001) found that SMEs with higher levels of human and social capital exhibit stronger export orientation and international growth (pp. 333, 337-340). As smaller firms often lack financial and structural strength, they depend on knowledge-based and relational resources to compensate for limitations in scale (pp. 333-334).

Overall, the RBV emphasises that firm-specific, non-material capabilities are the key internal drivers of SME internationalisation and sustained performance.

2.3.2 Internal Drivers: Dynamic Capabilities framework

As discussed in the previous section, the RBV emphasises the significance of firm-specific and difficult-to-replicate assets as the basis for competitive advantage. However, the RBV offers limited insight into how firms can renew or adapt such assets in rapidly changing environments. The Dynamic Capabilities (DC) framework builds on these limitations by focusing on the organisational and managerial processes that enable firms to integrate, build, and reconfigure resources to sustain competitive advantage. According to Teece, Pisano and Shuen (1997), dynamic capabilities are defined as “the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments” (p. 516).

The three interrelated elements that the framework identifies are processes, positions and paths. These elements describe how firms evolve strategically through learning and innovation (pp. 518-523).

Teece (2007) further refines this concept by outlining the microfoundations of dynamic capabilities: sensing, seizing and reconfiguring (pp. 1319-1320). These mechanisms describe how firms identify and evaluate opportunities. The firm then mobilises resources and transforms structures to maintain competitiveness. He also emphasises that the effectiveness of sensing, seizing and reconfiguring activities hinges heavily on managerial cognition, learning and judgement (pp. 1322-1337).

Eisenhardt and Martin (2000) describe dynamic capabilities as specific, identifiable and replicable processes such as product development, alliance formation, and strategic decision-making (pp. 1107-1108). They further argue that the manifestation of these capabilities varies with the level of environmental dynamism. In moderately dynamic markets, these capabilities manifest as structured, analytical routines. In highly dynamic markets, however, they manifest as flexible, experiential processes that evolve through rapid learning and adaptation (pp. 1109-1112).

Zahra, Sapienza and Davidsson (2006) emphasise the importance of dynamic capabilities for SMEs, as these capabilities enable the reconfiguration of resources and support entrepreneurial learning in uncertain and fast-changing environments (pp. 918-922).

Overall, dynamic capabilities represent higher-order competencies that enable firms to continuously align and renew resources in response to technological and environmental change.

2.3.3 External Enablers: Network Theory of Internationalisation

The Network Theory emphasises that firms do not internationalise in isolation, but rather as actors embedded within networks of interdependent relationships. Johanson and Mattsson (1988) conceptualised international markets as systems of relationships formed through the continuous interaction of firms. These interactions involve mutual orientation, information exchange, trust and adaptation processes that shape the firm's position within domestic and foreign networks (pp. 3-6).

As illustrated in Figure 3, these relationships and interactions are mutually reinforcing: through repeated exchanges, firms establish bonds, investments and routines that facilitate knowledge transfer and reduce uncertainty.

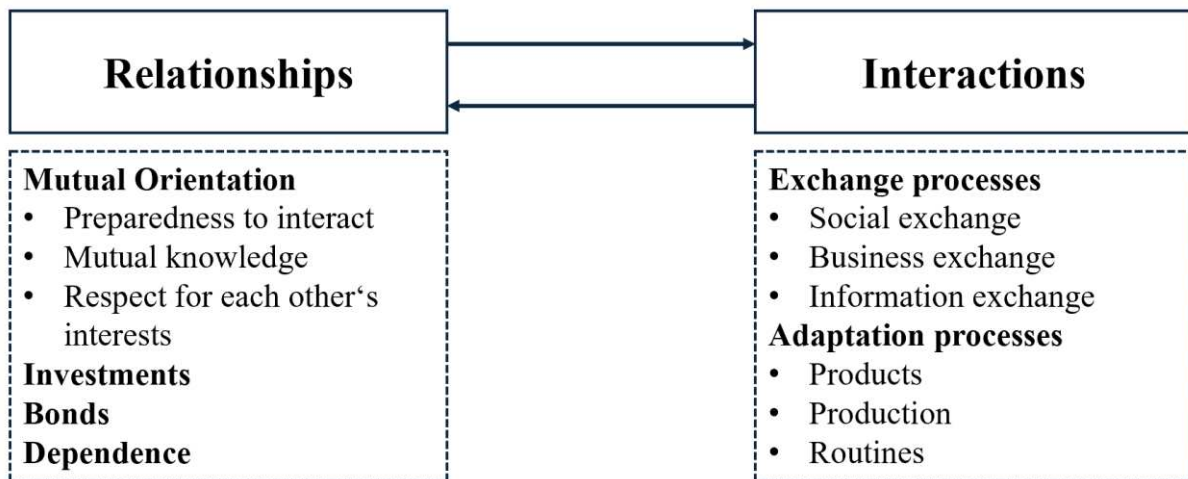


Figure 3: Own illustration based on Relationships and Interaction in Industrial Markets (Johanson & Mattsson, 1988, p. 5)

Network relationships are critical external enablers. They provide firms with access to market information, partners and opportunities that would otherwise be unattainable. Coviello and Munro (1995) demonstrated that, in small, technology-based firms, such network ties influence the selection of foreign markets and modes of entry. They highlight that internationalisation evolves through relationship development rather than through isolated strategic planning (pp. 55-57).

Similarly, Coviello and McAuley (1999) argue that networks determine the pace and pattern of SME internationalisation by enabling firms to learn from connected partners and leverage shared resources (pp. 227-230). Ellis (2000) builds on this by showing that personal and managerial social ties often lead to the identification of foreign market opportunities, thus reinforcing the microfoundations of network-based internationalisation (pp. 443-445).

Johanson and Vahlne (2009) later incorporated these insights into the revised Uppsala model by introducing the concept of “liability of outsidership”. They argued that firms must become insiders in relevant networks to access opportunities and develop the trust necessary for commitment and learning (pp. 1414-1424).

Overall, Network Theory provides a relational understanding of internationalisation, in which interactions and relationships act as channels for learning and vehicles for opportunity recognition. These are especially relevant mechanisms for SMEs that rely on external partnerships to overcome resource constraints.

2.3.4 External Enablers: Institutional Perspective on SME Internationalisation

Institutional theory offers an external perspective on the conditions that influence SME internationalisation. North (1990) conceptualises institutions as the formal and informal “humanly devised constraints” that guide and structure economic, political, and social interactions (p. 3). Formal institutions include laws, regulations, and enforcement mechanisms, while informal institutions encompass norms, conventions, and shared expectations (pp. 3-5). Together, these institutional structures reduce uncertainty and provide contextual rules within which firms operate. As such structures vary across countries, SMEs encounter different constraints and opportunities depending on the institutional settings of their target markets. Building on this foundation, Scott (2014) conceptualises institutional environments as consisting of three pillars: the regulatory, the normative, and the cultural-cognitive (pp. 56-57). The regulative pillar comprises the rules, monitoring systems and sanctions that structure behaviour through compliance mechanisms (pp. 59-63). The normative pillar encompasses value systems and role expectations that define appropriate conduct within a social system (pp. 64-66). The cultural-cognitive pillar encompasses shared beliefs and interpretive frameworks that are taken for granted, and which shape how actors understand and interact with their environment (pp. 66-69). Together, these pillars form the institutional context with which organisations must align when operating across borders (pp. 71-73).

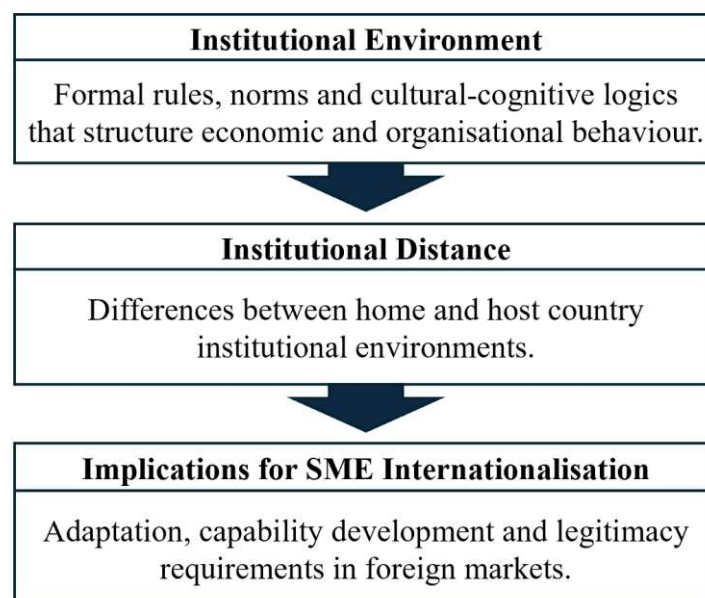


Figure 4: Own illustration based on North (1990, pp. 3-5), Scott (2014, pp. 56-73), and Kostova (1999, pp. 311-318)

Kostova (1999) extends the institutional perspective to the field of international business, introducing the concept of institutional distance. This is defined as the degree of difference between the institutional environments of the home and host countries (pp. 311-313). Institutional distance encompasses variations in regulatory, normative, and cultural-cognitive dimensions, influencing how firms transfer organisational practices across borders. High institutional distance increases uncertainty, complicates organisational adaptation, and poses challenges regarding the legitimacy of firms operating in foreign markets (pp. 315-318). These challenges are particularly pronounced for SMEs, which typically have more limited financial and managerial resources than multinational corporations. Therefore, they rely more heavily on flexible structures, incremental learning and local partnerships when navigating institutional diversity.

Overall, institutional theory emphasises the influence of variations in formal rules, normative expectations, and cultural-cognitive logics on the internationalisation trajectories of SMEs. Institutional distance determines the level of adaptation required, the legitimacy strategies firms must adopt, and the capabilities they must develop to operate effectively across borders. This analytical framework is crucial for examining how institutional and cultural differences influence the international expansion of technology-driven SMEs, as demonstrated in the subsequent case study of RIKUTEC.

3. Methodology

3.1 Research Design and Case Selection

This study takes a qualitative approach to examining how a family-owned German SME manages and adapts its internationalisation processes in different global markets. This approach is appropriate because the study aims to capture managers' interpretations and the decision-making processes embedded in specific institutional and organisational contexts. These cannot be examined adequately through quantitative methods. The research follows an interpretivist paradigm, acknowledging that internationalisation is shaped by meanings, perceptions and judgements that are specific to the firm. These are formed within particular cultural and institutional contexts.

The study is structured as a single-case study of the RIKUTEC Group, a technology-oriented SME specialising in a niche industrial sector. The single-case design (Yin, 2009) enables the in-depth exploration of the complex, dynamic, and interdependent processes that characterise

the internationalisation of SMEs. Due to the limited availability of standardised quantitative data, and the need to reconstruct managerial reasoning, this approach is particularly well-suited to exploratory single-case studies.

The case incorporates two embedded sub-units: RIKUTEC's expansion into Asia and the US. This design enables a comparative analysis of the influence of institutional, cultural and market-related differences on the internationalisation process. It also enables the subsequent management of foreign operations to be analysed. This approach is aligned with the study's objective of revealing how SMEs develop, transfer, and adapt organisational capabilities in diverse international environments.

RIKUTEC was selected as a case study because it is a family-owned German SME that has expanded into different institutional and cultural environments. This makes it an ideal subject for studying the internationalisation processes of SMEs. The firm's long-term presence in the US, alongside its more recent establishment of a subsidiary in South Korea, provides two contrasting internationalisation paths that can be compared systematically. The regulatory regimes, customer expectations, cultural norms and organisational requirements of both markets differ significantly. This enables the study to analyse how SMEs adapt their structures, coordination mechanisms, and capabilities across different regions.

The case is also theoretically significant, as RIKUTEC's history reflects key mechanisms discussed in literature on SME internationalisation. These include experiential learning, the role of networks and intermediaries, institutional constraints and the development of firm-specific capabilities. Comparing Asia and the US allows to systematically examine how different institutional, cultural and market conditions influence managerial decision-making, organisational adaptation and the management of foreign operations.

3.2 Data Collection

This case study is primarily based on four semi-structured expert interviews with key decision-makers from the RIKUTEC Group. These interviews, which lasted approximately 45-60 minutes each, were conducted via Microsoft Teams between 10 October and 18 November 2025. A semi-structured interview guide was prepared in advance to ensure consistency across the interviews while allowing flexibility to probe emerging themes and adapt questions according to the interviewees' specific expertise and experiences. All interviews were recorded and transcribed with the informed consent of the participants.

The interview partners were the CEO of the RIKUTEC Group (Bodo); the President of RIKUTEC America (Andreas); the Operations Manager of RIKUTEC America (Stephanie); and the Head of Sales Germany (Robin), who was responsible for establishing the South Korean subsidiary. Together, these interviews provide comprehensive insights into the company's internationalisation processes in Asia and the US, covering strategic, organisational, and cultural dimensions.

Secondary data were used only to complement the primary material and included information from the company's official website, relevant industry reports, and selected press articles. These served exclusively to contextualise the case.

3.3 Data Analysis

The qualitative data analysis was conducted using a systematic and transparent, multi-step procedure designed to ensure analytical rigour. The aim was to identify recurring patterns in the interview material, compare internationalisation paths in Asia and the US, and relate these findings to the theoretical concepts presented in the literature review. The analysis followed an interpretivist logic, combining a deductive analytical structure with openness to inductively emerging empirical insights.

a) Preparation of the empirical material:

All interviews were transcribed and carefully reviewed. At this stage, filler words, repetitions and non-substantive elements were removed to enhance clarity without affecting the meaning of the statements.

b) Development of a two-level coding framework:

A comprehensive coding framework that combined deductive and inductive elements was developed. The deductive level was derived from the three research questions and the theoretical perspectives of the study. This resulted in overarching analytical categories related to institutional and cultural contexts, organisational structures & capabilities, and networks & institutional partnerships. Inductive subcodes were then generated directly from the empirical material within these categories to capture context-specific details and nuances. The complete set of Level 1 and Level 2 codes, including all the subcodes derived inductively, is presented in full in Appendix 1.

c) Systematic coding and construction of a reduced coding matrix:

After preparing the empirical material, all relevant statements were extracted and compiled into an Excel-based coding matrix. Each statement was assigned one Level 1 category and one

corresponding Level 2 subcode, according to the developed coding framework. A short interpretive comment accompanied each statement. The coding matrix was then systematically reduced to retain only conceptually meaningful and analytically relevant statements. Redundant entries were removed while ensuring that all material necessary to address the research questions was preserved. An excerpt of the coding matrix is provided in Appendix 2.

d) Thematic analysis:

The coded material was grouped and compared within and across categories to identify recurring patterns. This procedure resulted in the development of higher-level themes that synthesised the underlying mechanisms shaping RIKUTEC's internationalisation strategy.

e) Cross-case comparison:

Due to the embedded case-study design, thematically coded data from the Asian and US sub-cases was systematically compared. This revealed similarities and differences in institutional environments, cultural contexts, organisational requirements, and coordination mechanisms. It also enabled context-specific adaptations in decision-making and capability development to be identified.

f) Pattern matching and theoretical integration:

Finally, the empirical themes were compared with theoretical assumptions derived from the Uppsala model, the Resource-Based View, Dynamic Capabilities, Institutional Theory, and Network Theory. This pattern-matching process served to assess the extent to which existing theories can explain the observed internationalisation processes. It also identified mechanisms that are particularly relevant for SMEs. The results of this interpretive step inform the findings presented in Chapter 4.

3.4 Limitations

The present study is subject to methodological limitations arising from its qualitative, exploratory single-case research design.

Firstly, given that the analysis is based on a single case, the findings do not aim to provide statistical generalisation. Instead, the objective of this study is to achieve analytical generalisation by generating theory-informed insights into the mechanisms and processes that shape SME internationalisation. These insights may be relevant for firms operating in comparable institutional and organisational contexts.

Secondly, the empirical analysis is based on a limited number of interview partners. Despite the limited sample size of four interviews, this reflects the organisational reality of RIKUTEC as a

family-owned SME, where strategic internationalisation decisions are concentrated among a small group of key actors. In order to gain insight into the perspectives of senior decision-makers, it is necessary to conduct interviews with those in such positions located in both headquarters and foreign subsidiaries. This approach ensures access to perspectives that are directly relevant to the firm's international expansion.

Thirdly, qualitative thematic analysis involves an interpretative element and is therefore subject to researcher judgement, particularly as the coding process was conducted by a single analyst. This limitation was addressed through a transparent and systematic coding procedure, iterative refinement of themes, and triangulation of interview data with selected secondary sources. Collectively, these measures contribute to the credibility and robustness of the analytical findings.

4. CASE-STUDY

4.1 Case Introduction and Opening Scene

In early 2025, CEO Bodo was preparing for an internal strategy review at the headquarters of RIKUTEC in Bad Honnef. The discussion aimed to reflect on the company's previous steps towards internationalisation, and to assess how these experiences could inform future expansion. On the conference table were two folders outlining RIKUTEC's previous international expansion: One was about entering the United States (US), and the other was about establishing a presence in Asia via South Korea.

As Bodo reviewed the material on the US, he recalled the company's gradual development from its initial distributor phase in the early 2000s to its current mature subsidiary. Recent updates from Andreas emphasised the strength of customer relationships, the importance of regulatory compliance such as DOT standards, and the benefits of relocating the subsidiary to South Carolina to improve proximity to customers.

Turning to Asia, Bodo reflected on insights gathered from Robin, who had been involved with RIKUTEC's development in the region from the beginning. After working through an external agent for more than a decade, establishing a wholly owned subsidiary in Seoul in 2022 with the support of the German-Korean Chamber of Commerce and Industry (AHK Korea) was a decisive step. Since then, the office has evolved into a coordination hub for Japan, Taiwan, and other regional markets, shaped by trust-based business practices and extensive documentation requirements.

Although both regions had become core pillars of RIKUTEC's global presence, their development paths had differed significantly. The upcoming strategy discussion will therefore focus on which lessons from these earlier expansions could inform the company's future international steps.

4.2 Company Background and Industry Context

RIKUTEC is a family-run, medium-sized engineering company based in Bad Honnef, Germany. It employs over 245 people worldwide. Originally founded in 1986 as a manufacturer of blow-moulding machinery, the company has gradually expanded to include the production of high-performance plastic containers and technical tank systems. Today, RIKUTEC combines engineering expertise, materials knowledge, and in-house manufacturing capabilities across several business units, with its core commercial activities concentrated in the Industrial Packaging division (RIKUTEC Group, n.d.).

The company's product portfolio includes multilayer intermediate bulk containers (IBCs), industrial drums, and technical tank systems designed for highly regulated and purity-sensitive applications. These products are primarily used in industries such as chemicals and semiconductors, where material integrity is critical. Consequently, RIKUTEC operates in an environment characterised by stringent regulatory requirements and high expectations regarding product quality, traceability and process reliability.

In these application areas, industrial packaging primarily relies on the extrusion blow moulding process to manufacture rigid plastic containers. High-density polyethylene (HDPE) is the dominant material used because of its mechanical strength and chemical resistance, which makes it suitable for hazardous goods and chemically demanding environments (British Plastics Federation, n.d.). Multilayer container technologies also play a central role as they provide enhanced barrier protection and long-term chemical durability. These characteristics are essential for complying with international safety and transport standards, including the requirements set out in the UN Model Regulations for dangerous goods packaging (United Nations, n.d.).

The industrial plastics sector as a whole represents a significant segment of global polymer demand, with industrial packaging forming a key application area. Worldwide plastic production exceeded 430 million tonnes in 2024, highlighting the scale and importance of polymer-based industrial solutions (Plastics Europe, 2025). Within this sector, competitive positioning is strongly influenced by regulatory compliance and the ability to coordinate

technical requirements across borders. Consequently, successful internationalisation depends less on frequent product adaptation and more on organisational capabilities related to standard compliance, customer coordination, and institutional alignment across different markets.

4.3 RIKUTEC's Internationalisation Journey: Key Milestones

RIKUTEC's internationalisation has been a gradual process over several decades. After expanding its sales and service activities across multiple European markets, the company took its first steps overseas. Its entry into the US began over 20 years ago with an external distributor, who later became a minority shareholder. As customer demand increased and the need for local responsiveness grew, RIKUTEC established its own US subsidiary. Over the following years, the subsidiary relocated from the north-east to South Carolina to improve proximity to key customers, strengthen technical service capabilities, and operate with greater commercial autonomy. Today, the US entity functions as a fully integrated organisation with its own operational responsibilities.

In Asia, RIKUTEC initially collaborated with a long-standing Korean agent who supported machinery and packaging activities. As opportunities in documentation-intensive and semiconductor-related sectors grew, the company established its own subsidiary in Seoul in 2022 with the support of the AHK Korea. The Korean office now acts as a regional coordination hub for Japan, Taiwan, and other Asian markets, focusing on sales development, customer support, and market expansion.

Together, these milestones illustrate how RIKUTEC has gradually established a direct, local presence in the US and Asia (see Exhibit 1).

4.4 Internationalisation to the US

4.4.1 Initial Drivers for Entering the US Market

RIKUTEC's initial engagement with the US emerged organically from the company's beginnings as a manufacturer of blow-moulding machinery. The first contacts were established through enquiries relating to equipment, providing insights into the needs of North American industrial and chemical customers. Over time, the US has developed into an important destination for RIKUTEC's packaging solutions. This was supported by the size of the market, the presence of major chemical industry clusters and the growing importance of technically demanding container applications. The strong presence of the semiconductor industry, in

particular, required highly detailed documentation, precise technical coordination, and sector-specific expertise. This provided RIKUTEC with an important early learning environment. As transatlantic business increased, the time difference and the need for timely technical coordination made supporting customers exclusively from Germany difficult. Documentation-intensive applications and product enquiries also necessitated closer interaction with end users. These developments gradually created a need for a more structured presence in the US market to ensure availability, responsiveness and continuity in customer relationships. In addition to the globally recognised UN certification applied to its products, the US market is governed by DOT regulations. These require regular inspections by accredited testing institutes, thereby increasing the ongoing documentation and compliance workload associated with serving American customers.

4.4.2 Early Entry via a Distributor

RIKUTEC established its first structured market presence in the US through a local distributor. This distributor managed customer enquiries, sales activities, and acted as the company's primary interface with American clients. This enabled RIKUTEC to respond flexibly to increasing demand without needing to create its own organisational infrastructure immediately. Over time, the distributor became increasingly integrated into RIKUTEC's operations, ultimately acquiring a minority stake in the US business. As well as handling day-to-day enquiries, the distributor played a crucial role in enabling RIKUTEC to access established networks within the chemical and semiconductor industries. Thanks to his long-standing market relationships and credibility in these sectors, RIKUTEC was able to reach key accounts more quickly and build trust with industrial customers from the outset.

While this model supported the development of the market in the early stages and provided access to established customer networks, it also limited RIKUTEC's direct visibility and constrained its ability to address technical requirements and documentation-intensive applications. As customer expectations evolved and applications became more complex, the limitations of the distributor-based approach became more apparent. This set the stage for a more direct and locally anchored presence in the US.

4.4.3 Establishing RIKUTEK America

As market demands increased and customer expectations evolved, establishing a dedicated RIKUTEK subsidiary marked a turning point in the company's development in the US. The new entity was created to strengthen direct market access, improve responsiveness, and develop the technical and organisational capabilities required for industrial and documentation-intensive applications.

With a combined commercial and technical focus, the subsidiary was designed to meet the diverse needs of US customers. Initially, its responsibilities included coordinating customer projects, providing local product expertise, and managing sales activities in close alignment with headquarters. As customer interactions intensified, the subsidiary's scope gradually expanded.

Over time, RIKUTEK America assumed additional functions, including technical clarification, customer service, and preparing market-specific documentation. As these competencies increased steadily, the US unit became an increasingly autonomous organisation. It became responsible for maintaining customer relationships, preparing local business plans and resolving operational issues that required on-the-ground judgement. The subsidiary has also developed substantial technical capabilities. These include resolving detailed customer specifications, handling quality-related enquiries, and preparing market-specific documentation independently. This has reduced the need to escalate issues to headquarters and strengthened the unit's capacity to solve problems locally. It also laid the foundation for a more sustained and locally embedded presence in the market.

4.4.4 Relocation to South Carolina

RIKUTEK America was initially based in the north-eastern US. However, this location proved increasingly misaligned with the evolving needs of the company's growing customer base. As industrial clients were concentrated further south, the distance involved made it difficult to provide timely technical clarification and on-site support. Additionally, the existing location offered limited operational advantages for logistics and service deployment.

Therefore, RIKUTEK decided to relocate the subsidiary to South Carolina, a region closer to key customers and better suited to coordinating service-intensive applications. The move improved response times and facilitated more direct interaction with users. It also strengthened the subsidiary's ability to manage projects that required frequent on-site engagement. The relocation also reflected the need for a location that was more cost-efficient and operationally

aligned, as highlighted by the supply chain disruptions and fluctuating demand patterns experienced during periods of recent market volatility, including the impact of the pandemic. Overall, the relocation provided a more operationally aligned base for supporting the US market.

4.4.5 Current Role of the US Subsidiary

Today, RIKUTEC America operates as a well-established subsidiary, combining commercial and technical responsibilities. The unit is responsible for maintaining relationships with industrial and chemical customers, coordinating projects, and responding to market-specific enquiries that require prompt attention. Its activities include preparing documentation, coordinating with users on a technical level, and supporting applications that require frequent on-site interaction.

Over time, the subsidiary has gained greater organisational autonomy. It prepares local business plans, manages operational matters independently, and keeps headquarters informed of market developments. In addition to these responsibilities, RIKUTEC America runs its own warehouse and distribution hub. This enables short delivery times, local stock availability, and rapid service deployment. These capabilities are particularly valued by US customers and have become an important competitive advantage. Due to its proximity to key customers in the region, RIKUTEC America now serves as a central point of contact for service-intensive applications, thereby contributing to the long-term sustainability of RIKUTEC's presence in the US.

In addition, RIKUTEC America works closely with accredited external testing institutes and specialist partners to fulfil market-specific certification and compliance requirements, particularly regarding DOT regulations. While these partners conduct mandatory inspections and testing procedures, the US subsidiary prepares technical documentation, coordinates samples, and manages communication with the relevant authorities. In selected cases, cooperation with local universities supports material-related analyses and technical validation, thereby facilitating efficient and timely certification processes.

4.5 Internationalisation to Asia via the Korea Subsidiary

4.5.1 Early Market Engagement in Asia

In contrast to the relatively homogeneous US market, RIKUTEC's engagement in Asia took place across multiple national contexts, each with their own distinct institutional and cultural characteristics.

RIKUTEC's involvement in Asia started gradually, without an organisational presence. For many years, the company collaborated with an external agent to introduce its products to customers in several East Asian markets. This arrangement provided an initial foothold in the region and helped establish early contacts, particularly in technically specialised applications, in which German engineering was viewed positively.

During this period, market development was exploratory in nature. The agent acted as the primary point of contact for enquiries, coordinated initial product introductions, and communicated with potential users. From RIKUTEC's perspective, this setup enabled participation in the region while limiting the need for dedicated local structures.

Although this model enabled the company to gain experience and establish initial visibility, it remained an indirect and lean form of market engagement. As the range of activities expanded, the need for a more direct presence became apparent against this original structure.

4.5.2 Emerging Need for a Direct Market Presence

As RIKUTEC's activities in Asia increased, the demands of the region began to exceed the capacity of the agent-based setup. The volume of enquiries increased, with many involving detailed technical clarification, extensive documentation, and product-specific certification requirements. This necessitated closer coordination with end users. Managing these expectations from abroad was becoming increasingly difficult, especially as customers in South Korea, Japan and Taiwan were placing greater importance on response times and accuracy. Another challenge was the linguistic and cultural diversity across East Asia, where English is not consistently used in technical or commercial interactions. Communication styles differ significantly between countries such as Japan, Taiwan, China and South Korea. These differences made it increasingly difficult to support customers remotely or through intermediaries alone.

Market development in Asia is characterised by sustained personal engagement, trust-building, and close alignment with institutional expectations. Progress in many segments follows a

gradual, relationship-oriented logic that depends on continuous interaction rather than occasional, intermediary contact. Without a local organisational presence, it was difficult for RIKUTEC to consistently meet these expectations. In addition, the countries of East Asia do not operate under a harmonised regulatory framework. Each country maintains its own import procedures, approval regimes and documentation requirements. This further increases the need for locally anchored coordination.

As these dynamics intensified, it became clear that a dedicated, regionally anchored subsidiary would be necessary to effectively support customers and pursue emerging opportunities in the Asian market.

4.5.3 Establishing the Korea Subsidiary

As opportunities in Asia increased and the limitations of the agent-based approach became more evident, RIKUTEC decided to set up its own subsidiary in the region. South Korea was chosen as the location thanks to its advanced technology, strong industrial sector and central position for coordinating activities across East Asia. The country also offered favourable institutional conditions and a high level of acceptance of German engineering solutions, making it an ideal location in which to develop long-term customer relationships.

The AHK Korea supported the process of establishing the subsidiary by assisting with regulatory procedures, company registration and local administrative requirements. In addition to these formal processes, the AHK Korea provided support in the form of translations, assistance with preparing contracts, guidance on local employment regulations, and temporary office space. This substantially reduced the administrative complexity and risk associated with entering the market. Having its own entity enabled RIKUTEC to engage directly with customers and address technical enquiries more efficiently. It also allowed the company to provide the documentation and certification support which is frequently required in the region.

By establishing a presence in Korea, RIKUTEC transitioned from indirect market participation to a locally anchored approach. This forms a foundation for coordinated activities in neighbouring markets, such as Japan and Taiwan.

4.5.4 Korea as a Regional Coordination Hub

Following the establishment of the Seoul subsidiary, Korea became RIKUTEC's central coordination point for operational activities across East Asia. The office manages customer

enquiries from the region and provides application support. These enquiries often require detailed documentation, material specifications and repeated technical clarification. The Seoul team serves as the first point of contact for regional stakeholders, ensuring that market-specific requirements are accurately communicated throughout the organisation. Given long sea-freight lead times, the Korean office also works closely with customers to develop quarterly and annual planning cycles. Accurate forecasting has become essential to ensure timely deliveries, as import procedures significantly extend the period between production and final customer receipt.

The subsidiary also coordinates with external agents in neighbouring markets, providing guidance on product-related queries, certification requirements and application-specific documentation. This has created a more structured and consistent approach to serving East Asian markets. Due to its proximity to customers, the Seoul office is able to improve response times and facilitate the continuous interactions required for applications involving high technical or procedural demands.

4.5.5 Current Role of the Korea Subsidiary

Today, the Seoul subsidiary plays a central strategic role within the international RIKUTEC structure. As well as carrying out operational tasks, the office provides ongoing insight into regional market developments, regulatory trends and emerging customer needs. This local perspective allows the company to predict changes in demand, adjust internal processes, and recognise opportunities for long-term growth in East Asia.

The subsidiary also links regional observations with RIKUTEC's global decision-making processes, thereby strengthening the company's ability to position itself effectively in Asian markets. By maintaining continuous contact with customers and institutions, the Seoul office plays a key role in building long-term relationships and shaping RIKUTEC's broader internationalisation efforts.

Through the integration of operational coordination and strategic market intelligence, the Korea subsidiary has established itself as a pivotal organisational interface between RIKUTEC's headquarters and the varied institutional landscapes of East Asia. This demonstrates how a local presence can evolve from providing market support to becoming a key driver of sustained international engagement.

Compared to RIKUTEC America, the Seoul subsidiary currently has a lower degree of organisational autonomy. Although it acts as a regional coordination hub, key technical

decisions, documentation standards and strategic approvals remain closely aligned with the headquarters.

4.6 Managing International Operations Across the US and Asia

RIKUTEC coordinates its international activities through structured interactions between its headquarters in Bad Honnef and its two key foreign subsidiaries in the US and South Korea. Although both subsidiaries are becoming increasingly autonomous, the headquarters remain the central technical and organisational hub. This reflects the company's origins as an engineering-driven organisation, in which core product expertise, process knowledge and standard-setting authority remain concentrated at headquarters.

Across both regions, many customer enquiries involve detailed clarification or documentation that cannot be addressed independently by the foreign subsidiaries. In such cases, the US and Korean offices routinely consult with the engineering and administrative teams in Bad Honnef. The headquarters provides support on technical clarification, material specifications and market-specific documentation. This ensures consistency across all markets. These coordination processes are supported by global sales calls every two weeks and dedicated technical alignment meetings. During these meetings, quality issues and product modifications are reviewed across regions to maintain operational coherence.

In the US, coordination primarily relates to industrial and chemical applications, which often require technical clarification, safety-relevant documentation, or responses to customer-specific queries. While RIKUTEC America manages day-to-day commercial and operational activities largely independently, regular exchanges with Germany are essential for aligning product information, clarifying technical details, and combining market insights with central decision-making.

In Korea, coordination with headquarters is also frequent, but is more strongly shaped by documentation-intensive applications and customer requirements specific to each institution across multiple national markets. The Seoul office communicates detailed technical specifications and procedural requirements to headquarters, translating regional customer expectations into actionable internal inputs in the process. It also keeps headquarters informed about developments in neighbouring markets, where customers frequently expect precise information and continuous communication.

Together, these interactions form a consistent operational structure. Foreign subsidiaries serve as regionally anchored units that handle commercial and technical customer contact, while the

headquarters ensure technical accuracy, process alignment, and cross-market consistency. However, the degree of autonomy varies between regions. The US subsidiary operates more independently, whereas the Korean office is more closely integrated into central technical and documentation decision-making processes.

Limitations in the existing IT systems and infrastructure occasionally affected coordination, restricting detailed cost analysis, seamless data integration, and the effective use of collaborative tools. These system constraints necessitate additional manual processes and underscore the importance of established communication routines. This interplay also provides the foundation for understanding how RIKUTEK's international operations differ across regions, which is a relevant perspective when comparing the development of the US and Asian markets.

4.7 Descriptive Comparison of the US and Asian Markets

RIKUTEK's development in the US and Asia took different paths, shaped by the conditions and interaction patterns of each region. The differences in market entry modes, customer interaction patterns, and subsidiary roles highlight the ways in which the company has adapted its approach to internationalisation to meet region-specific requirements.

In the US, market entry began with a distributor model, which provided early access to industrial customers and an initial framework for handling enquiries. As the need for technical clarification and documentation increased, the distributor became more closely integrated into RIKUTEK's operations. Ultimately, this process led to the establishment of RIKUTEK America, which later relocated to South Carolina in order to be closer to key customers. Today, the US subsidiary combines commercial and technical tasks, managing service-intensive applications with a relatively high degree of operational autonomy.

In Asia, RIKUTEK initially relied on an external agent with whom it had a long-standing relationship to introduce its products across several East Asian markets. Market interaction was characterised by trust-based relationships, institutional expectations, and documentation-heavy enquiries. However, as the volume and complexity of customer requests increased, the limitations of the intermediary model became apparent. This led to the creation of a wholly owned subsidiary in Seoul, which now acts as a regional coordination hub for Korea and neighbouring markets.

Although coordination with headquarters remains central in both regions, the nature of this interaction differs. In the US, exchanges often relate to technical clarification, regulatory

expectations, or support for service-oriented applications. In Asia, collaboration with headquarters is more strongly influenced by documentation-intensive processes and customer requirements specific to each market.

Overall, these developments demonstrate RIKUTEC's ability to adapt its organisational structures and coordination mechanisms to the specific demands of each market. The company has retained its headquarters as the technical and organisational hub of its international operations. While the US is relatively homogeneous in terms of regulation and language, East Asia consists of several distinct national markets with different institutional frameworks. This regional fragmentation increases the complexity of coordination and shapes the role of local subsidiaries within RIKUTEC's international structure. Exhibit 2 provides a structured overview of the main differences between the two regions.

4.8 Closing Scene: The Managerial Decision Point

When the leadership team gathered at RIKUTEC's headquarters in Bad Honnef, Bodo placed two folders on the table in front of them. One summarised the company's development in the US, while the other documented its progression in Asia through the Korean subsidiary. Together, the folders represented over twenty years of international expansion, shaped by various entry modes, institutional environments, and customer expectations.

The purpose of the meeting was not just to review these developments, but also to consider their implications for RIKUTEC's strategic direction. The company had accumulated substantial experience in both markets, and the recent increase in enquiries from China made this reflection even more relevant. Although RIKUTEC had been exporting to China for several years, the growing demand for documentation and technical clarification suggested that the company might soon require stronger organisational support to deepen its engagement in the region.

Before opening the discussion to the team, Bodo formulated three guiding questions to help structure their reflections:

- 1) *Which organisational capabilities did RIKUTEC develop when expanding into the United States and South Korea, and how did these evolve alongside the company's increasing international involvement?*
- 2) *How did the institutional and cultural conditions of each market influence RIKUTEC's approach to customer interaction, documentation requirements, and technical coordination?*

3) *What role did networks, intermediaries and a local presence play in enabling sustained market development in both countries?*

The room fell silent as the leadership team prepared to discuss these questions. Their answers would help to determine the company's internationalisation strategy for the years ahead.

4.9 Exhibits

The following exhibits offer a structured, comparative visual overview that supplements the case narrative and facilitates the analysis of RIKUTEC's international development across its key markets.

Exhibit 1: RIKUTEC Internationalisation Timeline

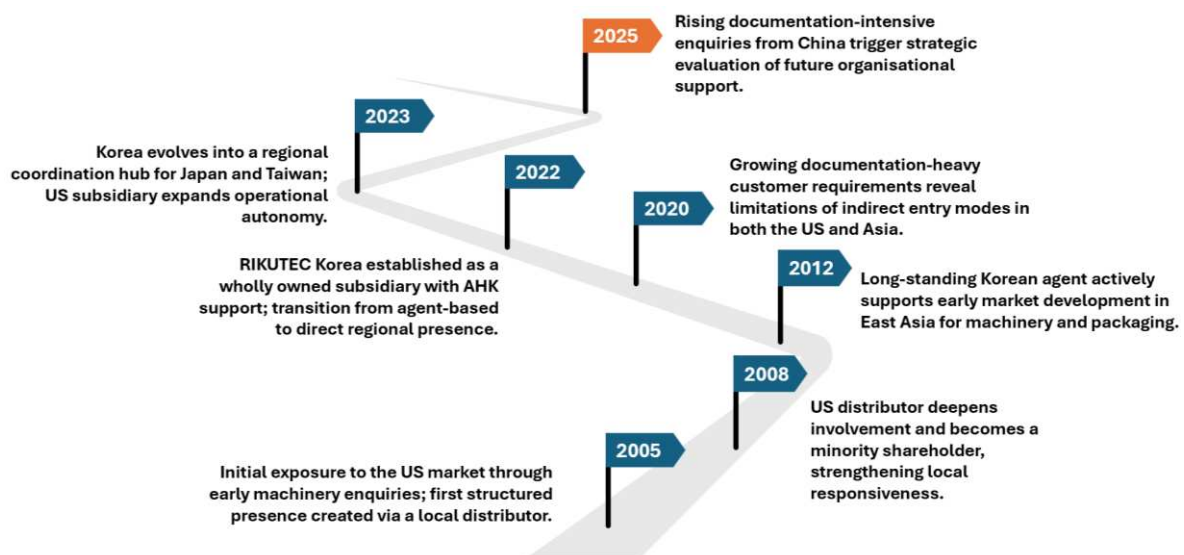


Exhibit 2: Comparison of US and Asia Market Development

Dimension	United States	Asia (via South Korea)
Initial Market Entry	Distributor-based entry; distributor later became minority shareholder; transition to own subsidiary.	Long-standing external agent covering multiple East Asian markets; prolonged indirect entry mode.
Trigger for Own Subsidiary	Rising technical enquiries; increasing documentation demands (DOT); need for customer proximity and fast response times.	Intensifying documentation and certification requirements; relationship-based interaction logic; limits of agent model for complex applications.
Institutional Environment	Unified regulatory framework; predictable national standards; stable DOT compliance structure.	Fragmented institutional landscape with country-specific import, certification and administrative regimes.
Customer Interaction Logic	Direct, low-context communication; single-language environment; emphasis on speed, technical clarity and on-site support.	High-context, relationship-oriented communication; multiple languages; formalised processes and repeated documentation cycles.
Operational Role Today	Largely autonomous commercial and technical unit with local warehousing and service-intensive problem solving.	Regional coordination hub focused on documentation handling, institutional navigation and cross-market coordination.
Role of Networks & Institutions	Early market access through distributor's industrial and semiconductor networks.	Strong institutional support via AHK Korea; continued coordination with agents in Japan and Taiwan.
HQ Coordination Focus	Technical clarification, regulatory alignment and support for complex customer applications.	Material specifications, documentation requirements and market-specific institutional processes.

5. Teaching Note and Research Discussion

5.1 Purpose and Pedagogical Goals

5.1.1 Purpose of the Case

This case study illustrates the different internationalisation strategies adopted by family-owned, technology-driven SMEs in response to institutional, cultural and market-specific conditions. By comparing RIKUTEC's expansion into the US with its later entry into South Korea and the Asian market, the case study shows how context-specific learning, reliance on external

networks, and gradual organisational development shape the trajectory of SME growth. Students are encouraged to analyse and reflect on RIKUTEC's past strategic decisions to understand how lessons from earlier expansions can inform future internationalisation considerations. While the case concludes with a forward-looking decision point, the focus of the pedagogy remains on evaluating the firm's historical expansion patterns and understanding how these were influenced by external conditions and internal capability development. While the Born Global perspective is discussed in the theoretical background, this case deliberately focuses on a gradual, experience-based internationalisation process rather than rapid early internationalisation.

5.1.2 Pedagogical Goals and Learning Objectives

This case study gives students a thorough grasp of how institutional and cultural differences affect the internationalisation of SMEs. It shows how these differences affect market entry decisions and subsequent organisational development. Students are encouraged to consider the roles of distributors, agents and institutional partners during the initial stages of internationalisation. Students will also explore how such actors contribute to reducing uncertainty and acquiring experiential knowledge. The case study helps students to connect theoretical frameworks, such as the Uppsala model, network theory and dynamic capabilities, with the practical realities of SME decision-making. The case also aims to enhance their ability to compare market contexts and derive strategic insights for future expansion decisions.

5.1.3 Target Audience and Course Fit

This case study is suitable for Master's-level courses in International Business, Global Strategy, Entrepreneurship, and Management. This material is particularly well-suited to teaching sessions addressing internationalisation processes, market entry strategies, cross-cultural challenges and the role of networks in global expansion. It is designed to stimulate analytical discussion by requiring students to apply theoretical concepts to the real-world challenges faced by a growing SME.

5.1.4 Preparatory Requirements for Students

Students should read the full case study and examine the accompanying exhibits before the class. Although no additional readings are required, a basic understanding of the Uppsala

model, network theory and organisational capabilities will support a deeper understanding of the discussion. Students are expected to be prepared to compare the expansion paths of the US and South Korea, and to consider how institutional conditions shaped RIKUTEC's strategic decisions in each market.

5.2 Case Synopsis

5.2.1 Summary of the Case

This case study examines how the family-run, technology-driven SME RIKUTEC, based in Germany, expanded its international footprint through two distinct regional strategies. In the early 2000s, RIKUTEC entered the US through a distributor, gradually transitioning towards establishing a wholly owned subsidiary closer to key customers. Years later, the company took a different approach in Asia, initially relying on agents and indirect activities before deciding to set up a subsidiary in Seoul, South Korea. The narrative concludes in early 2025, as CEO Bodo prepares for a strategy meeting to review the company's internationalisation journey. He reflects on the contrasting experiences in the US and South Korea to inform future expansion decisions.

5.2.2 Industry Background

RIKUTEC is a company operating in the industrial packaging sector. It supplies multilayer extrusion blow-moulded solutions for demanding applications, including those involving chemical and purity-sensitive products. This industry is characterised by high regulatory standards, particularly regarding packaging for dangerous goods. Customers often require technically complex solutions. As a family-owned, medium-sized firm, RIKUTEC combines its own multilayer technology with a relatively lean organisational structure. This combination shapes its competitive advantage and constraints when entering and serving distant markets.

5.2.3 The Protagonists

The central protagonist of the case study is Bodo, the CEO of RIKUTEC, who is responsible for leading the company's international strategy and coordinating the development of its global operations. As the narrative approaches the beginning of 2025, Bodo is preparing for a strategy meeting at which he intends to review RIKUTEC's previous steps towards internationalisation and consider the contrasting experiences in the US and South Korea. While he considers

insights from the wider management team, the focus remains on his perspective as he reflects on the company's past expansion efforts and prepares to discuss these developments with his team.

5.2.4 Core Decision Problem

The core decision problem concerns how RIKUTEC should use its previous experience of international expansion in the US and South Korea to plan future growth. Although both regions have become important pillars of the firm's global business, they evolved through different entry modes, partner constellations, and capability-building processes. Bodo must therefore evaluate the lessons learned from these paths, identifying which organisational structures and partnerships have proven effective under which conditions, and how these insights should inform subsequent internationalisation moves, particularly in other Asian markets.

5.2.5 Relevant Literature

The case study draws on four core theoretical perspectives to help instructors frame their analysis:

- Johanson and Vahlne (1977; 2009) – Uppsala internationalisation process model
- Johanson and Mattsson (1988) – Network theory
- Teece, Pisano and Shuen (1997); Teece (2007) – Dynamic capabilities framework
- Scott (2014) and Kostova (1999) – Institutional perspective (institutional pillars and institutional distance)

5.3 Instructor Guidance for Case Discussion

5.3.1 Teaching Plan and Suggested Class Flow

To ensure that all participants share a common understanding of RIKUTEC's internationalisation journey, the session begins with a short student-led recap. Students briefly outline the company's entry into the US, its subsequent expansion into South Korea, and the strategic context that led to the 2025 decision point. Building on this recap, the instructor then leads a chronological discussion.

The first phase focuses on RIKUTEC's initial steps in the US market, prompting students to identify the main drivers and entry mode considerations, as well as organisational

developments. Then the discussion shifts to the firm's expansion into Asia, where students assess how the reliance on agents, institutional conditions, and capability-building needs differed from the American experience.

Having reviewed the two market trajectories, the instructor then leads the students in a comparison of the US and Korean paths, encouraging them to articulate the key institutional, cultural, and organisational contrasts. This comparison forms the basis for examining the core decision problem: how RIKUTEC should use these past experiences to inform future internationalisation steps. In the final phase, the instructor introduces case questions to structure the concluding discussion and guide students towards synthesising the implications of their analysis.

Throughout the session, the instructor may briefly intervene to refocus the discussion, highlight aspects of the exhibits that have been overlooked, or prompt deeper reflection on market differences. This structured approach ensures a coherent progression from case comprehension to comparative analysis, and finally to the evaluation of RIKUTEC's strategic options.

5.3.2 Detailed Time Allocation

The recommended total session length is 75 minutes. One possible time allocation is as follows:

- 05 minutes – Student-led recap of the case
- 15 minutes – Discussion of RIKUTEC's early expansion into the US
- 15 minutes – Discussion of the company's entry in South Korea
- 10 minutes – Comparative analysis of the US and Korean trajectories
- 20 minutes – Examination of the core decision-making problem and discussion of the case questions
- 10 minutes – Wrap-up and integration of key insights

This structure ensures a balanced progression from case comprehension to comparative evaluation and final synthesis.

5.3.3 Guiding Questions and Intermediate Discussion Milestones

Guiding Questions

To facilitate structured classroom discussion, the instructor may use a short list of questions to guide students through the chronological and comparative analysis of RIKUTEC's expansion paths:

- What motivated RIKUTEC's initial entry into the US market, and why was a distributor chosen as the entry strategy?
- How did experiential learning influence the transition from a distributor relationship to a wholly owned subsidiary?
- What institutional and market-specific conditions influenced RIKUTEC's reliance on agents during its initial activities in Asia?
- In what ways do the US and Korean expansion paths differ in terms of network involvement, capability requirements, and organisational development?
- Which insights from both markets are most relevant for evaluating RIKUTEC's future internationalisation decisions?

These questions guide students from case comprehension toward analytical depth without pre-empting the answers to the final case questions.

Intermediate Discussion Milestones

By the time the class moves on to the case questions, students should have reached the following intermediate analytical milestones:

- The key drivers, risks and learning processes behind RIKUTEC's US expansion were identified.
- Recognised how institutional distance and reliance on partners shaped the firm's entry strategy in South Korea.
- Understood the role of distributors, agents and networks in facilitating market access and knowledge acquisition.
- The main contrasts between the US and Korean internationalisation trajectories were articulated.
- These contrasts were connected to broader theoretical concepts such as incremental learning, network-based expansion and capability development.

These milestones ensure that students have the conceptual foundation needed to engage meaningfully with the core decision problem of the case and its associated questions.

5.4 Expected Analysis and Answers to the Case Questions

5.4.1 Expected Answer to Case Question 1

- 1) *Which organisational capabilities did RIKUTEC develop when expanding into the United States and South Korea, and how did these evolve alongside the company's increasing international involvement?*

RIKUTEC's development of organisational capabilities followed a gradual and path-dependent trajectory, shaped by its sequential expansion into the US and later South Korea. The company's entry into the US market in the early 2000s was the first major step in developing the ability to operate in distant markets. Initially relying on a distributor, RIKUTEC gained experiential knowledge of customer expectations, certification requirements and technical coordination. In line with the Uppsala internationalisation model, this low-commitment approach enabled the firm to reduce uncertainty and deepen its understanding of market needs through incremental learning. As demand grew and the limitations of the distributor arrangement became more apparent, RIKUTEC increased its market commitment by setting up its own subsidiary. This required the development of more advanced organisational capabilities, including locally coordinated problem solving, more structured technical documentation processes and direct customer engagement. These developments reflect elements of the dynamic capabilities framework, as the firm adapted its organisational structures in response to regulatory requirements and customer-specific compliance expectations. RIKUTEC sensed emerging opportunities, increased investment and reconfigured organisational structures to support a long-term presence in the US.

Expanding into South Korea revealed a more intricate pattern of capability development. The institutional and cultural distance meant that RIKUTEC had to develop the ability to manage indirect communication channels and navigate administrative procedures. Furthermore, they had to coordinate technical clarifications across language and time zone barriers. Initially operating through agents enabled the company to compensate for its limited local knowledge and customer access, while relying on these partners to navigate local institutional requirements and communication norms. However, rising demand for purity-focused products and more extensive documentation requirements gradually exposed capability gaps that could not be addressed remotely. Therefore, establishing a subsidiary in Seoul represented a strategic shift from relying on intermediaries to developing in-house capabilities for on-site technical support, regulatory compliance and relationship management. Once again, this progression aligns with the dynamic capabilities perspective, as the company continued to adapt and reconfigure its

organisational practices in response to evolving institutional demands and customer expectations.

5.4.2 Expected Answer to Case Question 2

- 2) *How did the institutional and cultural conditions of each market influence RIKUTEC's approach to customer interaction, documentation requirements, and technical coordination?*

Differences in institutional and cultural conditions had a significant impact on how RIKUTEC interacted with customers and managed documentation and technical coordination in the US and South Korea. In the US, comparatively low psychic distance reduced uncertainty, facilitating more direct and efficient communication with customers. The absence of major language barriers and the presence of clear technical standards meant that RIKUTEC could adapt its documentation and coordination processes gradually. As described in the Uppsala model, this environment enabled the company to gradually build market-specific knowledge, relying on feedback from distributors and customers to refine technical documentation, clarify certification requirements, and solve technical problems straightforwardly. These conditions meant that the company could focus on improving internal routines without encountering major cultural or administrative obstacles.

However, in South Korea, higher psychic distance made customer interaction and technical coordination considerably more complex. Language barriers, indirect communication patterns, and differing expectations regarding the level of detail in documentation all served to increase uncertainty during the initial stages of entering the market. Initially, the firm relied on agents to compensate for its limited local experience and bridge communication gaps. However, the growing demand for purity-focused products and the extensive documentation requirements highlighted the limitations of this approach. Technical clarifications often required multiple iterations because information was passed through intermediaries, leading to delays and potential misunderstandings. These circumstances compelled RIKUTEC to strengthen its own capabilities for managing documentation and technical communication. This eventually prompted the establishment of its own subsidiary, ensuring closer coordination and more reliable customer engagement. This internal adaptation to the conditions reflects the firm's gradual development of market-specific capabilities, which is consistent with the experiential learning mechanisms outlined in the Uppsala framework.

5.4.3 Expected Answer to Case Question 3

3) *What role did networks, intermediaries and a local presence play in enabling sustained market development in both countries?*

Networks and intermediaries played a key role in RIKUTEC's initial market entry and subsequent development in both markets. However, the nature of their contribution differed in each market. In the US, for example, the distributor relationship provided RIKUTEC with its first access point to a geographically and institutionally distant market. From a network theory perspective, this partnership helped to reduce RIKUTEC's outsider status, allowing the company to benefit from the distributor's established customer connections and market knowledge. These interactions supported the experiential learning processes described in the Uppsala model, enabling RIKUTEC to deepen its understanding of customer requirements and industry expectations. Over time, however, the limitations of the distributor model became apparent, particularly regarding direct communication and technical problem solving. These constraints eventually prompted RIKUTEC to establish its own subsidiary, strengthening its position within the local network structure and enabling more responsive customer engagement. Due to the higher psychic distance and more complex institutional conditions, intermediaries played an even more critical role in South Korea. These intermediaries also acted as institutional bridges, assisting the firm in interpreting local norms, documentation practices, and regulatory expectations. Agents facilitated access to customers, translated documentation and quality requirements, and mediated technical conversations that would otherwise have been challenging due to linguistic and cultural differences. These functions supported RIKUTEC during the early stages of familiarising themselves with the local market. However, reliance on intermediaries introduced inefficiencies, as information passed indirectly between customers and headquarters, leading to delays in resolving technical queries and clarifying documentation. As demand for high-purity products increased, the limitations of the agent-based model became more apparent. In this context, the German AHK Korea provided crucial support in the establishment of RIKUTEC's subsidiary in Seoul by facilitating regulatory clarification and administrative procedures. The establishment of a subsidiary enabled RIKUTEC to overcome these limitations by creating direct relationships with customers, improving the accuracy of technical coordination, and developing a stronger local presence. This shift reduced the firm's outsider status within the Korean market network, representing a progression that is aligned with the experiential and capability-building mechanisms highlighted in the Uppsala framework.

5.5 Discussion and Answer to the Research Questions

5.5.1 Answer to Research Question 1

- 1. What impact do institutional and cultural differences have on the internationalisation process of technology-driven SMEs like RIKUTEC?*

Institutional and cultural differences influenced the speed, structure and learning processes involved in RIKUTEC's internationalisation. Comparing the US and South Korea illustrates how variations in psychological distance, regulatory expectations and communication norms shape the uncertainty that technology-driven SMEs face during expansion. In the US, the low institutional and cultural distance aligned well with the Uppsala model's incremental learning logic. Direct communication, transparent documentation requirements and the efficient resolution of technical issues reduced uncertainty, enabling RIKUTEC to quickly accumulate experiential knowledge. This enabled the firm to gradually increase its market commitment and eventually internalise key activities by establishing a subsidiary.

In South Korea, however, higher institutional and cultural distance created a more challenging learning environment. Language barriers, indirect communication patterns, and more demanding documentation standards slowed the acquisition of market knowledge, increasing reliance on agents. While intermediaries helped to navigate the institutional context, they also filtered information, causing delays in technical coordination. As customer demand grew and documentation became more complex, these constraints exposed capability gaps that RIKUTEC could not overcome remotely. Therefore, establishing a subsidiary became necessary to ensure accurate documentation, direct customer engagement, and more effective technical problem solving.

5.5.2 Answer to Research Question 2

- 2. How can SMEs develop organisational structures and capabilities that enable them to manage international operations across different markets?*

The case of RIKUTEC demonstrates how SMEs can develop international organisational structures and capabilities through a gradual, experience-based learning process influenced by market conditions. In the US, capability development followed the incremental logic described in the Uppsala model. Initially, RIKUTEC relied on a distributor, which enabled the company to gain knowledge about customer expectations, certification procedures, and documentation routines without establishing a permanent presence. However, as knowledge deepened, the

limitations of this arrangement became apparent, especially in terms of technical coordination and responsiveness. This prompted the firm to establish its own subsidiary, enabling direct customer interaction, faster problem solving, and more formalised internal documentation processes. These developments illustrate how SMEs build capabilities by progressively increasing their level of commitment and reorganising their structures in response to new requirements revealed through learning.

In South Korea, capability building evolved under more complex institutional conditions. Initially, higher psychic distance and demanding documentation standards required reliance on agents to bridge knowledge and communication gaps. While this arrangement supported early market entry, it also exposed capability deficits, particularly with regard to managing purity-related documentation and resolving technical issues across language and time zone barriers. As local demand intensified, RIKUTEK had to reconfigure its organisational structure by setting up a subsidiary to take on critical functions such as regulatory documentation, customer communication and on-site technical support. This shift reflects the dynamic capabilities perspective, whereby firms adapt and reconfigure their processes in response to evolving foreign market demands.

Overall, SMEs develop international capabilities through iterative learning, increased commitment, and structural adaptation. Transitioning from intermediary-based coordination to locally embedded subsidiaries enables firms to handle market-specific complexity and manage international operations sustainably.

5.5.3 Answer to Research Question 3

3. What role do networks and institutional partnerships play in supporting SMEs during their international expansion?

Networks and institutional partnerships are crucial in reducing uncertainty and enabling SMEs to access foreign markets. This is particularly important when entering institutionally distant environments. RIKUTEK's expansions demonstrates how external relationships can facilitate market entry, knowledge acquisition, and capability development. In the US, for example, initial cooperation with a distributor lowered entry barriers by granting access to established customer networks and local market knowledge. From a network theory perspective, this partnership helped RIKUTEK to reduce its outsider status and gain experiential knowledge of technical expectations, documentation requirements and industry standards early on. In addition, the firm was supported by external partners in meeting DOT regulatory requirements,

and applied research collaborations with universities helped address specific technical challenges. As the company accumulated knowledge and identified limitations in the distributor arrangement, internalising these network relationships by establishing a subsidiary enabled RIKUTEC to strengthen customer relationships and manage technical issues more efficiently. In South Korea, the role of networks was even more decisive due to the greater institutional distance. Agents provided essential relational access, translating local expectations and facilitating customer contact during the early stages of entry. These intermediaries helped RIKUTEC overcome linguistic barriers and understand administrative requirements. They also identified emerging demand for purity-sensitive products. However, reliance on intermediaries also resulted in delays and information asymmetries. Consequently, RIKUTEC established a subsidiary to take control of critical relationships and improve coordination accuracy. During the process of setting up the local subsidiary, institutional support from the AHK Korea was crucial in facilitating regulatory clarification and administrative procedures. This shift strengthened RIKUTEC's position within the local market network, reducing its reliance on intermediaries as it developed internal capabilities and a stable local presence. As well as serving the Korean market, the Seoul subsidiary supported RIKUTEC's engagement with customers in other Asian markets.

Overall, networks and institutional partnerships are crucial enablers during the initial stages of market entry, facilitating access, legitimacy and knowledge transfer. However, in order to support sustained international growth, SMEs must transition strategically from external networks to internalised structures over time.

6. Conclusion and Limitations

6.1 Conclusion and Summary of Key Findings

This study examined how institutional and cultural differences, organisational capability development and network relationships influence the internationalisation of technology-driven SMEs, using RIKUTEC as a case study. By analysing the company's expansion into the US and South Korea, the study shows that internationalisation is not a linear process, but rather an evolution involving context-dependent learning, incremental commitment and continuous organisational adaptation.

Comparing both markets highlights how institutional and cultural distance influence the speed and reliability of experiential learning. In the US, the low level of psychic distance enabled

faster knowledge accumulation and a gradual transition from a distributor-based entry mode to a wholly owned subsidiary, which is consistent with the Uppsala model. In contrast, the higher institutional complexity in South Korea increased uncertainty, slowed learning processes and necessitated temporary reliance on intermediaries prior to the establishment of a local subsidiary.

The findings also show that organisational capability development is closely linked to the extent to which a firm is involved internationally. As RIKUTEC grew, it progressively developed capabilities relating to documentation management, technical problem solving, regulatory compliance and relationship management. This process reflects dynamic capability development, with organisational structures adapting in response to market-specific demands. Finally, the study highlights the role of networks and intermediaries in facilitating initial market entry by providing access to customers and contextual knowledge. However, as RIKUTEC's commitment and internal capabilities increased, the strategic importance of intermediaries declined. This led to the internalisation of key activities and the establishment of a stable local presence. Overall, the findings confirm that institutional distance, capability-building processes and network positioning are interdependent mechanisms that shape SME internationalisation across different markets.

6.2 Limitations

As this research is based on a single case study of a family-owned, technology-driven SME, the findings cannot be generalised to other industries or organisational types. Although RIKUTEC is close to the upper boundary of the SME definition in terms of employee numbers, its family ownership and organisational structure make it a suitable case for examining SME internationalisation dynamics. While the case study offers valuable insights into internationalisation dynamics, the conclusions drawn are influenced by RIKUTEC's specific product characteristics, organisational structure and leadership context. The analysis also relies on retrospective accounts, which may introduce interpretive biases or incomplete recall. Furthermore, focusing on just two markets limits exploration of alternative internationalisation pathways that could emerge in different institutional environments. Therefore, while the findings offer conceptually transferable insights, they should be interpreted as analytically rather than statistically generalisable.

6.3 Suggestions for Future Research

Future research could build on this study by examining multiple SMEs across different industries and comparing how institutional distance shapes capability development on a larger scale. Comparative case studies of family-owned versus non-family-owned firms could clarify the extent to which ownership structure influences internationalisation decisions. Furthermore, long-term studies could investigate how SMEs maintain dynamic capabilities over time, particularly when entering highly regulated markets such as China. Finally, research into the role of digital communication tools in overcoming outsider disadvantages could provide valuable insights for SMEs lacking the resources to establish physical subsidiaries early on.

Appendix

Appendix 1: Coding Framework and Analytical Categories (Interview Data)

Level 1: Main Category	Level 2: Subcodes
1. Internal Factors	Technological capabilities; Product standardisation; Resource constraints; Specialist knowledge; Managerial skills; Organisational learning; Family-business culture
2. External Market Factors	Semiconductor industry structure; Chemical industry demand; Customer expectations; Qualification requirements; Competition; Market entry triggers
3. Institutional & Regulatory Environment	UN certification; DOT regulations (USA); China import approval; Country-specific import/export rules; Labour law (Korea); Incorporation requirements; Documentation & compliance
4. Internationalisation Path & Entry Modes	Export model; Local agents; Subsidiary setup; Market sequencing (USA → Asia); Gradual vs. proactive expansion; Location decision factors
5. Networks & Partnerships	AHK Korea; IPANA; TECHCET/CMC; Local machinery partner; HR/legal/accounting support; Universities & test labs; Customer co-development
6. Operational Processes & Adaptations	Forecasting for long lead times; Seafreight logistics; Warehouse relocation; Supplier change (AS→KTJ); Technical service setup; Export/import documentation; Digital systems (ERP, CRM, Teams)
7. Cultural & Linguistic Factors	Language barriers; English proficiency differences; High turnover (USA); Business etiquette differences; Cultural fit (Germany–Korea); Communication styles
8. Organisational Structure & Coordination	Subsidiary autonomy; Reporting routines; HQ integration; Local workforce structure; Centralisation vs. decentralisation; IT/system integration
9. Challenges & Barriers	Regulatory complexity; Limited resources; Cultural barriers; Import/export hurdles; ERP/CRM limitations; Supplier dependency; Time-zone issues; Long qualification cycles
10. Success Factors & Lessons Learned	Strong networks; Technical expertise; Proactive communication; Strategic location choice; Customer proximity; Stable partnerships; Standardisation (UN certification)
11. Future Trends & Strategic Outlook	Sustainability requirements; Stricter regulations; Semiconductor industry growth; Digitalisation needs; Potential new locations; Process harmonisation

Appendix 2: Excerpt from the Interview Coding Matrix

	A	B	C	D	E	F	G	H	I
	Interview Partner	Passage / Statement (Summary)	Level-1 Code	Level-2 Code	Interpretation / Comment	Theory Reference	Market	Related RQ	
1	Robin	Has been with RIKUTEC for 4 years; roles evolved from Business Development Manager to Head of Sales Germany.	Organisational Structures & Capabilities	Organisational learning	Shows internal knowledge accumulation and global sales exposure.	Dynamic Capabilities; RBV	Global	RQ2	
2	Robin	RIKUTEC's core business is blow-moulded plastic containers; especially high-purity chemical packaging for the semiconductor industry.	Organisational Structures & Capabilities	Technological & product capabilities	High-purity packaging is central to the Asia strategy.	RBV	Asia/global	RQ2	
3	Robin	His role has always been international, dealing with foreign key accounts and new customer projects.	Networks & Institutional Partnerships	Customer relationships	Early international exposure created experiential knowledge relevant for Asia entry.	Network Theory; Uppsala	Global	RQ3	
4	Robin	Worked 6 months in Korea to set up RIKUTEC Asia's sales & service office.	Organisational Structures & Capabilities	Subsidiary structure & coordination	Signals strategic shift from partner-based to own presence.	Dynamic Capabilities	Asia	RQ2	
5	Robin	Asia was always a target market due to semiconductor chemicals being produced mainly in Asia.	Institutional & Cultural Context	Market-related expectations	Explains demand-driven motivation for Asia expansion.	Institutional Theory	Asia	RQ1	
6	Robin	Existing Korean machinery partner historically supported machine and container sales.	Networks & Institutional Partnerships	Commercial partners	Long-term industrial relationships facilitated early Asia access.	Network Theory	Korea	RQ3	
7	Robin	Partner shifted focus, posing dependency risks; RIKUTEC decided to open own office in 2022.	Networks & Institutional Partnerships	Strategic partnerships	Shows structural vulnerability → triggered internalisation step.	Network Theory	Korea	RQ3	
8	Robin	Korea chosen because of familiarity, cultural fit, and central geographic location to Japan, Taiwan, China.	Institutional & Cultural Context	Cultural differences	Location choice grounded in cultural compatibility and logistics.	Cultural perspectives	Asia	RQ1	
9	Robin	The Korean office now serves entire Asia, while production stays in Germany.	Organisational Structures & Capabilities	Subsidiary structure	Centralised production + regional sales is RIKUTEC's model.	RBV; DC	Asia	RQ2	
10	Robin	Main Asian focus markets: Japan, Taiwan, Korea, China.	Institutional & Cultural Context	Market expectations	Clear segmentation based on semiconductor clusters.	Institutional Theory	Asia	RQ1	
11	Robin	Asia is culturally highly diverse; communication styles and English proficiency vary widely between countries.	Institutional & Cultural Context	Cultural differences	Cultural fragmentation in Asia creates additional coordination challenges.	Cultural perspectives	Asia	RQ1	
12	Robin	Language barriers frequently	Institutional &	Cultural	Language acts as a structural	Cultural perspectives	Asia	RQ1	

Appendix 3: Illustrative Product Example (Industrial Packaging Solution)



Source: RIKUTEC Group (retrieved from <https://www.rikutec.de/>)

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Ratingen, 05.01.2026

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