

# CALL FOR PAPERS

## Special Issue



## Digital Transformation and Internationalization of SMEs: Emerging Challenges, Opportunities, and Threats

The current digital transformation generates opportunities and challenges for all firms that want to stay competitive. This is especially true within international contexts (Kleindienst & Ramsauer, 2015) and for small and medium-sized enterprises (SMEs). Despite of their limited financial and human resources, SMEs have to change the way to create, capture, and deliver value in order to survive and grow in the international marketplace.

As the rapid development and increasing pervasiveness of new internet-based technologies results in highly dynamic and competitive business environments the digitalization has placed firm under an enormous pressure to adapt and to change (Turber, vom Brocke, & Gassmann, 2015). Technologies behind concepts such as internet of things, big data and analytics, robotics, and additive manufacturing are transforming the conditions under which and how firms create and deliver value-based transactions within local and foreign markets (Ojala, Evers, & Rialp, 2018).

The disruptive potential of digital technologies is strongly related to the fact that they increasingly become part of previously non-digital, hence, non-intelligent and non-communicating consumer

products, such as bikes, lights and household appliances. The extent to which basic characteristics of products and services change has dramatic implications on business models (El Sawy & Pereira, 2013; Yoo, Henfridsson & Lyytinen, 2010), (global) value chains (Strange & Zucchella, 2017; Dasi, Elter, Gooderham, & Pedersen, 2017; Porter & Heppelmann, 2015), and internationalization processes (Coviello, Kano, & Liesh, 2017; Autio & Zander, 2016; Brouthers, Geisser, & Rothlauf, 2016).

In the course of these changes, new innovative firms emerge that are able to anticipate the opportunities of combining digital and analog products and to develop new business model as well as new sophisticate configurations of value chains (Dazi, Elter, Gooderham, & Pedersen, 2017) and new modes of internationalization previously unknown (Coviello, Kano, & Liesh, 2017). Specifically, these new firms are changing the way of how economic value is created, captured, and delivered by replacing the traditional firm-centric with a network-centric view (Chan, 2015). They are also developing innovative value creation processes based on new layers such as object sensing and information gathering, information delivering, information processing, and application and smart services (Chen, 2013)<sup>1</sup> not considered before, but key in explaining the future of business growth.

Furthermore, digitalization has the potential to change the focal core of firms' business models from a product-dominant logic towards a service-dominant logic by altering value propositions, revenue mechanisms, value chains, value networks, competitive strategies, and target markets (Spieth & Schneider, 2016; Chan, 2015; Nippa & Reuer, in press). This becomes especially apparent in the case of SMEs that – fostered by digitalization – have begun to develop services around their products – most of them enabled by technologies – to gain a competitive advantage. As services and interactions are increasingly digitalized and modularized (McDermott, Mudambi, & Parente, 2013), and as digitalization permeates physical products, new business models, whether called disruptive or not, are emerging. This bears the opportunity for more sophisticated configurations of value chains (Porter & Heppelmann, 2015) and new modes of internationalization (Turber, Brocke, & Gassmann, 2015; Autio & Zander, 2016).

Previous research studies have shown, on the one hand, that the continuous development of digital technologies is disrupting traditional business models, removing established incumbents, and enforcing the reconfiguration of organizational structures (Dazi, Elter, Gooderham, & Pedersen, 2017; Brouthers, et al., 2016; Tripsas, 2009; Yoo, 2010; Yoo, Boland, Lyytinen, & Majchrzak, 2012). On the other hand, other research has shown that (a) the continuous development of digital industrial technologies is disrupting the existing configurations of value chains of firms (Caylar, Noterdaeme, & Naik, 2016; Porter & Happelmann, 2015) as well as (b) how the potential adoption of these technologies might disrupt existing configurations of location and control within global value chain (Strange & Zucchella, 2017). In addition, other studies have emphasized the influence of digitalization on the internationalization process of multinational business enterprises (Coviello, et al., 2017), international new ventures (Autio & Zander, 2016) and iBusiness firms (Brouthers, et al., 2016) as well as the relevance of location decisions in explaining the business growth of new technology-based firms (Onetti, Zucchella, Jones, & McDougall-Covin, 2012). However, there is ample evidence that many issues regarding the internationalization of SMEs in the digital age are yet to be addressed. In fact, although the more disruptive wave of digitally enabled business models started already in the mid-2000s, international business scholars have been rather reluctant to address this phenomenon. This comes as a surprise in the light of increasing anecdotal evidence that the digitalization is directly challenging and even undermining the current business models of firms with a clear impact on both (global) value chains and internationalization approaches, which are becoming increasingly complex, sophisticated, and uncertain.

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<sup>1</sup> For a discussion of the value processes layers, see Chan (2015).

The special issue seeks to address both theoretical and empirical implications of digitalization on business models, (global) value chain, and internationalization processes of SMEs. In the following, we list some (important) possible, though not exclusive, research questions:

- How will foreign entry mode choice or market management modes be affected by digitalization?
- In which way will digitalization change the organizational structure, the human resource management, and the culture of an SME and subsequently its internationalization processes?
- What are the dimensions characterizing business models of SMEs in the digital age?
- Will export based on internet sites and platforms that are accessible globally reduce the need to establish foreign service units and operations or does it depend on the business model?
- Will digitalization ease or impede the search for international business partners?
- To what extent will digitalization change the way foreign subsidiaries are staffed and managed?
- Will Internet of Things (IoT) and Industry 4.0 alter the way SMEs conduct business on an international level?
- How will SMEs cope with this challenge as they may suffer from a liability of smallness with this respect?
- Do SMEs have the financial resources to compete against multinational corporations as new electronic systems, software, and content has to be developed, adopted, and implemented?
- Are there international (or cultural) difference in digitalization of SMEs?
- Are smart and connected products reshaping the business functions of global value chains of SMEs?
- Are smart and connected products inspiring new governance and coordination mechanisms of global value chain of SMEs?
- Should knowledge (including big data & analytics) be increasingly internalized within SMEs, whilst operations are increasingly externalized?

## Deadlines

- Submission of full paper: 31 July 2019;
- Notification of acceptance/rejection/revision: 31 October 2019;
- Deadline to submit revised version: 31 January 2020;
- Notification of final acceptance: 31 March 2020.

The editors of Piccola Impresa/Small Business plan to publish in 2020 most likely in the second issue of the journal. All the submitted papers must be original, unpublished, and not under review in other journals. All submitted papers will be subject to a double-blind review process.

Full papers must be submitted through the online platform <http://rivistapiccolaimpresa.uniurb.it/>. The platform can be browsed also in English by using the button “selection language” on top right side of the home page. Authors will be first requested to fill in the section “Registrazione/registration”; then, they will need to click on “Nuova Proposta/New proposal” in the section “Cruscotto/Dashboard” to upload the files related to their submission.

All the papers must strictly adhere to the specific guidelines of the journal that can be found at: <http://rivistapiccolaimpresa.uniurb.it/index.php/piccola/about/submissions#authorGuidelines>. The guidelines can be also browsed in English by using the button “selection language” in top right side of the webpage.

## Guest Editors

Marjaana Gunkel	(esp. HRM/Cultural issues)	Free University of Bozen, Bozen, Italy
Michael Nippa	(esp. Alliances and Strategic issues)	Free University of Bozen, Bozen, Italy
Valerio Veglio <sup>2</sup>	(esp. Industry 4.0 and Internationalization)	Free University of Bozen, Bozen, Italy

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