## Resource Base Change and Development during the Internationalization Process

The Case of a Swedish

Fashion Firm

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This thesis examines the processes that define the change and development of a firm's resources and capabilities during the internationalization process. Prior research shows that a firm's resources and capabilities have an important impact on the internationalization process, either hindering or enabling it. Despite this, the processes that explain the development and change of firms' resource bases have been neglected in the extant research. There is still a lack of understanding of how firms' resource bases change and why such changes develop in a particular way during the internationalization process.

To study resource base changes and developments during internationalization, a longitudinal single case study was conducted. The empirical basis of the study is a firm in the Swedish fashion industry starting as they begin their growth and expansion process, wherein this particular firm is confronted with the need to deal, develop and change their resources and capabilities in response to internationalization.

The findings reveal that the development and change to firms' resource bases is a complex and multilayered process. This is because firms need to develop both managerial and organizational capabilities to enable the development of dynamic capabilities, which draw from the firms' managerial and organizational capabilities. Furthermore, the changes are embedded in firms' commitment to resource base change and development; development of knowledge via experience, search, grafting, and congenital learning; and the development of internationalization knowledge.

The study contributes to the internationalization process literature by incorporating the internal aspects related to change and development as firms internationalize. Also, this study explores dynamic capabilities by showing how firms build those capabilities as well as when dynamic capabilities are realized. The thesis shows that dynamic capability is the ability to synchronize the four processes, which are build, integrate, reconfigure, and leverage resources and capabilities. Synchronization involves the ability to be involved in all four processes while also being alert to the changes in firms' business networks.

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