



**Journal of World Business**

**A Special Issue on**

**Scale-ups and Scaling in an International Business Context**

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**Special Issue Overview**

Scaling is an important frontier of management research. In international business, so far, the concept of 'economies of scale' has been central to explaining international growth - in the context of both, the growth of companies as well as the expansion of projects and initiatives. Yet, understanding of the process, mechanisms and outcomes of scaling requires a more specific exploration and theorization.

Management scholars have begun to study how 'scale-ups' - firms with an annual growth of at least 20 percent in revenue or employees over a three-year period, with more than 10 employees at the beginning of this period (OECD, 2007), disrupt markets, manage their growth and become large global players (e.g. DeSantola & Gulati, 2017; Gulati & DeSantola, 2016; Monaghan & Tippmann, 2018; Sullivan, 2016). Having passed their initial start-up stage and settled on an offering, scale-ups seek fast growth (Duruflé, Hellman & Wilson, 2018; Autio, 2016). They do so by replicating their business model to achieve economies of scale and early market dominance. This scaling often occurs in international markets.

Scaling is also an important mechanism in established multinational corporations (MNCs). Many MNCs seek to accelerate entrepreneurial initiatives or innovative business models for global competition to capture fleeting opportunities at global scale (Tallman, Luo, & Buckley, 2018; Raisch & Tushman, 2016; Winter & Szulanski, 2001). Here, scaling focuses on replicating outcomes within established structures, templates and processes, typically across headquarters and subsidiaries or markets to maximize firm value creation and impact.

International scaling is also key to the success of for-profit, not-for-profit, or hybrid organizations (Ambos, Fuchs & Zimmermann, 2020) that seek to address society's grand challenges (George, Howard-Grenville, Joshi, & Tihany, 2016) by generating a substantial commercial, social and/or environmental impact (Chliova & Ringov, 2017).

Regardless of the context and focus of scaling, our theoretical and empirical insights are still nascent. Given the substantial cross-border activity or exposure of many scaling endeavors, there is an explicit international business dimension that warrants deeper exploration and theorization.

## **Aim**

The purpose of this special issue is to push forward this frontier on scaling and scale-ups within an international business context. The aim is to advance insights and theory on the cross-border nature of most scaling situations in both scale-ups that seek to establish international size and MNCs that seek to capture global opportunities quickly. The mission can relate to a commercial and/or social/environmental purpose.

## **Illustrative Topics**

We encourage conceptual, methodological and empirical contributions that address, but are not limited to, the following topics:

***Process of scaling in international markets.*** There is a wealth of research and interest on ‘born globals’ and ‘international new ventures’. This firm classification is based on young firm age and early internationalization, which is a phase where new ventures typically experiment to develop a viable offering and business model. In contrast, scale-ups concern firms that have completed this early phase of their organizational life and seek rapid growth. Rapid growth in scale-ups and the scaling up of businesses, projects and initiatives in established MNCs is a complex and dynamic process with unique challenges, which have not been fully explored in the international business literature.

- What are the process and conceptual similarities and differences between scaling and rapid growth, especially in an international business context?
- What determines readiness for international scaling? How can pre-mature scaling, and the associated risk of failure, be minimized?
- How can scale-ups manage the rapid transition to an international firm? What processes, practices and structures need to be developed to support international scaling and global scaling in young and established firms?
- What are the dynamics of scaling over time - with respect to internal processes and organization as well as competitive and cooperative strategy dynamics?

***International scalability, technology and business models.*** Technology, such as digital technologies, artificial intelligence, and 3D printing, offer affordances that enable rapid international growth (Monaghan, Tippmann, & Coviello, 2020; Banalieva & Dhanaraj, 2019; Ojala, Evers, & Rialp, 2018). In addition, certain business models are more conducive to scaling (Hennart, 2014; 2019).

- What are these business models? How innovative are those business models?
- What role does technology play?
- How can the cost efficiencies (e.g. economies of scale, marginal costs of adding customers/users) inherent to scaling be achieved quickly yet sustainably?
- What is the role of domestic scaling versus international scaling to build capacity quickly to deliver rapid growth?

***Enablers and constraints of scaling.*** International business has been concerned with rapid international growth. Yet, technology and the convergence of institutions over the last decades has enabled unprecedented pace of internationalization where economies of scale can be established quickly. While we are seeing a rapid development of technology, we also face limits of globalization (or even de-globalization) in the institutional environment.

- What are the antecedents/enablers of scaling? In which way are they similar or different from the ones of rapid international growth?
- What are the performance implications of scaling, such as accidental and intentional international scaling?
- What are the challenges and constraints to scaling? How can they be managed?

- What is the role of knowledge management and organizational learning in scaling?

**Dynamics in established MNCs.** Another manifestation of scaling in an international business context is in established international organizations that seek to maximize the impact of innovative outcomes by leveraging successful initiatives, innovations, practices, and/or business models across borders. Global initiatives have an impact beyond the focal MNC unit (Ambos, Andersson, & Birkinshaw, 2010; Birkinshaw, 1997), and scaling may be a means to enable this.

- To what extent does international scaling allow MNCs to capture new opportunities and/or fend off threats?
- Can scaling mechanisms be used to further explain corporate entrepreneurship and subsidiary initiatives in MNCs?
- How do MNCs scale new global business models in light of their established competences, activity systems and structures, yet pervasive differences across locations?
- What is the role of headquarters and subsidiaries in scaling?

**International/global and local ecosystems.** Spatial affordances are important for the growth and development of entrepreneurial ecosystems, which allow for greater scaling opportunities (Autio et al., 2018). Moreover, new forms of digital ecosystems, whereby the modularity and multifaceted components allow for innovation, value creation and capture (Nambisan, Zahra & Zuo, 2019), offer scaling opportunities.

- What are the roles of local, regional and global as well as digital ecosystems in scaling, especially for platform businesses?
- Which activities are performed inside or outside the firm? What is the role of stakeholders in international markets in scaling?
- What is the role of international connectivity for scaling?
- Are insights from business transferable to other types of organizations, such as NGOs, inter-governmental organizations, or social enterprise (or vice versa)?

We look forward to your submissions that address the important issue of scale-ups and scaling in the context of international business.

### **Submission Process**

The submission deadline is **May 31, 2021**.

Between May 15 and May 31, 2021, authors should submit their manuscripts online via the *Journal of World Business* submission system. To ensure that all manuscripts are correctly identified for consideration for this Special Issue, it is important that authors select ‘VSI: Scaling’ when they reach the “Article Type” step in the submission process. Manuscripts should be prepared in accordance with the *Journal of World Business* Guide for Authors available [here](#). All submitted manuscripts will be subject to the *Journal of World Business*’s double-blind review process.

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