De-internationalisation, Re-internationalisation and Business Model Innovation: Exploring the Intersection

Jesper C. Sort¹, Romeo V. Turcan² and Yariv Taran³

Abstract:
This article explores firms’ de-internationalisation and re-internationalisation through the lens of business model innovation. The purpose is to uncover the potential of business model innovation to enrich firms’ understanding of the reasons behind de-internationalisation and inspire their endeavour to re-internationalise. This article contributes to the research of this intersection. It supports practitioners in enhancing their decision-making by applying business model innovation lenses to their international business activities. Finally, it suggests and encourages further research of this scarcely researched intersection.

Introduction
Volutility, uncertainty, complexity, and ambiguity (VUCA) permeate today’s hyper-competitive world (Massa 2023; Taran, 2023) - and are here to stay. Managing firms in the VUCA world has never been more challenging (Economist, 2021), especially considering recent global crises and pandemics (Aagaard & Nielsen, 2021). The VUCA setting and the hyper-competitive world dramatically affect internationalising firms’ cross-border capacities and operating business patterns (Petersen & Welch, 2003; Welch & Luostarinen, 1988). Internationalising firms experience rapid expansions into international markets and equally fast and abrupt withdrawal or de-internationalization from their international markets or business operations; some even contemplate re-internationalise. Under such circumstances, firms’ cross-border capacities and

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respective operating business patterns shall be continuously revised and adapted. This is expected to be one of the major challenges for achieving successful business model innovation (BMI) in the future (Nielsen, 2023). We maintain that BMI is important in internationalisation processes. Internationalisation, de-internationalisation, and re-internationalisation are all types of firms’ cross-border or international business activities (Turcan, 2003; 2006). In our article, we adopt this view and apply it to our analysis of how business model configuration can help enhance our understanding of why and how firms de- and re-internationalise.

However, the research on the intersection of firms’ international business (internationalisation, de-internationalisation and re-internationalisation) activities and business model innovation is still in its infancy (Nielsen et al., 2021; Sort et al., 2021). This article aims to shed some light on this intersection by enhancing the current theoretical and practical understanding of firms’ de-internationalisation and re-internationalisation through the lenses of BMI and setting an agenda for future research. Initially, BMI and a typology of de-internationalisation are introduced before a discussion of reasons for de-internationalisation (e.g., Bernini et al., 2016; Berry, 2013; Dachs et al., 2019; Konara & Ganotakis, 2020; Mohr et al., 2018) is presented. In the following section, the BMI logic is applied to this process in investigating how firms can re-start their international growth and cross-border activities through various re-internationalisation strategic postures (e.g., Bernini et al., 2016; Chen et al., 2019; Javalgi et al., 2011; Surdu et al., 2019; Welch & Welch, 2009) that are enabled by a BMI logic. Or how BMI can be an essential part of firms’ understanding and ability to succeed in their de- and re-internationalisation efforts.

Business Model Innovation

Historically, the fundamental concepts of innovation have been focused on product, process, and organisational innovation (Keeley et al., 2013). Only recently has BMI emerged as an equally robust framework for understanding product, process, and organisational innovation (Massa and Tucci, 2013), although it has been identified as a space of relatively high-value creation (Nielsen, 2017). BMI has the potential to be a game changer in the competitive landscape (Massa and Tucci, 2013 and could have a higher impact than traditional product, process, or organisational innovation (Keeley et al., 2013) since the empirical reality has shown how BMI can disrupt organisations and industries (Hwang & Christensen, 2008; Vest et al., 2017). Furthermore, BMI is a pivotal component in building new capabilities in an organisation (Foss, 2023) and connection with business development, BMI has been shown to improve firms’ decision-making and strategic choices (Ricart, 2023).

Today, BMI is a significant competitive advantage and cause of future benefits (Massa & Tucci, 2013; Taran et al., 2022). It has also started to spur interest in international business and how firms could use BMI as a model or pattern for the global success of the firm (Garcia-Álvarez & Ramirez-Garcia, 2019; Guercini and Milanesi, 2017; Rask, 2014). Most BMI studies focus on success stories in gaining significant firm growth in existing and new markets. The BMI Research on firms’ decisions to de-internationalise, willingly or forcefully, partly or wholly, is scarce, and the BMI research on firms’ re-internationalisation is non-existent.

De-Internationalisation

“Our single-minded concentration on internationalisation ignores a key fact of reality, that firms also ‘de-internationalise’ frequently” (Devinney et al., 2013, p. 81). Indeed, compared to internationalisation, de-internationalisation is a less researched and understood phenomenon, while most scholars virtually ignore re-internationalisation. Nonetheless, there is some interest in de-internationalisation and re-internationalisation of the firm (e.g., Kafouros et al., 2021), modes and reasons for de-internationalisation, such as de-exporting, de-franchising, de-investment and back-shoring (e.g., Bernini et al., 2016; Berry, 2013; Dachs et al., 2019; Fraser, 2001a; Konara & Ganotakis, 2020; Mohr et al., 2018; 2020;Soule et al., 2014; Tang et al., 2021; Turcan, 2006) and re-internationalisation (e.g., Bernini et al., 2016; Chen et al., 2019; Javalgi et al., 2011; Surdu et al., 2019; Welch & Welch, 2009).
The idea for the de-internationalisation of firms was introduced by Welch and Luostarinen (1988), who argued that there was no inevitability about the continuance of the internationalisation process. The first attempt to define de-internationalisation was made by Benito and Welch (1997, p. 9) as “any voluntary or forced actions that reduce a company’s engagement in or exposure to current cross-border activities”. This definition poses several challenges. Indeed, a firm’s engagement in or exposure to international or cross-border activities may be reduced due to de-internationalisation. However, de-internationalisation may also lead to an increase in the firm’s concentration in or exposure to cross-border activities (e.g., Turcan, 2006; Chen et al., 2019), eventually contributing to an increase in the firm’s overall growth. Such expectations from de-internationalisation activities that (may) diminish a firm’s engagement in or exposure to cross-border activities imply that de-internationalisation is a harmful and undesirable phenomenon (Benito & Welch, 1997) and perceived as a failure, as opposed to internationalisation that is seen as growth. These (perceived) negative properties of de-internationalisation make it undesirable or inconvenient to research, producing sample selection bias when only successful firms are analysed (Turcan, 2006; Turcan et al., 2010). The latter approach, unfortunately, dominates current research.

Why Firms de-Internationalise

Before we discuss why firms de-internationalise, we will focus briefly on ‘context’ and ‘modes’ of de-internationalisation. To understand the context within which firms de-internationalise (and eventually re-internationalise) and, hence, the motives, it is pivotal to clarify what we mean by it. This article defines context as “situational opportunities and constraints that affect the occurrence and meaning of organisational behaviour as well as functional relationships between variables” (Johns, 2006, p. 386). Within this defined scope of context, we view de-internationalisation (and re-internationalisation) as dependent on the firm’s context-tailored organisational gestalt that consists of mutually supportive organisational system elements combined with appropriate resources and behavioural patterns (Covin & Slevin, 1997) and dominant logic: a way in which decision makers conceptualise their business and make critical resource allocation decisions (Prahalad & Bettis, 1986). Once established and pursued, a firm’s context-tailored organisational gestalt and dominant logic can act as a trap (Chesbrough, 2003) or blinder (Prahalad, 2004), preventing the firm from changing and unlearning its internationalisation organisational gestalt and dominant logic and eventually to de-internationalise.

Understanding how firms de-internationalise further contributes to our understanding of why firms de-internationalise. This relation comes to the fore, especially when we take into account the inverse relationship between (i) de-internationalisation and internationalisation (Benito & Welch, 1997) and (ii) agility and entrapment (Turcan, 2013). In discussing de-internationalisation modes, we draw on Benito et al.’s (2009, p.1458) definition of foreign operations modes as “the organisational arrangements that a company uses to conduct international business activities.” We also build on Turcan (2013) and Casson (1986), who conceptualise de-internationalisation as a turning point and error-correction mechanism, respectively. Intersecting international business and business model literature, we extend Turcan’s (2006, p. 33) framework of modes of de-internationalisation (Figure 1). Firms that partly withdraw from a foreign market can optimise (i) their operations in that market, (ii) the number of their foreign markets, and (iii) their entry modes, switching to the ones that entail a lesser risk, cost, and commitment. A firm may optimise its operations in a foreign market through new value offerings, ways and forms of organising, or social capital (Mellahi, 2003; Palmer & Quinn, 2007; Pauwels & Mathyseens, 1999; Turcan, 2006; Turner & Gardiner, 2007). It is also essential to distinguish between the de-internationalisation of ownership and the de-internationalisation of control (e.g., Casson, 1986). Firms may optimise their foreign markets by back-shoring and re-shoring (Bals et al., 2015; Dachs et al., 2019; UNCTAD, 2013).

As to the exit modes, a firm may decide to de-invest, de-franchise, or de-export. De-investment
can be achieved through franchising, contracting out, selling-out, leverage buy-out, spin-off, or asset swap (Berry, 2013; Konara & Ganotakis, 2020; Coyne & Wright, 1986; Mohr et al., 2018; Soule et al., 2014; Turcan, 2006). From franchising (or licensing), a firm may switch, for example, to exporting (Fraser, 2001b) and from exporting to importing, licensing-in, and R&D contracting (Bernini et al., 2016; Chen et al., 2019; Crick, 2004; Jones, 1999; Pauwels & Mathyseens, 1999), in-direct exporting and trade in value-added (OECD, 2018). Considering what Benito et al. (2009) call mode package and mode package change are also pivotal. For example, Benito et al. (2009) use the word “de-emphasise” (p.1461) when discussing changes from a joint venture to licensing and exporting. These authors also advance the concept of mode dynamics to emphasise that the modes “evolve in response to foreign market involvement and developments over time, displaying the characteristics of evolutionary dynamics” (Benito et al., 2009, p. 1464).

International business literature distinguishes between external and internal factors that drive firms to de-internationalise (Benito & Welch, 1997; Tang et al., 2021; Welch & Welch, 2009). A recent thematic review of 218 de-internationalisation articles by Tang et al. (2021) offers a glance at these drivers. For this article, to illustrate how de-internationalisation can be linked to re-internationalisation via business model configuration logic, we randomly selected recent (from 2000) empirical papers from the Tang et al. (2021) list of articles to identify internal and external drivers of de-internationalisation; the selected papers are presented in Table 1.

The review by Tang et al. (2021) emphasises macro, micro and cultural factors as external drivers. According to our brief survey, the following external factors emerged that drive de-internationalisation: changes in national legal and normative environments, e.g., exchange rates, tariffs, inflation, and ownership structures; cultural differences and physical distance; maturity of the offer in the target market; increased attractiveness of the home or close to home markets; increased production and transportation costs; quality and availability of labour; and collaboration constraints with and low quality...
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<thead>
<tr>
<th>Table 1.</th>
<th>De-internationalisation drivers</th>
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<tr>
<td><strong>Internal drivers</strong></td>
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<tr>
<td>Change of ownership</td>
<td>Kim et al, 2019; Mohr et al., 2018</td>
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<tr>
<td>Decreased quality/profitability of the offer</td>
<td>Grappi et al, 2018; Tan and Sousa, 2018</td>
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<tr>
<td>Intangible assets (both quality and quantity)</td>
<td>Delios and Beamish, 2001</td>
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<td>Lack of innovation</td>
<td>Sui and Baum, 2014</td>
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<td>Lack of international experience</td>
<td>Mohr et al, 2018</td>
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<tr>
<td>Lack of technological/technical capabilities</td>
<td>Giarratana and Torrisi, 2010</td>
</tr>
<tr>
<td>New, more efficient production/technology</td>
<td>Shaver and Flyer, 2000; Sui and Baum, 2014</td>
</tr>
<tr>
<td>Under performing subsidiaries</td>
<td>Tan and Sousa, 2018</td>
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<tr>
<td><strong>External drivers</strong></td>
<td></td>
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<tr>
<td>Changes in national legal and normative environments (exchange rates, tariffs, inflation, ownership structures)</td>
<td>Berry, 2013; Dhanaraj and Beamish, 2004; Fernandez-Mendez et al., 2019; Gaur and Lu, 2007; Hen-nart and Zeng, 2002; Jiang et al., 2015; Zschoche, 2016</td>
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<tr>
<td>Collaboration constraints (OEMs, VCs)</td>
<td>Kim and Kim, 2018; Turcan, 2006</td>
</tr>
<tr>
<td>Cultural difference/ physical distance</td>
<td>Malik and Zhao, 2013; Tjemkes et al., 2012</td>
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<tr>
<td>Increased attractiveness of the home market</td>
<td>Depecik et al, 2014</td>
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<tr>
<td>Increased production and transportation costs</td>
<td>Pal et al., 2018</td>
</tr>
<tr>
<td>Lack/poor performance of suppliers and/or distributors</td>
<td>Shaver and Flyer, 2000</td>
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<tr>
<td>Maturity of the product in the target market</td>
<td>Turcan, 2006</td>
</tr>
<tr>
<td>Quality and availability of labour</td>
<td>Sui and Baum, 2014; Zschohe, 2016</td>
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</table>
or performance of value chain partners, e.g., OEMs, VCs, suppliers, and distributors. It has to be noted that Tang et al’s (2021) review included the ‘quality of partners’ as an internal driver for de-internationalisation. We, instead, consider the ‘quality of partners’ as an external factor.

Regarding **internal drivers**, the review by Tang et al. (2021) identifies the speed of internationalisation, product diversification, corporate governance and ownership, and poor subsidiary performance that drive firms to de-internationalise. A few additional internal drivers emerged as a result of our survey. These are decreased offer quality, lack of international experience, and lack of technological and technical capabilities. Innovation also emerged as an internal driver but as a double-edged sword. On one side, lack of innovation has been identified as an internal factor to de-internationalise; on the other, innovation resulting in more efficient production and technology is also seen as a de-internationalisation driver.

How firms learn and utilise their prior de-internationalisation experience and related knowledge to consider new re-internationalisation postures remains an unexplored area (Bernini et al., 2016) but is a critical question to address. Dachs and Zanker (2014), for example, found similarities between internationalisation and de-internationalisation motives related to quality, flexibility, capacity utilisation, transportation and coordination costs, lack of infrastructure, labour cost and its quality; lack of know-how and vicinity to R&D. Yet, here too, understanding the relationship between internationalisation and de-internationalisation drivers still awaits further exploration and validation. The intersection of the two is mainly unexplored research and practice areas: (i) internationalisation and de-internationalisation drivers, and (ii) de-internationalisation and re-internationalisation reasons and possible solutions. To start bridging this second research gap, in linking de-internationalisation reasons with possible re-internationalisation solutions, we build on the business model research to assist researchers in understanding how firms may innovate and renew their existing businesses by designing entirely new business models or by re-configuring the existing structures (Massa & Tucci, 2013; Osiyevskyy & DeWald, 2015).

### A business model perspective on de-internationalisation and re-internationalisation

Re-internationalisation of the firm will depend at least on three key factors: 1) the firm’s experience and learning from its de-internationalisation, 2) the nature of new (international) business opportunities, and 3) its readiness (incl., cross-border capacities and operating business patterns) to act on these new opportunities. To re-internationalise, firms may pursue the following distinctive paths:

- **Imitate previous internationalisation** (incl., organisational gestalt and dominant logic), assuming that respective ‘contexts’ have changed.
- **Imitate previous internationalisation** (incl., organisational gestalt and dominant logic), assuming that respective ‘contexts’ have not changed (e.g., ’spooked,’ a firm may commit too early to de-internationalisation – error of commission – and realising this error, decides to re-internationalise, imitating previous internationalisation attempts assuming the context has not changed).
- **Partially imitate previous internationalisation**, adding new (or modifying existing) forms and ways of organising, including new organisational gestalt and dominant logic.
- **Design an entirely new organisational gestalt and dominant logic** previously unknown to or untried by the firm.

From the business model perspective, these paths could be conceptualised as “business model reconfiguration” (Massa & Tucci, 2013) and ways of innovation through imitation (Foss & Saebi, 2017). To understand how to reconfigure a business model, it is pivotal to understand first how it is theorised. Over the past decade, a growing interest has been in identifying successful business model process configurations (or patterns) across different industries. Identifying these configurations suggests that decision-makers prefer to have business model process “recipes” that could be generalised to develop
successful businesses (Pateli & Giaglis, 2004). These recipes, or ideal types, aim to describe the behaviour of firms with specific process characteristics operating in the real world, providing managers, practitioners, and academics with ‘formulas’ that have already been tried and tested in practice (Fielt, 2014; Taran et al. 2016, 2021).

Osterwalder and Pigneur (2010), (see also Gassmann et al., 2014) introduced four value categories to aid the analysis of business models. These are value offer, what the firm is offering; to whom the firm creates value, who are the customers and how the value offer is delivered to them; value infrastructure, how the firm is structured in “building” the value offer; profit formula, how the firm creates more revenue than expenses. For this article, we will use a recent framework put forward by Taran et al. (2016; 2021), who define and conceptualise five value areas, or five Vs, to analyse a business model (Figure 2): Value Proposition; Value Segment; Value Configuration; Value Network; and Value Capture.

Note: We categorised business model configurations using scale model terminology extensively used in the existing business model literature (e.g., Johnson, 2010; Gassmann et al., 2014). We have chosen configurations from the list of 71 configurations provided by Taran et al. (2016) (compared to Gassmann et al. (2014), who operate with 55 configurations) based on the reasons for de-internationalisation shown in Table 1.

Figure 2: Five-V business model reconfiguration framework
Value proposition: a firm’s offer of products and services that satisfy customers’ needs and that customers are willing to pay for (Chesbrough & Rosenbloom, 2002; Osterwalder & Pigneur, 2010). An example of such a value proposition is ‘no frills’ (Figure 2), where a firm will attempt to offer a lower price or service than traditional offerings, which could relate to the BMC of Ryanair.

Value segment: It is a customer segment (or segments) a firm aims to serve and how it intends to establish customer relationships (Chesbrough & Rosenbloom, 2002). In Figure 2, ‘round up buyers’ exemplifies this value, where buyers are ‘rounded up’ to gain purchase discounts and thereby attractive prices; this example can be found in the BMC of Costco.

Value configuration: It is a mix of critical resources which enable the firm’s key activities that create, produce, and deliver the value proposition effectively to the target value segment(s) (e.g., Chesbrough and Rosenbloom, 2002; Stähler, 2002), and the cost structure needed to make the business model work. ‘External sales force’ is an example (Figure 2), where a firm will use direct sales through an external sales force to enhance its sales, as seen in the BMC of Tupperware and Vorwerk.

Value network: It is a network of partners who engage in different types of cooperation with the firm to achieve economies of scale or scope, risk reduction, and tap into new knowledge or resources (e.g., Chesbrough and Rosenbloom, 2002; Hamel, 2000; Osterwalder & Pigneur, 2010). ‘Franchising’ (Figure 2) is where the owner will license their product and service to a dealer (franchisee). Examples of this BMC can be found in McDonald’s and Starbucks.

Value Capture: How and how much the customers pay for the products/services delivered (Baden-Fuller & Haefliger, 2013; Baden-Fuller & Morgan, 2010; Chesbrough & Rosenbloom, 2002; Osterwalder & Pigneur, 2010). In Figure 2, ‘Freemium’ illustrates ‘value capture,’ where customers are offered the primary offering for free but pay for more features. Such ‘Freemium’ value capture can be found in the BMC of Skype, LinkedIn, and Youtube.

It is important to note that the list of business model configurations in Figure 2 is inspirational and not a complete list of all possible solutions. Still, it aims to inspire how the value areas are understood and how business model configurations work. At the same time, value areas and their configurations can inspire researchers and practitioners to understand how de-internationalisation can be linked to re-internationalisation via the value areas and BM configurations; Table 2 illustrates this relationship (Table 2).

Understanding and learning from their de-internationalisation contexts, including de-internationalisation reasons (the left side of Table 2), firms can employ the value areas (the middle of Table 2) to reconfigure their business models and eventually re-internationalise (the right side of Table 2). For our article, on the left side of Table 2, we present the reasons for de-internationalisation derived from Table 1, with internal drivers highlighted in italics. On the right side of Table 2, an inspiration list of business model configurations is proposed. Firms can employ that to understand how de-internationalisation reasons could inform firms’ re-internationalisation decisions; value areas mediate this process (Taran et al., 2016). For illustration, we will use one internal reason, ‘decreased quality/profitability of the offer,’ and one external reason, ‘changes in national legal and normative environments (exchange rates, tariffs, inflation, ownership structures),’ to exemplify how the understanding of these reasons could inform re-internationalisation decision being mediated by the business model configuration value areas.

BMC application to internal de-internationalisation reasons and re-internationalisation solutions
When a firm is concerned with ‘decreased quality/profitability of the offer’ about its ‘value proposition,’ the root of this concern could be linked directly to the firm’s offer, e.g., ‘too expensive,’ ‘diminishing sales’ and ‘decreasing profitability.’ A BMC could be for a firm to consider a ‘no-frills’ configuration to deliver a low(er)-cost version of the offer yet maintain the relevance of the value of the core product and service. If ‘decreased quality/profitability of the offer’ is related to the ‘value segment,’ then the
Table 2

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<tr>
<th>Reasons to de-internationalise, Business model configuration</th>
<th>Re-internationalisation business model configurations</th>
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<tbody>
<tr>
<td>Decreased quality/profitability of the offer</td>
<td>Value Proposition</td>
</tr>
<tr>
<td>Increased attractiveness of the home market</td>
<td>Cool brands: Use a high-end brand marketing for offerings, either singly or with expert partners.</td>
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<tr>
<td>Maturity of the product in the target market</td>
<td>Crowdsourcing: Attain services/ideas from external actors (e.g. online communities), who add information, and thereby create value for one another.</td>
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<tr>
<td>Changes in national legal and normative environments (exchange rates, tariffs, inflation, ownership structures)</td>
<td>Full-service provider: Offer complete coverage of services in one area.</td>
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<td></td>
<td>No frills: Offer &quot;low-cost&quot;, low priced, service/product in a traditionally high-end offering industry.</td>
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<td>Price reduction bundling: Package deal lower the price sum of the single products/services.</td>
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<td>Quality selling: High quality products sold for premium prices (mostly R&amp;D based).</td>
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<td>Trusted product/service leadership: Secure sustainable customer relationships through a continuous upgrade platform path.</td>
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<td>User design: The customers design their own creative products.</td>
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<td>Value added reseller: Offering a complete selection in a focus products category for attractive prices.</td>
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<td></td>
<td>Value bundling: Offer a package of goods/services to form a single unique offering.</td>
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<tr>
<th>Decreased quality/profitability of the offer</th>
<th>Value Segment</th>
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<tr>
<td>Increased attractiveness of the home market</td>
<td>Customer focused: Pull from demand - focus on customer needs.</td>
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<tr>
<td>Cultural difference/ physical distance</td>
<td>Multi-sided platforms: Facilitating interactions between two or more distinct but interdependent groups of customers.</td>
</tr>
<tr>
<td>Changes in national legal and normative environments (exchange rates, tariffs, inflation, ownership structures)</td>
<td>Robin Hood: Similar offerings are being sold at high prices to high-income customers, but at lower prices to low-income customers.</td>
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<td></td>
<td>Round up buyers: Purchase discounts and attractive prices are gained by rounding up buyers together.</td>
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<td>Target the poor: The offering targets the customer positioned at the base of the pyramid.</td>
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Table 2 (Continued)

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<th>Reasons to de-internationalise, Business model configuration</th>
<th>Re-internationalisation business model configurations</th>
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<tbody>
<tr>
<td><strong>Intangible assets (both quality and quantity)</strong></td>
<td>Value configuration</td>
</tr>
<tr>
<td>Change of ownership</td>
<td>(e)Procurement: Tendering procurement of goods/services.</td>
</tr>
<tr>
<td>Decreased quality/profitability of the offer</td>
<td>Channel maximization: Multiple channels are used for product distribution to maximize the broadest reach possible.</td>
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<tr>
<td>Lack of innovation</td>
<td>Core focused: Focus on very core competencies of the firm and outsource all other activities.</td>
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<tr>
<td>Lack of international experience</td>
<td>Disintermediation: Deliver a product/service directly to the end customer.</td>
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<tr>
<td>Lack of technological/technical capabilities</td>
<td>External sales force: Aggressive external sales force motivated by e.g. pyramid commission structures.</td>
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<tr>
<td>New, more efficient production/technology</td>
<td>Integrator: Controlling all resources/capabilities needed to create value within a given value chain.</td>
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<tr>
<td>Under performing subsidiaries</td>
<td>Reverse innovation: Cheap products created within and for emerging markets are also repackaged and resold in developed nations.</td>
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<tr>
<td>Cultural difference/physical distance</td>
<td>Self-service: Customers gain lower prices by performing some value creation process tasks on their own.</td>
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<td>Increased production and transportation costs</td>
<td>Trade show: Outsource some value chain functions to a 3rd party with a well-known brand name.</td>
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<tr>
<td>Lack/poor performance of suppliers and/or distributors</td>
<td>Trash to cash: Used products/materials are reused/re-cycled and sold as new offering (sustainability related).</td>
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<tr>
<td>Quality and availability of labor</td>
<td>Branded reliable commodity: Well-designed brand marketing.</td>
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<tr>
<td>Changes in national legal and normative environments (exchange rates, tariffs, inflation, ownership structures)</td>
<td>White label: An offering created by one firm is (re)packaged and sold by multiple marketers under varying brands.</td>
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<tr>
<th>New, more efficient production/technology</th>
<th>Value Network</th>
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<tr>
<td>Decreased quality/profitability of the offer</td>
<td>Adaptive: Create a technology-based &quot;ecosystem&quot; platform for innovations, and benefit from the investments of others on that platform.</td>
</tr>
<tr>
<td>Collaboration constraints (OEMs, VCs)</td>
<td>Barter: Exchange of offerings are with no money transfer among partners, due to a mutual benefit from bartering.</td>
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<tr>
<td>Cultural difference/physical distance</td>
<td>Crowd funding: Financing of ideas are generated from the public.</td>
</tr>
<tr>
<td>Lack/poor performance of suppliers and distributors</td>
<td>Franchising: Being part of a big chain/brand.</td>
</tr>
<tr>
<td>Quality and availability of labor in national legal and normative environments (exchange rates, tariffs, inflation, ownership structures)</td>
<td>Inside-out: Sell or license out unused homegrown IPs.</td>
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<td></td>
<td>Integrated: The firm operates as a system integrator, by utilizing external sources to fuel the business, and allows unused ideas and technologies to flow to the outside.</td>
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<td></td>
<td>Outside-in: Gather value (e.g. IP; information) from external innovation partners and/or other communities.</td>
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firm aims to focus on how better to understand its customer base and mitigate the risks associated with its targeting. This could be achieved through a ‘customer-focused’ configuration, where the firm focuses more on customer pull and needs than push and wholesale. When the firm infrastructure is one of the main reasons for de-internationalisation, the decision-maker may look into ‘value configuration’ and get inspiration from ‘self-service’ BMC, where customers pay lower prices for the offer by performing several offer-related tasks themselves, contributing eventually to firm’s profitability. If a firm’s social capital is a reason for ‘decreased quality/profitability of the offer,’ leading to de-internationalisation, then through ‘value configuration,’ decision-makers may pursue ‘franchising,’ where the seller gets higher stakes and an incentive to perform better. ‘Decreased quality/profitability of the offer’ could be due to the payment model of the offer. In this case, through ‘value capture,’ the firm may explore the ‘subscription club’ configuration, where the customers are charged a monthly fee for the offer rather than a full advance payment. These are just a few instances that exemplify how firm aims to focus on how better to understand its customer base and mitigate the risks associated with its targeting. This could be achieved through a ‘customer-focused’ configuration, where the firm focuses more on customer pull and needs than push and wholesale. When the firm infrastructure is one of the main reasons for de-internationalisation, the decision-maker may look into ‘value configuration’ and get inspiration from ‘self-service’ BMC, where customers pay lower prices for the offer by performing several offer-related tasks themselves, contributing eventually to firm’s profitability. If a
an internal de-internationalisation reason, such as ‘decreased quality/profitability of the offer,’ could be understood and mitigated by business model configuration value areas to inform decision-makers on their re-internationalisation business model configuration opportunities.

**BMC application to external de-internationalisation reasons and re-internationalisation solutions**

When ‘changes in national legal and normative environments’, such as higher taxes and tariffs, cause a firm to de-internationalise, the mitigating value area to turn to is ‘value proposition.’ Decision-makers could consider a ‘value bundling’ configuration to mitigate these threats. Instead of selling single items, they could focus on selling a package of goods/services as a single offer. When incentives, structures, and penalties toward social dimension are one of the reasons to de-internationalise, ‘value segment’ would direct a decision-maker to a ‘Robin Hood’ configuration, where the firm will sell the same offer to high-income customers at higher prices and low-income customers at lower prices. Suppose higher tariffs affect various links and parts of the value chain, leading to de-internationalisation. In that case, the firm could assess its ‘value configuration’ and opt for a ‘disintermediation’ configuration to remove a link or links in the value chain and sell directly to the end customers. The firm could also appraise its ‘value network’ and look for configurations that would assist its partners in their growth through ‘inside-out’ configuration, e.g., where the firm would sell or license unused homegrown IPs. If ‘changes in national legal and normative environments’ affect the ownership of the product or service held by the customers of the firm, decision-makers could look into the ‘value capture’ and pursue a ‘fractionalisation’ configuration, where customers would only own part of the product or service, yet still enjoy the benefits of co-ownership. These are just a handful of examples of how decision-makers could use their understanding of external de-internationalisation reasons to employ business configuration value areas to assess the opportunities for re-internationalisation of the firm.

**Implications**

**Contribution to Theory and Practice**

This article explored how BMI could enrich firms' understanding of the reasons behind de-internationalisation and inspire their endeavour to re-internationalise. This was achieved by developing a business model perspective on de- and re-internationalisation framework to aid practitioners in how BMI can be employed to make sense of de-internationalisation and support the re-internationalisation of the firm. It focuses on the relationship between the reasons for de-internationalisation (Table 1) and the avenues of re-internationalisation. This relationship is mediated by business model configuration (Figure 2). The conceptualisation of this relationship resulted in a framework (Table 2) that conjectures how business model configuration ‘value areas’ could help understand and analyse de-internationalisation reasons and inform decisions regarding re-internationalisation business model configurations (Chesbrough, 2006; Gassmann et al., 2014; Johnson, 2010; Linder & Cantrell, 2000; Osterwalder & Pigneur, 2010; Taran et al., 2016; Timmers, 1998). The emergent framework helps address at least the following questions:

- To what extent are firms’ decision-makers familiar with the reasons for de-internationalisation and the business model configurations available to them?
- If they are, then to what extent can they experiment with new business model configurations’ opportunities to enable re-internationalisation?

The answers to these questions would allow decision-makers to avoid being trapped in their dominant logic. This emergent framework inspires and helps them to open the blinders of a dominant logic and thus avoid prospects of failure, or at least minimise such scenarios being enriched by the BMI logic and inspiration from our emergent framework.

This framework shows how international business and business model innovation can be combined to stay competitive in a VUCA world. For example,
it could be employed to analyse not only why firms choose to de-internationalise (e.g., Table 1) but also, through business model configuration ‘value areas’, design a new path to re-internationalise by looking into the how (i.e., value configurations), who (i.e., value network), what (i.e., value proposition), to whom (value segment), and how much (value capture). As a result, a wide range of business model configurations allows decision-makers to consider many re-internationalisation alternatives, each with its degree of risk, costs, resources, and market commitment.

Our proposed framework shall not be seen as normative, i.e., as a “cause and effect” prescription. However, instead, as a practical strategic learning toolkit available for firms to understand the aftermath of their de-internationalisation and as an inspiration for different re-internationalisation avenues, they can pursue to kick-start their cross-border activities and eventually boost their international growth. As it is solely based on secondary data, future empirical research is warned to enhance, validate, and modify these initial proposed findings.

Future research directions
This article is the first attempt to cross-fertilise the de-internationalisation, re-internationalisation, and business model innovation research streams. We posit that business model theory helps enhance our understanding of why and how firms de-internationalise. At the same time, we foresee that the de-internationalisation of firms will contribute to our understanding of how firms re-configure or re-invent their business models during failures, growth, declines, or (strategic) departures from what is typical or expected. We call for future conceptual and empirical research to shed further light on this intersection’s theoretical, practical, and policy understanding and implications.

This could include employing empirical studies investigating the link between de-internationalisation and re-internationalisation decisions and strategies. Can business model configuration taxonomy be the moderator between de and re-internationalisation strategies? Do firms choose, through their re-internationalised strategy, to enter into similar or new markets? Is there a learning process between the two stages? What is the timespan between de and re-internationalisation choices? Other perspectives might look at the dispersion of technologies as drivers of de- and re-internationalisation, for example, Artificial Intelligence (Haefner & Gassmann, 2023), Blockchains (Schmuck, 2023) or the Metaverse (Rosenstand et al., 2023).

Concluding Remarks
Today’s world is as liquid and fluid as ever (Bauman, 2007) and competition is not getting less fierce. International business has become increasingly challenging to manage when future economic trends are highly uncertain, market changes are unpredictable, the lifecycle of products, competencies, strategic choices and routine working tasks are all becoming shorter, and internal innovations make way for collaborative innovations increasingly taking place outside the firms in their networks. Decision-makers must learn to adapt to and deal with such a fluid and rapidly changing environment by increasing and decreasing their foreign market presence. BMI will be challenged in a global VUCA world, and developing sound de- and re-internationalisation strategies and processes will be pivotal to future success.
References


