Straussian Grounded-Theory Method: An Illustration

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This paper demonstrates the benefits and application of Straussian Grounded Theory method in conducting research in complex settings where parameters are poorly defined. It provides a detailed illustration on how this method can be used to build an internationalization theory. To be specific, this paper exposes readers to the behind-the-scene work to develop a theory on the internationalization of small and medium-sized enterprises based in transition economies. It describes each step from sampling to coding and then to theory formation, explaining the rationale each step of the way. The readers can therefore see how a theory took shape and develop from raw data to refined theoretical propositions/hypotheses. Key Words: Qualitative Method, Straussian Grounded-theory, SME, Internationalization, Transition Economy.

Background Information

It has been widely acknowledged that existing theories on firm-based internationalization are unable to explain the internationalization of small and medium-sized enterprises (SMEs) in transition economies (Griffith, Cavusgill, & Xu, 2008; Pisani, 2009). Firstly, the theories were constructed with data from developed economies (Canabala & White III, 2008; Werner, 2002) where the fundamental conditions for internationalization (such as availability of information, market structure, institutional stability, property rights, etc.) greatly differ from those in transition economies (Nee, 1992;; Peng, 2000; Peng & Heath, 1996). Therefore, analysis of the institutional variables of countries in transition is becoming an important component of our understanding of the globalization of business (Pisani 2009).

Furthermore, several assumptions underlying the existent theory are far removed from realities in transition economies (see Barney, Wright, & Ketchen, 2001; Benito, Petersen, & Welch, 2009; Buckley & Casson, 2009; Dunning, 2001; Johanson & Vahlne, 2009; Peng, 2001). For example, nontransparent information flows and lack of recourses and experience inhibit SMEs in these countries to acquire extensive knowledge of their domestic markets, let alone international markets. Moreover, managers of such firms are not free to choose the most efficient entry mode but the existent literature tends to assume so (Brouthers & Hennart, 2007). As a result, several theoretical statements (such as "firms internationalize in order to boost their profits and performance"; "firms internationalize in a systematic and planned manner"; "internationalization of firms is

guided by its learning curve and follows sequential stages" etc.) do not appear to be applicable to firms in transition economies (Bjorkman & Forsgren, 2000; Masurel & Smit, 2000; Turnbull, 1993; Papadopoulos, 1988). It has been argued that how and why firms internationalize are dependent upon their relationships and external environment (Granovetter, 1985) but we still lack an empirically based theory that shows which of the many possible contextual factors influence the firm's internationalization process and how.

On the other hand, the literature built on data from transition economies and emerging markets has not yet addressed the process of internationalization as a whole although it has touched certain aspects of internationalization such as organization of joint-ventures in transition economies' turbulent environment (Mainela & Puhakka, 2009), export orientation of returnee entrepreneurs (Filatotchev, Liu, Buck, & Wright, 2009), factors influencing outward foreign direct investment (Yiu, Lau, & Bruton, 2007), drivers of internationalization from developing countries to developed countries (Yamakawa, Peng, & Deeds, 2008), and so on. Nevertheless, these studies strongly suggest that firms in transition economies behave very differently from firms in advanced economies.

For these reasons, transition economies present an interesting context that can help us clarify the existing theory and moves it forward. SMEs from these economies not only have to face with the well-known problems typically encountered by SMEs (e.g., lack of managerial and marketing skills, lack of financial resources and so on; (see Huang & Brown, 1999 for a full list), but also are further constrained by the unstable institutional environment at home as well as their lack of international knowledge and experience. For them, doing business abroad is like taking cautious steps into unknown territory rather than as a consequence of a rational choice based on economic analyses (Masurel & Smit 2000). Therefore, internationalization literature in the behavioral school of thought became our important starting point for our quest to understand the nature of the internationalization process of SMEs based in transition economies. We sought to answer two fundamental questions in process research suggested by Pettigrew (1992) and Van de Ven (1992): (a) Why do SMEs based in transition economies choose to internationalize and (b) How do they internationalize? The objective for answering the first question is to identify factors that motivate these firms to internationalize. And the objectives for answering the second question are to uncover their internationalization strategies and to learn about their internationalization strategy development. We found that it was impossible to get a satisfactory answer from the existing theories (most notably, stage model of internationalization (Johanson & Wiedersheim-Paul, 1975), internationalization process model (Johanson & Vahlne, 1977, 2009), innovation-related models (Bilkey & Tesar, 1977; Cavusgil, 1982; Reid, 1981), and entrepreneurial value creation models (Jones & Coviello, 2005; Schweizer, Vahlne, & Johanson, 2010) although they could serve as the stepping stones to explore the phenomenon. As it is not possible to deduct an answer from the literature and pertinent concepts and their relationship are unknown, we needed a research methodology that allowed for the development of conceptual categories and their relationships from raw data (Patton, 2002).

Research Setting

Rationales for Choosing Vietnamese SMEs as a Sampling Frame

We chose Vietnamese SMEs as a sampling frame for several reasons. Firstly, Vietnam's economy and Vietnamese SMEs have been internationalizing at a remarkable speed (GSO, 2007; Kokko & Sjöholm, 2004; UNCTAD, 2006). Secondly, its institutional environment has all the characteristics representative of a transition economy such as distorted information, weak market structures, poorly specified property rights and institutional uncertainty (Cheng, 2009; Economist Intelligence Unit, 2009; Nee, 1992; ONI, 2007; Peng, 2000; Peng & Heath, 1996; Vo, 2004). Thirdly, SMEs account for over 99% of all business establishments in Vietnam and respectively 80.6% and 84.2% of the total number of enterprises participating in import-export activities of this country (ASMED, 2006).

Research in Vietnam

When we went to the field to collect data, we encountered the same challenges that Napier et al. described in their discussion about doing qualitative research in Vietnam (Napier, Hosley, & Nguyen, 2004). Firstly, research is viewed by academics and practitioners in Vietnam as "solution-oriented work," so studies aiming at developing and testing theories are not appreciated as they are in western countries. Secondly, in order to gain legitimacy in conducting research, the researchers needed to be senior scholars with strong network within university and/or government organizations. Thirdly, mail surveys often do not work because of the unreliable mail system, strong resistance from research subjects as Vietnamese do not like to do things for strangers particularly without payment, and lack of support for research that does not directly benefit the respondents in the short-run. Fourthly, business managers typically see academics as being too theoretical and removed from practice and thus managers do not believe that academics can contribute anything useful for their business. For these reasons, they do not appreciate research and are reluctant to respond to researchers. Fifthly, practices such as recording and taking notes during interviews are considered unimportant by researchers in Vietnam. Vietnamese culture teaches its people to be modest (Vượng, 2000) and people in Vietnam do not have the freedom of speech as westerners do. As a result, young researchers without affiliation to local university or government must rely on personal network to recruit respondents and be creative in finding measures to protect their respondents. Besides knowing the researchers in person, respondents often request face-to-face communication in responding to the researchers.

Research Strategy

Rationales for using Grounded Theory

As one of the available strategies in qualitative research classified by Patton (2002), Grounded Theory was found to be the most appropriate. This scientific method is concerned with the detection and explanation of social phenomena (Haig, 1995) by

answering socially purposeful questions of what is happening and why (Douglas, 2004) – It has been well argued that Grounded Theory is particularly suitable when "the topic of interest has been relatively ignored in the literature or has been given only superficial attention" (Goulding, 2002, p. 55). Such is the case with research on the internationalization of SME based in transition economies. The method well serves the purpose of this research project, which is to generate a theory that can explain a process (Patton, 2002). And very importantly, Grounded Theory enables researchers to generate theories that "(1) enable an explanation of behavior, (2) are useful in advancing a theory, (3) are applicable in practice, (4) provide a perspective on behavior, (5) guide and provide a style for research on particular areas of behavior, and (6) provide clear enough categories and hypotheses that crucial ones can be verified in present and future research" (Goulding, 2002, p. 43).

Straussian vs. Glaserian Methods

Since its introduction in 1967, Grounded Theory has been progressively developed as "a problem-solving endeavor concerned with understanding action from the perspective of human agents" (Haig, 1995, p. 281). The evolution of the Grounded Theory method has led to the formation of two camps, each subtly distinguished by its own ideographic procedures: the Glaserian School and the Straussian School. Although academic research seldom states the differences between the two schools (Locke, 1996; Goulding, 2002), we had to make a choice between the two approaches because they dictate very different practices

The Glaserian School stresses the interpretive, contextual and emergent nature of theory development. Glaser (1992) states "The research question in a Grounded Theory study is not a statement that identifies the phenomenon to be studied. The problem emerges and questions regarding the problem emerge by which to guide theoretical sampling. Out of open-coding, collection by theoretical sampling, and analyzing by constant comparison emerge a focus for the research" (p. 25). Therefore, it's very strong dicta are: (a) "do not do a literature review in the substantive area and related areas where the research is to be done" and (b) "when the Grounded Theory is nearly completed during sorting and writing up, then the literature search in the substantive area can be accomplished and woven into the theory as more data for constant comparison" (Glaser, 1998, p. 67). Given that our research was led by research questions, the Glaserian Grounded Theory approach was deemed inappropriate. Moreover, our prior knowledge in the area (from our previous training and research) would make this demand of the Glaserian approach (going into the field without any idea of what to look for) unrealistic. In addition, this research project was subject to time and resource constraints, and hence it had to be completed within a pre-determined time period.

The Straussian School, on the other hand, emphasizes highly complex and systematic coding techniques and permits a preliminary literature study to identify research problems and the areas in which to look for data. According to Straussian guidelines, "…the researcher does not begin a project with a preconceived theory in mind" but rather " he/she begins with an area of study and allows the theory to emerge from the data" (Strauss & Corbin, 1998, p. 12). Therefore, we considered Straussian Grounded Theory to be more appropriate than the Glaserian one for our research project.

In this project, we had to take special care to "…avoid imposing concepts that reflect his/her own epistemological predilections other than those emerging from interaction with the study site, its participants and subsequent data" (Douglas, 2004, p. 60).

Straussian Research Process

Our research design followed the contemporary guidelines set forth by Straussian theorists (Figure 1). In brief, this mandates a recursive process of data collection, data coding, comparative analysis, and theoretical sampling until theoretical saturation (Glaser & Strauss, 1967; Goulding, 2002; Locke, 1996; Strauss & Corbin, 1998). It requires "not only that data and theory be constantly compared and contrasted during data collection and analysis but also that the materializing theory drives ongoing data collection" (Locke, 1996, p. 240)

Figure 1. Grounded Theory's Recursive Analytic Operations (Locke, 1996, p. 240)
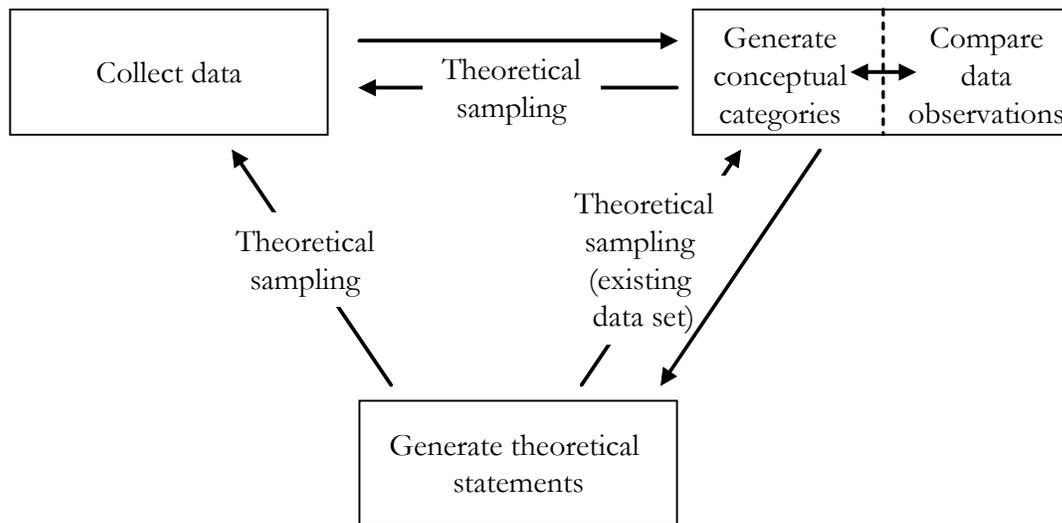
With an initial set of data, we conducted open-coding to generate conceptual categories and determine how the categories vary along different identified dimensions. Next, we carried out axial-coding (i.e., comparison of data observations) to find the relationships that existed between the different categories of conceptual properties and dimensions. Then we did selective-coding to integrate the different categories in order to build a theory with theoretical statements. To validate the theoretical statements (propositions or hypotheses) of the emerging theory, we collected new data with theoretical sampling logic and went through the three coding processes again. The task was recursive and completed only when we reached theoretical saturation, which is the point where the theory is deemed refined and thoroughly validated (because additional new data will not add any new idea or understanding to the question at hand).

At the beginning of the data gathering process, we did not fix the number of cases, but continuously added more cases until we reached the theoretical "saturation point" (Glaser & Strauss, 1967; Tashakkori & Teddlie, 1998). After the pilot case had been analyzed, subsequent cases were selected based on the analysis of the previous

cases. Following Strauss and Corbin's guideline (1998), we did not try to control variables or look for representativeness or distribution of population; rather, we looked for how concepts vary dimensionally along their conceptual properties. In other words, new evidence found at each stage was used to modify or confirm the emerging theory, which then pointed to an appropriate choice of theoretical possibilities (instances) to investigate in the next phase (Denscombe, 1998). Our sampling of Vietnamese SMEs stopped after 35 cases, when we could not find any new evidence which could inform or underpin the development of theoretical points of the emerging theory. It should be noted that all cases were checked against the database provided by the Vietnamese government's Agency for SME Development to make sure that they qualified as SMEs according to the official definition developed by the Vietnamese government.

Data Collection

Sampling. As the research process is a process of discovery rather than hypothesis testing (Denscombe, 1998), sampling for Grounded Theory analysis must not obey the principles of statistical sampling but rather the principles of theoretical sampling as defined by Strauss and Corbin (Strauss & Corbin, 1998). At the outset of the sampling process, we reasoned that we needed to select an SME that had been involved in as many modes as possible (covering inward, outward, and cooperative operations) in order to build the initial structure for the theory. Of the possible candidates, the pilot case was selected by convenience, access, and geographic proximity (Yin, 2003). The founder of the first case is actually a long-time friend of the first author of this paper, and he is now a professor of entrepreneurship at a university in the United States. Their relationship and his understanding of the literature allowed for in-depth interviews in which we discussed the phenomenon from both theoretical and empirical perspectives.

The considerable insight from this pilot study enabled us to design better-structured questions to ask subsequent cases. At the company's requests, we had to send our questions one month in advance (Appendix 1) and we were subject to time contraints so we could not wait to complete analyzing one case before sending questions to the next. Furthermore, it is unlikely that the direction and theoretical structure uncovered from this pilot case will be largely irrelevant to other cases. Therefore, it made sense to send out standard questions for the informants to understand our research interests in discussing with them. We want to emphasize that this set of questions was only to start our interviews and it was by no mean the boundary of our discussion. Our informants were free to explore the phenomenon in all directions that came up to their minds. Our additional questions during the interviews stemmed from their response as well as from findings from previous cases – the purpose being to find out if we should confirm, modify or reject our theoretical statements (hypotheses or propositions) and to decide on what to do next. For example, when the informants of case 2 talked about how internationalizing their firm gave them the satisfactory feeling of being seen bold and innovative even when they were uncertain if internationalization of their firms made any economic sense. This idea resonated what we found in case 1 that personal desire could be an important driver of firm's internationalization. To validate this proposition, we added the question "what is the role of your personal desire in your firm's international strategy development?" to all of our subsequent interviews. Another example is that we

followed these informants' idea of "being innovative" and made constant comparison to innovation-related models (Bilkey & Tesar, 1977; Cavusgil, 1982; Reid, 1981) because the idea appeared to validate these models. At the end of our project, we were able to confirm their proposition that "individual decision-maker(s), not the firm's structural design, is the most critical factor in the internationalization process". However, we had to reject their proposition that "internationalization process is similar to step-by-step sequence of adopting a new technology, extending from the point of no involvement to the point when international activities are regarded as an ordinary and accepted part of the firm's activities"

After the pilot case had been analyzed, subsequent cases were selected based on the analysis of the previous cases. Following Strauss and Corbin's guideline (1998), we did not try to control variables or look for representativeness or distribution of population; rather, we looked for how concepts vary dimensionally along their different properties. In other words, new evidence found at each stage was used to modify or confirm the emerging theory, which then pointed to an appropriate choice of instances in the next phase (Denscombe 1998). The following example is illustrative of the process: Firm C1 internationalized immediately after its inception and its founder considered market demand to be the strongest driver; thus, we hypothesized that demand factors could influence the firm's internationalization timing. To validate this proposition, we analyzed two more firms which started internationalizing at relatively the same time and operated in the same industry (to make sure the external conditions were the same); even though, one of them internationalized immediately while the other internationalized ten years after its inception. Readers interested in how the rest of the cases were selected can consult Appendix 2.

Data Sources

This research relied on multiple sources of evidence (Table 1). Of these sources, qualitative, in-depth, semi-structured interviews was considered to be the most important data source because, as they provided us with richer and deeper insights into the complex phenomena under investigation by answering why and how research questions (Easterby-Smith, Thorpe, & Lowe, 1994; Eisenhardt, 1989; Perren & Ram, 2004).

Table 1. Sources of Evidence and Their Strengths (Adapted from Yin, 2003)

Source of evidence	Strengths
Interviews	targeted - focuses directly on the topic insightful - provides perceived causal inferences
Documentation	stable - can be reviewed repeatedly unobtrusive - not created as a result of the case study exact - contains exact names, references, and details of an event broad coverage - long span of time, many events, and many settings
Archival records	[same as above for documentation] precise and quantitative

Interviews. In our project, we worked in a team of three. The first author is a Vietnamese who grew up in Vietnam, studied cultures, and had extensive work experience as a business woman and then a reporter for a foreign newspaper in Vietnam before going to the US for her MBA and Switzerland for her doctoral studies. The second author is a Singaporean professor who directed a Switzerland-based research center on Asia. And the third author is an Indian professor who was based in India and did research on organizational behaviors. Both of these authors were her dissertation advisors. Given the fact that gaining access to informants in Vietnam requires a strong local network, the first author was responsible for conducting interviews. The journalism techniques that she had learned during her work for the newspaper became a strong asset.

As she is a member of the same cultural and institutional context as the respondents, they could help us understand the dynamics behind the respondents' decisions (Peterson, 2004). For example, when Vietnamese say "eco-tourism", they mean "completely creating a new ecosystem for the purpose of tourism" (such as making artificial cascades, fish ponds, etc.). However, westerners will understand "eco-tourism" as "tourism to places having unspoiled natural resources, with minimal impact on the environment being a primary concern." Therefore, it was necessary to have in our team a person who could understand exactly what the informants meant and acted as our context translator during the data collection and analysis phases. Indeed, being able to interview in the language spoken by the interviewees allowed the informants to express their thoughts with all subtlety as they desire and this permitted us to limit language biases that can be problematic in cross-cultural interviewing (Marschan-Piekkari & Reis, 2004).

Our interviewees were managers who were deeply involved with key decision-making processes in their respective firms in regard to making and implementing their internationalization strategies. Since these managers are clearly the most knowledgeable sources of information about their international activities (Shook, Ketchen, & Cycyota, 2003), we believed the interviews with them were the most important source for insightful first-hand information. Depending on the nature of decision making system of each firm and also the willingness of potential informants, we interviewed one or more people in each firm. More specifically, if firm's decisions were made in group, we had group interviews. On the same token, if firm's decisions were made by individuals, we only interviewed the individual decision makers. To learn about the decision making structure of the firm, we usually learned from the secretary and/or personal assistant of the managing directors of the firm as well as our reference sources before making official requests for studying the firms. It should be noted that our case selection followed theoretical sampling logics so we generally had certain ideas of the firms before studying them in depth.

We agreed to keep their company identity strictly confidential in order to get their permission to record the interviews with them. At their request, we sent them preliminary interview questions three weeks in advance so that they had time to reflect on their answers. During the interviews, we let the key respondents talk freely about their international development, and we tried not to influence their answers at that juncture. After the respondents had completed their recollections, we asked them another set of scripted questions concerning topics not yet covered. Some were conducted online via teleconferencing programs such as Yahoo and Skype, and some were conducted via

email, and still others were conducted via telephone. The choice of interview medium was determined by the respondents.

Each informant was interviewed twice (average of two and a half hours the first time and one hour the second time) over the course of 18 months, from October 2005 to March 2007. The first round of interviews was to generate new data. The second round of interviews was to verify the explanatory power of the theory we developed. In this second wave, we presented our model and asked the informants if our model correctly depicted their internationalization process and the rationales behind it. Our discussion was focused on their feedback on the model in order to refine it and eventually validate our findings.

Documentation and archival records. After making clear to them the purpose of this study, we were allowed to study some of their company documents a month before the actual interviews so that we could pose more informed questions. Since the major reason for the inapplicability of existing theories in the context of transition economies is the institutional environment, it is necessary to understand the impact of the environment in which these firms operate. Therefore, we analyzed local and international newspapers, statistics reports by the World Bank, the United Nations, and Vietnam's General Statistics Office, and industry reports indexed in Factiva databases. The aim was to understand the environment in which these firms operated and to evaluate the accuracy of decision makers' perception of their market conditions, industry structures, and business environment in Vietnam as well as in their host countries. Unlike our informants, we had access to both Vietnamese sources and international sources because our research team is international. This allowed us to check if the information available to our informants was distorted and if they missed anything important. Opportunity recognition and strategy development are dependent on managerial perception and cognition which in turn are dependent on information acquired. Like in other countries in transition, information in Vietnam is subject to strong censorship. Hence, comparing the public knowledge against the knowledge that mangers had acquired for their decision making was an important task.

Throughout this research project, we continually conducted a literature review for background materials against which to compare the findings from the data we had collected. By reviewing relevant literature, we were able to establish a working knowledge of the topic being investigated, thus enhancing theoretical sensitivity. However, we did not use this literature review to compose any hypotheses but to do 9 tasks listed in table 2 (Strauss & Corbin, 1998, pp. 49-52).

Table 2. Illustration of the Use of Literature

Task	Illustration
(1) compare properties and dimensions of concepts derived from the literature to our data in order to differentiate and give specificity to the emergent concept;	We constantly compared concepts defined in resource-based literature (e.g. Wernerfelt, 1984; Andersen & Kheam, 1998; Barney, et al., 2001; Peng, 2001; Westhead, et al., 2001; Sharma & Erramilli, 2004) and organization theory and design literature (e.g. March, et al., 1958; Tirole, 1988, Daft, 2004; etc.) with the concepts that emerged from our data on firm's internal factors and their influence on the internationalization of SMEs
(2) identify significant concepts that are found over and over again in the literature and which also appear in the data;	The literature helped name codes during our open-coding process and arrange them in axial-coding. For example, "market structure", "product life cycle", "industry life cycle" etc. are found over and over again in economic literature an FDI literature in which and these concepts belong to "industry structure and attribute" (see Appendix 4).
(3) find clues as to what to look for in our data and to generate questions to ask respondents;	Repetition of codes under the "industry structure and attribute" category alerted us that these concepts are important. Therefore, we had to dig further during analysis and asked respondents questions around these concepts to find out if they are actually the same or different from the literature. We finally found out that the informants really talked about *perceptions* of these factors and their understanding of these concepts is very different from what is defined in the literature. This caused us to make new hypotheses.
(4) look for how the properties and dimensions of documented concepts and relationships vary under a different set of conditions;	To examine the concept "international experience", we looked for literature on experience as the process of getting international market knowledge and skills in doing business overseas (e.g. Emden, et al., 2005; Johanson & Vahlne, 2003; etc.) and literature on experience as something that happens to firms that affects how they react (e.g. Newbould, et al., 1978; Reuber & Fischer, 1997; etc) to find out which sense should be taken in our study.
(5) check quoted materials from interviews and field notes as well as descriptive materials concerning events, actions, setting, and actors' perspectives;	The informants gave us information about the market condition in certain countries and explained how it influenced their internationalization strategies. Therefore, we read literature that covered market conditions of the markets they mentioned. This allowed us to check the accuracy of the knowledge they acquired about the market. We also read articles about market condition as an internationalization determinant (e.g. Dunning, 1980; Etemad, 2004; Chen, 2008; Thai & Chong, 2008; etc.). This allowed us to compare the type of influence this knowledge had on their international strategy development and the type of influence recorded in the literature.
(6) formulate questions that act as a stepping-off point before and after interviews;	The literature on strategy formation (e.g. Mintzberg, 1978; Spence, 2003; Olson, et al., 2005; etc.) provided us with a list of conceptual areas to investigate. Thus, it helped us make questions to ask

	informants and questions to ask ourselves during data analysis.
(7) stimulate questions during the analysis process;	When we saw differences between our data and findings reported in the literature, we had to ask ourselves if we overlooked anything and how to the differences may be explained. This helped us to form new propositions which led to new wave of data collection.
(8) provide insights into where to theoretically sample	The literature on the transition process of Vietnam's economy (e.g. Dollar, 1996; Kokko, 1998; Auffret, 2003; Freeman, 2004; Painter, 2005; etc.) provided us with insights into where (place, time, papers, etc.) to go to investigate the influence of changing business environment at different levels.
(9) confirm findings and/or illustrate where the literature is incorrect, is overly simplistic, or only partially explains phenomena"	We constantly compared our data with existing theories such as entrepreneurial value creation models (Jones & Coviello, 2005; Schweizer, et al., 2010) and found where the theories get wrong in the context of transition economies (e.g. some firms internationalized even when the decision makers knew that the firms would make losses) and how our theory can correct it (e.g. our model emphasizes the role of the decision makers and their intensions and it also accounts for the type of firm, i.e. state-controlled firms vs. private firms). Show-casing this will highlight our theoretical contributions.

Data Analysis and Theory Development

Grounded Theory data analysis involves searching out concepts behind the actualities, categorizing them, and then linking the categories to develop a theory. This section describes the coding operations we did to complete the task: open-coding for concepts and categories, axial-coding for relationship between categories at their property and dimension levels, and selective-coding for theory formation. All of these require constant comparison was an inherent task. While processing the sheer volume of the collected data (over a thousand pages of interview protocols plus technical and non-technical literature), we used MAXQDA – a text analysis software program – to store and retrieve information for analysis. To make it easier for the reader to follow our analysis process, this section also details how we used the software for filing purposes.

Open-Coding to Uncover Concepts and Categories

Our first step was to discover concepts through detailed examination of the data. Starting with a full transcription of an interview, we broke the data down into discrete incidents, ideas, events, and acts by analyzing the text line-by-line, paragraph-by-paragraph, and performed an entire-document analysis. Then we labeled them with their respective abstract representations, which can be conceptual or in-vivo. Conceptual codes are labels that are placed because of the imagery or meaning those incidents, actions, and interactions evoked when we examined them comparatively in their context. Naming of these codes is resulted from relevant literature review because concepts well defined in the literature can help eliminate confusion and misinterpretation of words. In-

vivo codes are labels that came directly from the [translated] words of respondents themselves. Table 3 illustrates how the conceptualizing task was done.

The total number of new codes (i.e., excluding codes that were renamed no matter how many times) generated in open-coding was 372, each one of which is unique and represents conceptually similar items. As analysis progressed, however, the code system was continually trimmed down and refined for our understanding of the phenomenon to become clearer. In the end, 137 codes with the most explanatory power were kept (see Appendix 3 for the full list).

Axial-Coding to Find Relationships between Categories

While the focus of open-coding is on generating categories and their properties and determining how the categories vary dimensionally, the focus of axial-coding is on relating categories to their subcategories at the level of properties and dimensions (Strauss & Corbin, 1998) and noting the dynamic interrelationships between categories to form the basis for theory construction (Goulding, 2002). With the help of the literature and clue given by informants, we categorized the codes under more abstract higher-order concepts based on their power to explain and/or predict so that we could reduce the number of units to work on while increasing the analytic power.

In order to do so, we first laid out the properties of each category and their dimensions. When we had identified the *conditions* that gave rise to the category, the *context* in which it was embedded, the *action/interaction strategies* by which it was handled, managed and carried out, and the *consequences* associated with it, we related the category to its subcategories through *statements* denoting how they are related to each other. Through statements about the nature of relationships among the various categories and their subcategories, we could form more precise and complete explanations. The code chosen for each category was either taken among the existing codes or inserted so long as it was the most logical descriptor for what was going on in the data. The concepts under each category became its properties or explanatory descriptors. Finally, we looked for cues in the data that denote how major categories might relate to each other.

Table 3. Illustration of Open-Coding for Concepts[1]

Text ID	Line #	Interview statement	Translation	Line-by-line coding	Paragraph coding[2]	Document coding[3]
C3-1	13	…Một số tổ chức nước ngoài người ta quan tâm đến vấn đề cứu trợ trẻ em có hoàn cảnh khó khăn đấy.	…Some international organizations are interested in saving and helping children in need.	international support	International development	not-for-profit vs. for-profit
	14	Thông qua đấy mình xây dựng được các mối quan hệ với họ.	That enabled us to build business relationships with them.	relationship initiation		
	15	Ban đầu thì họ đặt hàng của mình và	At the beginning they placed orders for our ready-made products, and	initial engagement		
	16	người sản xuất của mình chính là các em khuyết tật đấy.	our workers were actually those disabled children.	employee characteristics		
	17	Họ mua nhưng mà họ mang tính giúp đỡ nhiều hơn.	They bought our products, but it was more like helping than real buying.	international support		
	18	Sau này khi mà tính cạnh tranh nó trở nên gay gắt hơn ấy	Later when competition became fiercer,	intensity of rivalry		
	19	thì họ cũng không chấp nhận sản phẩm lỗi quá nhiều nữa.	they no longer accepted products with too many defects.	increased difficulty in sales		

Text ID	Line #	Interview statement	Translation	Line-by-line coding	Paragraph coding[2]	Document coding[3]
	20	Bây giờ thì khi mà xuất cho phía bên Châu Âu ấy,	Now when we export to Europe,	output market		
	21	họ không chấp nhận cái lỗi của mình nữa.	they no longer accept our defective products.	customer requirement		
	22	Họ nói rằng là khi mà mình xuất khẩu hàng sang đó thì là họ sẽ bao mua cho mình nhưng mà	They say that when we export to their country, they will buy everything from us, but	guaranteed sales		
	23	sản phẩm phải 100% perfect hết…	all products must be defect-free…	customer requirement		

[1] All coding was done directly from the Vietnamese texts, but we provide with this illustration side-by-side English translations in order to help the reader to understand. Also note that the final code book does not contain some of the codes made here because they were deleted or renamed during axial-coding and selective-coding.

[2] This task looks for concept(s) that represents the major idea(s) of the paragraph.

[3] This task focuses on finding similarities or differences between this interview transcript and those coded previou

Throughout the axial-coding process, we dug into the memos and used the MAXQDA text retrieval function to read and re-read the texts. This tedious task, done seamlessly with open-coding, stimulated our thinking about the categories and helped us see the emerging patterns and clusters of the data. In order to uncover relationships among categories, we tried to answer such questions as *why*, *where*, *when*, *by whom*, *how*, and *with what results*. These questions, in fact, helped us to contextualize the phenomenon of Vietnamese SME internationalization and relate structure with process. Answers to the first four questions revealed the *structure*, i.e., of circumstances in which the phenomenon is embedded (the resulted structure is in Appendix 4). Answers to the next two questions revealed the *process*, which denotes the actions/interactions over time of persons, organizations, and communities in response to certain problems and issues. Answers to the last question revealed consequences of activities in the process.

As the emphasis of this research is on process, we broke down the texts into segments of happenings and events located in their respective contexts so that the process could be examined in terms of sequences or shifts in the nature of action/interactions. It should be noted that these happenings and events may or may not have occurred in continuous forms or sequences. In other words, the time lapse between any two implemented internationalization strategies was determined at the discretion of the decision makers and varied from case to case. For example, if a firm changed its internationalization strategy three times, then all data from that firm was broken down into three separate text groups, each of which contains all information with respect to the structural conditions of each strategy (Figure 2). By doing so we could identify context sequences of evolving interaction over time. This also allowed us to know when a change occurred, its antecedents as well as consequences. It enables us to build our hypotheses on processes to build our theory.

Figure 2. Conceptualizing Process (adapted from Strauss & Corbin 1998, p. 167)
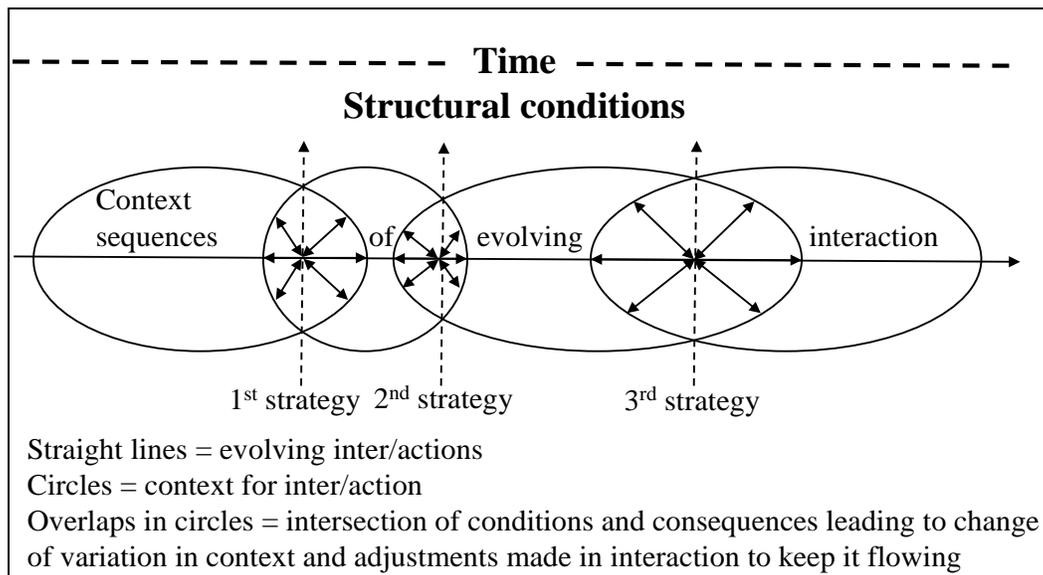
Selective-Coding to Develop a Theory

Selective-coding is the process of integrating categories to build a theory and to refine the theory (Glaser & Strauss, 1967). Its task is to relate categories found in axial-coding to a core category which represents the main theme of research. To discover the central category and its relationship with the other categories, we used two techniques: (a) using diagrams (the final diagrams are shown in Figures 3 and 4) and (b) sorting and reviewing through memos (Figure 5). We started this process after some categories had been discovered in axial-coding and continued with modification and refinement until we reached theoretical saturation. After each loop of coding (open-axial-selective), we could further develop the multiple layers of categorized theoretical statements that became hypotheses for testing which was done during the next loop. This incursive process only stopped when no further modification could be done and the theory was validated.

By continually trimming off excess and filling in poorly developed categories until they were saturated through further theoretical sampling, we were able to come up with well thought-out propositions for a theory on the internationalization process of Vietnamese SMEs. To illustrate how theory is built from selective coding, we present to you some examples of how we developed theoretical statements related to firm size and trimmed off redundant concepts, categories and hypotheses during the coding process. Readers may consult Appendix 5 to trace the emergence and modification of our theoretical statements.

From firm C1, we learned that only its marketing department remains under the company's name, while its expanding production department is made up of a growing number of small producers which act as its subcontractors. This not only opened up the concept of firm size but also forced us to question how to classify firms by size – a method frequently encountered in the organizational behavior literature. The firm's declared size appeared to be the same under the registered name but the size of the business operation under this same management actually grew. Therefore, we hypothesized that "officially declared firm size is intentionally different from the real size". This was confirmed throughout all subsequent cases so this proposition was never modified.

The informants from firm C1 avoided answering our questions on why the company's production department had to be registered under multiple business entities although it appeared that they had to file more documents and internal communication was more complicated than if otherwise. Fortunately, study of firm C2 gave us a clue to satisfy our curiosity on this matter. From such sayings as "big size makes it difficult to manage", "appearing big only catches the eyes of predators", "being big means being rigid", etc. This led us to suspect that big size is associated with trouble. But the firm grew anyway and dividing the firm that way does not make the company easier to manage when all divisions are still under the same management and managed in the same way except on paper. The very phrase "appearing big only catches the eyes of predators" triggered us to hypothesize that "big appearance causes troubles". Analysis of subsequent firms confirmed that these firms do not declare their real size as they want to remain inconspicuous. They fear that if they looked big, they would attract too much attention from both competitors and the government. They would be scrutinized more closely, forced to pay higher taxes, and bothered more by corrupt officials. They would also have to be more socially responsible than their will allows. Therefore, they have managed to have their firms appear as small as possible on paper. The most commonly used tactic is to divide the firm and register its divisions as different enterprises which are independent under the government's lens but are, in

fact, managed by the same people. Study of firms C3, C4, and C5 as well as revisit of firms C1 and C2 revealed that there is a positive relationship between appearance and likelihood of getting troubles. Therefore, at the end of C7 analysis, we modified "big appearance causes troubles" to be "there is a positive relationship between appearance and likelihood of getting troubles". However, analysis of C8 and C9 and revisit of previous cases caused us to modify this proposition again. The word "appearance" and "troubles" can be understood differently if pulled out from this context. Hence, we changed the proposition to "the bigger the appearance is, the more unwanted attention the firm gets to deal with". This was confirmed through the remaining cases, and hence the last modification occurred at C9.

We also found in the internationalization literature many studies on the effect of firm size. After studying nine firms we were certain that the firms experienced both increases and decreases in size depending on the need for and success of the internationalization strategies they have formulated and executed. It is even more so in the cases where the officially reported size rested almost the same. When a chosen strategy is successful, they want to continue with it with a higher level of commitment and have the ability to acquire more financial and human resources from outside as the strategy has been proven successful. In turn, the bigger the size in term of resources, the easier it is for the firms to capture international opportunities when the opportunities are spotted. Therefore, at the end of C9 analysis, we came up with two propositions "real firm size is positively correlated to the firm's ability to internationalize" and "real firm size is positively correlated to the firm's internationalization degree". This also caused us to come up with a new method to find real SMEs without relying solely on business directories.

The findings from our study can be summarized in a theoretical model that is articulated as follows and depicted in Figure 4.

I. Theoretical Construct: Dynamic Experiment

II. Explanatory Variables:

> 1. Organizational goals and/or the manager's personal goals

> 2. The firm's resources and capabilities in terms of decision-making method, organizational technology, and ownership type

> 3. Perception of whether industry structure & attributes, national business environment, and the country's international economic integration are favorable or unfavorable to their internationalization.

III. Internationalization

> 1. *Motivation to internationalize* is determined by the possibility of meeting not just organizational goals *but also* the manager's personal goals. Organizational goals are expected to be a stronger criterion if the managers are also the owners of the firm. Personal goals are expected to be a stronger criterion if the managers are not the owners of the firm, especially in the case of state-owned enterprises whose financial losses are covered by the government.

2. *When to internationalize* is a question of whether the firm and its managers want to internationalize (dimension D), whether it has the capacity to do so (dimension A), and whether it perceives the external environment to facilitate or necessitate internationalization (dimension P) (Figure 3).

3. *Internationalization strategy development* consists in conducting experiments that the firm can afford and in making the strongest commitment to the strategy that best fits the environment while serving the internationalization objectives set by the firm or the manager.

4. *Internationalization pattern* is dynamic and contingent upon changes in the context. In other words, if we can predict the type and direction of context changes, we can predict how firms will behave when changes occur.

Figure 3. To Internationalize or Not to Internationalize

Dimension description:
D (1+2+7+6): The firm and/or its managers want to internationalize
A (2+3+4+7): The firm has the needed resources and capability and/or it is given assistance by outsiders
P (4+5+6+7): The firm or its managers perceive that the external environment facilitates or necessitates internationalization. Note that perception may differ from reality.

Decision for each particular situation:
1: *Exploit indirect modes and seek help or change industry*
2: **Internationalize**
3: Remain domestic
4: Remain domestic
5: Remain domestic
6: *Exploit indirect modes and seek help*
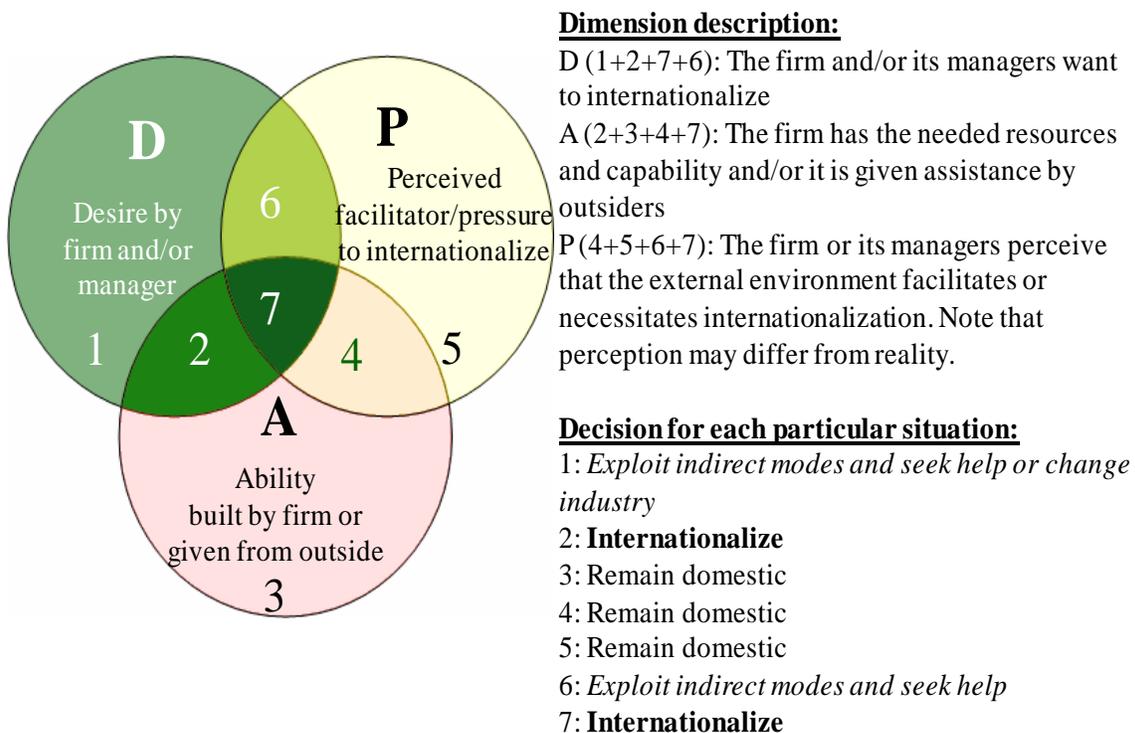7: **Internationalize**

Figure 4. Model of Dynamic Experimental Internationalization

Use of Qualitative Data Analysis Software

Figure 5 is a screenshot of MAXQDA during the open-coding phase. Conceptualizing (like what you see in Table 3) was done in the *Text Browser* window in the upper right hand corner. When a new code was generated in the *Text Browser* window, it was given a unique identification number (ID number) according to sequence of creation and immediately registered in the *Code System* window in the lower left hand corner. The ID number is hidden from the screen but will show if called up by the code frequency function. The number on the right hand side of each code in the *Code System* window depicts the number of text segments assigned to the code. When a code in the *Code System* window is activated, all text segments of that code are revealed in the *Retrieved Segment* window in the lower right hand corner. MAXQDA allows renaming, deleting, sorting, merging, splitting, and moving codes to different levels within the Code System without breaking the link between the codes and their respective text segments or affecting their unique IDs. That was why categorizing was done in the *Code System* window.

Figure 5. Screenshot of Open-Coding With MAXQDA
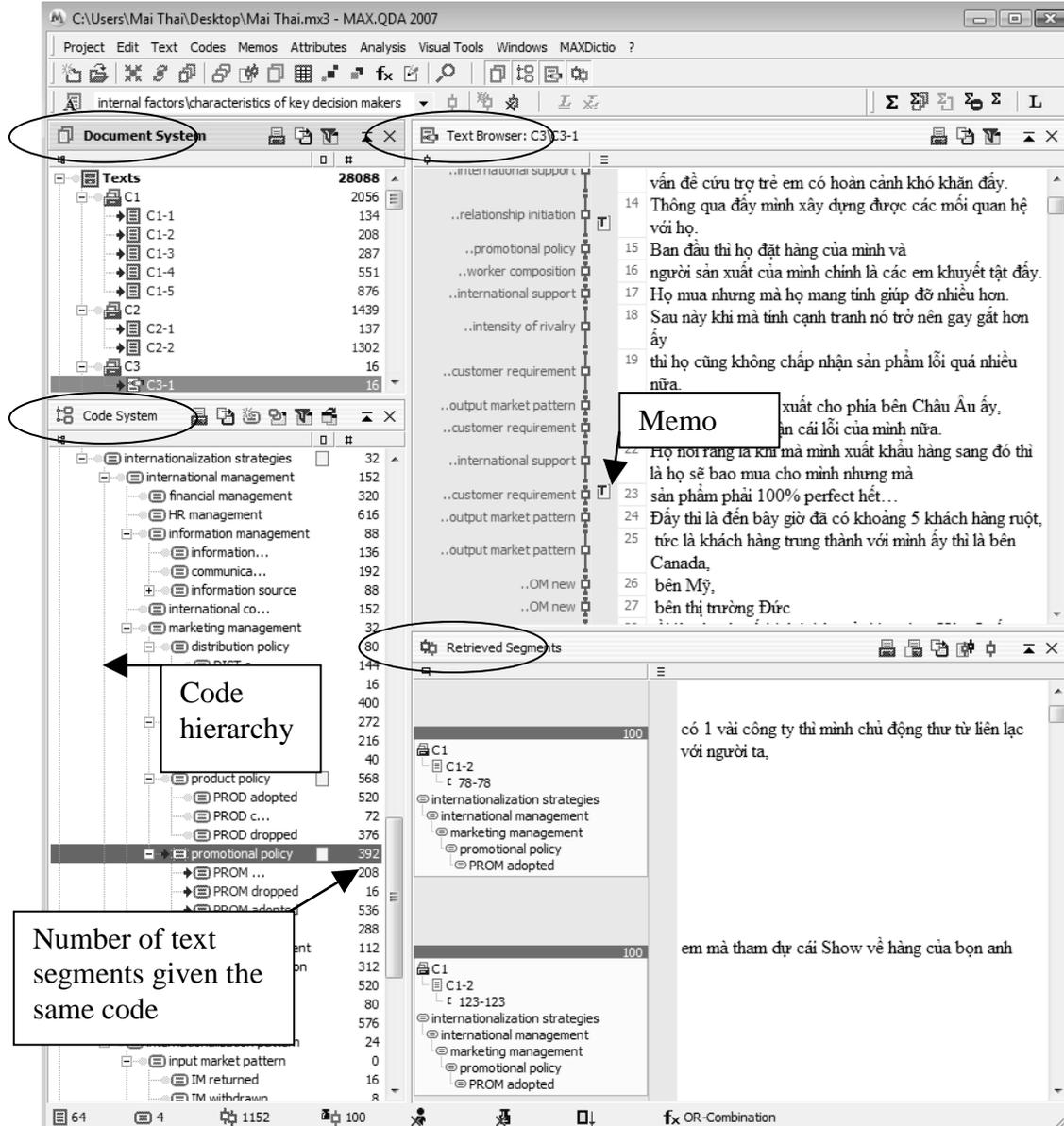
Note: Complete code books are in appendices 3 and 4

Throughout the coding process, we wrote memos about our rationales behind the naming and grouping of codes. MAXQDA allows the quick retrieval of the memos through a system of hyperlinks. The little square next to a code in the Code system is a link to the memo created specifically for that code (so this memo concerns both the code and all of its segments). In other words, the memo will show up if the square is clicked on. The little square embedded with the letter T in the Text Browser window is a link between the memo created for the code on its left and the text segment on its right side.

The code relation system (Figure 6) depicts whether any two codes have a relationship, and it helps to provide answers to the "how" and "why" questions. For example, the code *politics* is related to the code *firm resource and capability*. The nature of the relationship can be

uncovered only by reading the coded text segments. Double-clicking on the dot which signals that two codes are related can make MAXQDA bring up the coded segments. Because the code book is too big to be presented in its entirety, only a snapshot is provided here. Finally, the Code Matrix Browser function (Figure 7) allowed us to visualize processes with full description of change agents as well as the context around each change of strategy.

Figure 6. Screenshot of Code Relation Book
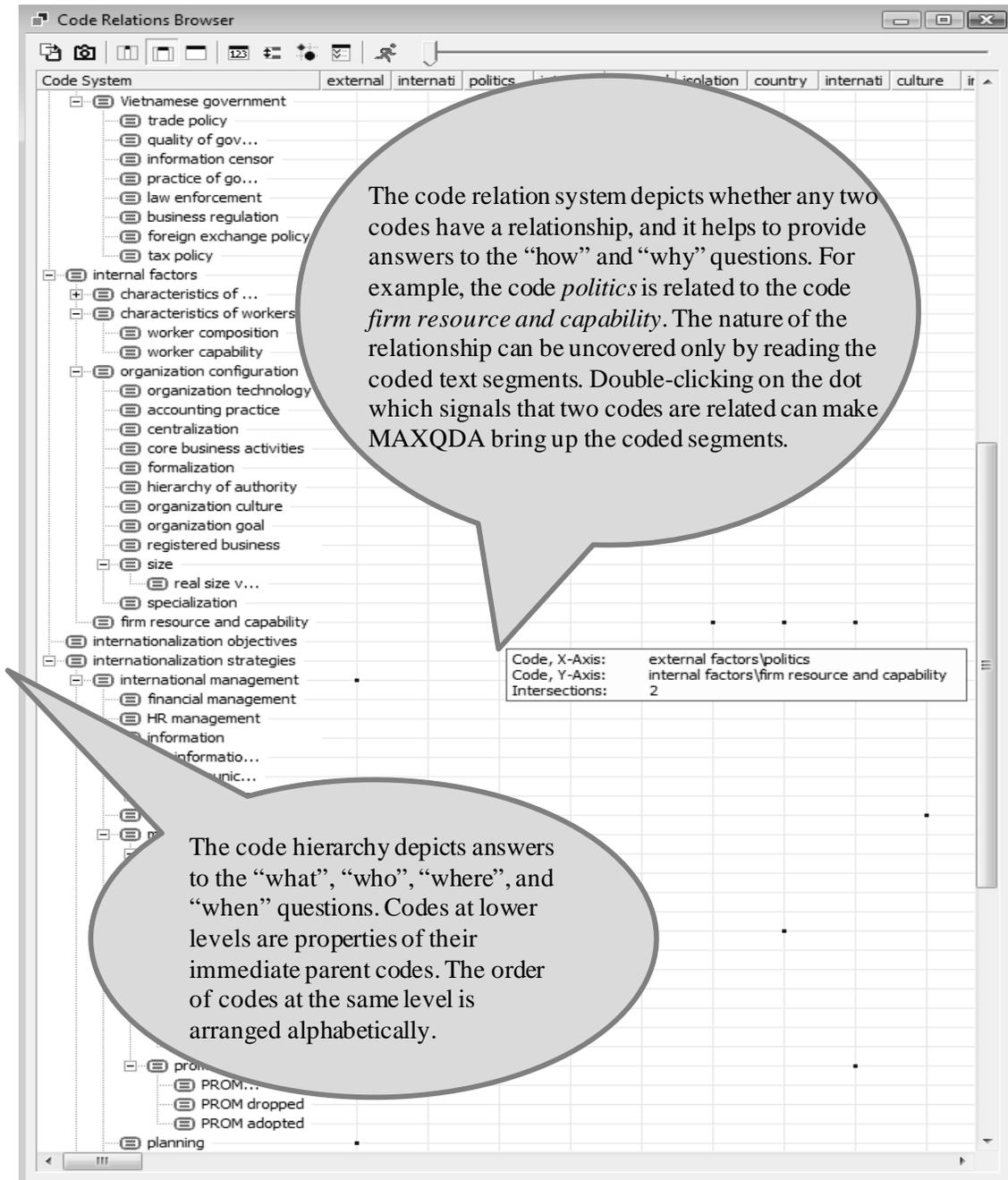
Measures to Reinforce Validity and Reliability

In order to enhance the robustness of the research findings with regard to the four standard tests – construct validity, external validity, internal validity, and reliability – we used a number of tactics elaborated below.

To enhance construct validity, i.e., the appropriateness of operational measures for the concepts being studied, we applied the principal tactics recommended by Strauss and Corbin (1998) and Yin (2003). First and foremost, we used multiple sources of data to establish a chain of evidence so that we could capitalize on the strengths of each one. Triangulating data from these sources, we were able to reduce the effects of the weaknesses of each individual source. Furthermore, we applied various measures to minimize potential problems in collecting data from each source (Table 3). The second tactic was comparing the emerging theory to raw data and presenting it to respondents for their reactions. When comparing the scheme against the raw data, we utilized high-level comparative analysis to ensure that the theoretical scheme is able to explain most of the cases. When presenting the result to our respondents, we checked if they recognized themselves in the theory. If they could not, we tried applying larger concepts until they could.

External validity (the extent of generalizability) was enhanced from the research design, which mandates case selection to follow replication logic. Internal validity (the establishment of causal relationships) was taken care of in the data analysis phase, in which we strictly followed Straussian coding guidelines and constantly compared the data with existing literature for rival explanations.

Finally, reliability (establishing repeatability) was ensured by the saturation process as well as the high level of transparency of this research. We kept interviewing till we experienced that no new data are relationships were emerging. Effectively, we used multiple cases to establish reliability (Yin, 2003). This was evident in the development of interview protocols and the establishment of a research database, including archival data, all field interview notes, and notes taken during data analysis. Furthermore, a detailed explanation of the implemented methodology would be able to facilitate any replication effort to obtain the same result and demonstrate that the research findings were grounded in data.

Table 4. Tactics to Minimize Potential Problems from Data Source

Data source	Weaknesses (listed in Yin 2003)	Our tactics
Interview	Bias due to poorly constructed questions	Initial interview questions were carefully designed after thorough literature review and refined after the pilot study
	Response bias	We studied the companies well before the interviews and used different sources to verify the interviewees' information whenever possible. This was actually helpful in comparing their perception with reality.
	Inaccuracies due to poor recall	
		All interviews were recorded so that respondents' words could be studied again and again.
	Reflexivity – interviewee says what interviewer wants to hear	
		All interviewees were given the initial questions long before the

Data source	Weaknesses (listed in Yin 2003)	Our tactics
		interviews so that they could actually prepare their answers at their own pace. During the interviews, we did not direct the development of the conversation. Rather, we let them talk freely and asked new questions only when they had stopped their recollection.
Documentation	Retrievability – can be low	Fortunately, the University of St. Gallen and its inter-library system have excellent collections of periodicals and journals as well as books. Vietnamese libraries and government offices in Vietnam keep good records of their local publications. And our respondents were willing to provide us with documents about their companies, except financial and accounting reports. In other words, we technically could retrieve all documents needed for this study.
	Biased selectivity if collection is incomplete	We were persistent to make sure that data collection for this research project was complete.
	Reporting bias – reflects (unknown) bias of author	We strictly followed the guideline set forth by Straussian grounded theorists in collecting and analyzing data to minimize chances of creating bias unwittingly.
	Access – may be deliberately blocked	It did not occur in this research project.
Archival record	[same as above for documentation]	[same as above for documentation]
	Accessibility with respect to privacy reasons	As for aggregate statistic archives, the Vietnamese General Statistics Office, the United Nations, and the World Bank provide free access; thus, we had no accessibility problem. On the other hand, although we could not access all archival records of the respondents' companies, we were given access to almost all archives needed for this study.

Conclusion

Our paper has demonstrated that Straussian Grounded Theory is an effective method for studies aimed at exploring insights, developing theoretical concepts, finding causal link between these concepts to develop a new theory. This method works well even in highly complex contexts such as Vietnam. It has walked you through our processes from collecting data to analyzing the data through coding to building and refining hypotheses. We hope that our illustration provides readers with a good understanding of what the constant comparative method entails for theory generation beyond the simple pronouncement that one has used Grounded Theory.

The method has some inherent limitations that must be taken into considerations. Like other qualitative research studies, it may suffer from problems with generalizability and parsimony (Ragin, 1994). This research was not designed to measure across the population, but to give voice to and advance a theory; thus, its findings may not be ready yet to apply to the

whole population of internationalizing SMEs from transition economies. The same data used to generate a theory cannot be used to validate it; consequently, further research is necessary to test the propositions of the theory generated in this research. Another limitation is a possible bias from the retrospective nature of some of the qualitative data, such as the views of interviewees on the reasons behind decisions taken several years ago. The use of multiple data sources and the iterative interviewing process may minimize this danger, but it is nevertheless recognized that the possibility of retrospective bias may not have been eliminated. As the major goal of the research is to uncover new concepts to build a theory and generate a framework for subsequent testing, these limitations are acknowledged but not considered a threat to the objective of this research effort.

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Appendix 1: Initial Questions (translated version)

This list was finalized after the pilot study had been completed. These questions were sent to subsequent firms as an initial set of questions for the interviews with them. We include here only the translation version but the actual questions sent to respondents are in Vietnamese.

General questions
1. Please describe your company's development since its establishment.
2. How are decisions made in your company? What factors influence the process?
3. How does your company study markets?
4. Which information channels has it used? What is the effectiveness of each one?

Questions related to the internationalization process
5. When did your company start internationalizing? If your company internationalized upon establishment, then why did you do so? If your company internationalized some time after establishment, then why did you wait?
6. What internationalization strategies has it implemented? What led to the change in strategies?
7. What factors influenced your company's internationalization process?
8. What are the characteristics of the people involved in the decision-making process of planning and implementing each of your company's internationalization strategies?
9. What do you think of the impacts of Vietnam's international economic integration process?
10. Have you thought of changing your company's current internationalization strategy? If yes, what changes are involved and when will they be implemented? Why? What conditions are required for their implementation?

11. If you look back at your company's internationalization process, what decisions are you happy with and what decisions do you feel regret about? If you could do it again, what would you have done differently?
12. In your opinion, what can lead to the success and/or failure in the internationalization process of a Vietnamese company in general and in your company in particular?
13. What advice can you give to companies which are on the internationalization path?
14. What do you propose the government should do?

Request for further information

15. Can you provide me with your company's documents?
16. What else do you want to share with me?
17. Can you introduce me to other internationalizing SMEs for interviews?
18. While advancing in my research process, I will most likely have new questions related to the internationalization process of Vietnamese SMEs. May I come back to you for further interviews?

Appendix 2: Case Profiles

When interpreting the table, please consider the following notes:

- To ensure anonymity requested by the companies studied, we do not disclose their real names but assign an ID to each.
- The cases are located in various parts of Vietnam from the North to the South, but we only note here the provinces/municipalities where their headquarters are located and not their production outlets or branches within Vietnam because the firms develop their internationalization strategies at their headquarters.
- The *year of establishment* denotes the year when the business was first registered with the government to pay taxes, although in many cases the founders actually started running the businesses informally long before they registered with the government.
- *Business type* represents a firm's core business activities. It should be noted that what was considered a core activity at one time may have been disregarded at another time according to the manager's perception of how much each activity contributed to the firm's profitability as well as whether the firm's available resources and external environment allowed it to happen. The order listed here only depicts when a certain activity was first considered core because showing all sequences can be unnecessarily lengthy for this section.
- The *year of first international activity* denotes when a firm launched its first internationalization strategy. The major drivers for the launch are listed by the order of influential strength perceived by the companies.
- *Business model* is the method of generating revenues from international business involvement. B2B means business-to-business; B2C means business-to-consumer; B2G means business-to-government.
- *Internationalization operation modes* are listed in the sequence of time when they were first adopted by the firms. Nonetheless, many firms abandoned and re-adopted certain modes at different points in time. Showing all events can be unnecessarily lengthy for this section.

- *Targeted products and services* are classified according to the United Nation's Central Product Classification Version 1.1 (CPC). They are listed in the table in the sequence of first involvement, but the firms managed different portfolios at different points in time. Since the description of each product/service group is too long to fit in the table; only its code is logged in the table. You're your information: CPC Version 1.1 was developed by the United Nations Statistics Division to serve as an instrument for assembling and tabulating all kinds of statistics requiring product detail. It constitutes a comprehensive classification of all goods and services that can be the object of domestic or international transactions. By classifying products based on the physical characteristics of goods or on the nature of the services rendered, the CPC provides a basis for recompiling basic statistics from their original classifications into a standard classification for analytical use. For further information, please go to http://unstats.un.org).
- *Targeted markets* are classified by the respective companies and listed in the sequence of first involvement. It should be noted that their importance has been perceived differently over time, and the firms have entered, exited, and re-entered certain markets many times.

Case ID	C1	C2	C3	C4	C5
Informants	Founder & CEO	Founder & CEO	Marketing manager	Owner & CEO	Founder & CEO
Head-quarter	Hanoi	Ho Chi Minh City	Hanoi	Ha Tay	Ho Chi Minh City
Year & type of establishment	1998 Private startup	1999 Privatized spin off from an SOE	1990 Private startup	1998 Private startup	1998 Private startup
Business forms registered over time	- Boutique shop - Household - LLC	- LLC	- Household - LLC	- LLC	- LLC
Business type	Retailer, reseller, consulting service provider, manufacturer, wholesaler	Manufacturer, reseller	Manufacturer	Reseller	Import/export management
Year of first international activity & major drivers	1998 - Market condition - Personal desire - Personal network	1999 - Personal desire - Market condition - Price	2000 - International assistance	2003 - Competitor - Firm network - Market condition	1998 - Personal desire
Operation modes implemented over time	- Indirect export - Direct export - Indirect import - Direct import - Non-equity cooperation	- Indirect export - Direct export	- Direct export	- Direct export - Non-equity collaboration	- Direct export - Direct import
Business model	B2C, B2B	B2B	B2C, B2B	B2B	B2B
Targeted products & services for export	929, 282, 292, 293, 381, 382	316, 319, 381, 389	381, 382	281, 283, 381, 382	631, 681, 041, 042, 049, 711, 016, 972, 622
Targeted products & services for import	283, 281, 319	not applicable	not applicable	not applicable	444, 451, 452, 711
Targeted markets for sales	Foreign expatriates & visitors to Vietnam; Japan; Australia; Spain; Indonesia	Vietnamese EMC; Europe; United States	Canada, United States, Germany, South Korea	Japan, European Union, United States	Worldwide
Targeted market for purchase	China, Thailand, Vietnam	Vietnam	not applicable	Vietnam	Worldwide

Case ID	C6	C7	C8	C9	C10
Informants	Export managers	Export managers	Managing partner	Director	CEO
Headquarter	Dong Thap	Can Tho	Hanoi	Hanoi	Hanoi
Year & type of establishment	2000 Private startup	2000 State-own spin off branch	2001 Private startup	2002 Private start up	2002 Private startup
Business forms registered over time	- LLC	- SOE - Joint stock	- Partnership	- LLC - Joint stock	- LLC
Business type	Collector, wholesaler	Farming, wholesaler, collector	Consulting service	Collector, wholesaler	Reseller
Year of first international activity & major drivers	2001 - Personal desire - Competitor	2000 - Government decision	2001 - Government policy - Political situation - Firm resource	2006 - Firm desire - Personal desire - Government policy - Competitor	2003 - Personal desire - Market condition
Operation modes implemented over time	- Indirect export - Direct export	- Direct export	- Direct export	- Indirect export - Direct export	- Direct import
Business model	B2B	B2B	B2B, B2C	B2B	B2C
Targeted products & services for export	001	041, 042, 049	not applicable	012, 016, 019	not applicable
Targeted products & services for import	not applicable	not applicable	821, 812, 837, 839, 822, 831	012, 016, 019	431, 432, 449, 451, 471
Targeted markets for sales	Africa	Sweden, Spain	Worldwide	India, Middle East, Netherlands, Belgium, United States	Vietnam
Targeted market for purchase	Vietnam	Vietnam	not applicable	China, Thailand, Vietnam	United States, Germany, Canada, Russia, France, Japan, Singapore, South Korea, China, Taiwan

Case ID	C11	C12	C13	C14	C15
Informants	Managing director	Marketing manager	CEO	Managing directors	Owner & Director
Headquarter	Ho Chi Minh City	Hanoi	Hanoi	Ho Chi Minh City	Hanoi
Year & type of establishment	2002 State-own startup	2001 Private startup	2004 Private startup	2004 Spin off from a private firm	2005 Private startup
Business forms registered over time	- Joint operation company	- LLC	- LLC	- Household - LLC	- LLC
Business type	Natural resource exploiting	Import/export management, producer	Consulting service	Producer	Producer
Year of first international activity & major drivers	2002 - Government decision - Firm resource	2001 - Personal network	2004 - Market condition	2004 - Personal desire - Price - Firm network	2005 - Firm desire - Firm network - Competitor - Market condition
Operation modes implemented over time	- Joint venture	- Direct export - Direct import - Equity participation - Franchisee - Sole venturing	- Direct export - Contractual agreement - Equity participation	- Direct export - Indirect export	- Indirect export - Direct export
Business model	B2B, B2G	B2B, B2C	B2B, B2G	B2B	B2B
Targeted products & services for export	120	013, 321, 016	821, 721, 831, 722, 812, 837, 839	281, 282	281, 283, 381, 382
Targeted products & services for import	not applicable	321	not applicable	not applicable	not applicable
Targeted markets for sales	Not selling yet	China, Taiwan, Singapore, Western Europe,	Vietnam, North America	United States, Western Europe	Germany, Vietnamese EMC
Targeted market for purchase	not applicable	China, Taiwan, Laos, Cambodia	not applicable	Vietnam	Vietnam

Case ID	C16	C17	C18	C19	C20
Informants	Founder & CEO	Founder & CEO	Founder & Director	CEO	Founder & CEO
Headquarter	Hanoi	Hanoi	Hanoi	Hanoi	Hoa Binh
Year & type of establishment	2005 Private startup	2006 Private startup	2006 Private startup	2006 Spin off from a private firm	2007 Private startup
Business forms registered over time	- LLC	- LLC	-LLC	- Joint stock	- LLC
Business type	Assembler	Reseller	Reseller, import management	Reseller, producer	Import/export management, wholesaler, distributor, tourism
Year of first international activity & major drivers	2005 - Market condition - Price	2006 - Personal desire	2006 - Personal desire - Firm network - Market condition	2006 - Market condition - Government policy - Personal desire	2007 - Government policy - Firm network
Operation modes implemented over time	- Direct import	- Direct export	- Direct import	- Direct export - Direct import	- Direct export - Direct import - Equity participation
Business model	B2B	B2B, B2C	B2B	B2B	B2C
Targeted products & services for export	not applicable	381, 533, 611, 612, 621, 622,	not applicable	011, 012, 013, 014, 015, 016,	631, 969, 962
Targeted products & services for import	473, 449	not applicable	321, 399	031, 321	912, 541, 381
Targeted markets for sales	Vietnam	Worldwide	Vietnam	China	Worldwide
Targeted market for purchase	South Korea, Taiwan	Vietnam	Australia, China, Germany, Singapore, Taiwan	Vietnam, Laos	Austria, France, Switzerland

Case ID	C21	C22	C23	C24	C25
Informants	Founder & Director	Director	Founder & Director	Owner & CEO	Managing director
Headquarter	Hanoi	Hanoi	Dak Lak	Binh Dinh	Ho Chi Minh City
Year & type of establishment	2007 Private startup	1997 Private startup	1996 Private startup	1996 Private startup	1995 State-own startup
Business forms registered over time	- Household - LLC	- LLC	- Household - LLC	- Private enterprise	- SOE
Business type	Reseller, translation service	Import/export management, distributor	Producer, distributor	Transport service	Natural resource exploiter
Year of first international activity & major drivers	2001 - Personal desire - Industry internationalization - Market condition	1997 - Personal desire	2001 - Personal desire - Market condition - Price - Government support	1999 - Market condition	2002 - Government decision
Operation modes implemented over time	- Direct import	- Direct export - Direct import	- Indirect export - Direct export	- Direct export	- Direct export
Business model	B2C, B2B	B2C	B2C, B2B	B2B	B2G, B2B
Targeted products & services for export	322, 891	381, 371, 279, 319, 239, 016, 271, 369	016	651, 652	011, 012, 013, 014, 015, 016, 120, 624, 678, 851
Targeted products & services for import	469, 351, 389, 449, 451, 471	461, 432, 435, 548, 612	not applicable	not applicable	not applicable
Targeted markets for sales	Vietnam	Britain, Germany, France, South America	Australia, Thailand Vietnamese EMC	Worldwide	Worldwide
Targeted market for purchase	Worldwide	Britain, Germany, France	Vietnam	Worldwide	Vietnam

Case ID	C26	C27	C28	C29	C30
Informants	Marketing manager	Owner & CEO	Founder & President	Export manager	Founder & Director
Headquarter	Ho Chi Minh City	Binh Duong	Ho Chi Minh City	Ho Chi Minh City	Hanoi
Year & type of establishment	1994 Private startup	1994 Private startup	1994 Private startup	1993 Private startup	1992 Private startup
Business forms registered over time	- LLC	- Private enterprise	- LLC	- LLC	- Joint stock
Business type	Producer	Producer, reseller	Retailer, distributor	Producer	Producer, reseller
Year of first international activity & major drivers	1994 - Government policy	1995 - Firm network	1994 - Personal network - Government policy	2002 - Firm desire	2001 - Personal network - Personal desire
Operation modes implemented over time	- Direct export	- Direct export	- Direct import - Non-equity collaboration	- Indirect export - Direct export	- Direct export - Direct import
Business model	B2B	B2B	B2C	B2B, B2C	B2B, B2C
Targeted products & services for export	372	013	015	319, 381	363, 364, 369
Targeted products & services for import	not applicable	not applicable	016, 972, 622	not applicable	439, 445, 441
Targeted markets for sales	Worldwide	China	Vietnam	Japan, USA, France, Mexico, Taiwan	China, Taiwan, United States, Russia, France
Targeted market for purchase	Vietnam	Vietnam	Canada, Malaysia, France, China	Vietnam	United States, Vietnam

Case ID	C31	C32	C33	C34	C35
Informants	Director	Marketing manager	Director	Import/export manager	Managing director
Headquarter	Binh Duong	Ha Nam	Ho Chi Minh City	Nghe An	Hanoi
Year & type of establishment	1989 Private startup	1988 Formal registration for family traditional craft	1986 State-own startup	1957 State-own startup	1947 State-owned startup
Business forms registered over time	- Collective company - LLC	- Household - LLC	- SOE	- SOE - Joint stock	- SOE - Joint stock
Business type	Manufacturer	Producer	Manufacturer, import/export management	Import/export management, distributor	Distributor
Year of first international activity & major drivers	1999 - Government policy - Market condition - Firm network - Industry internationalization	1988 - Market condition - Personal desire - Natural condition	1986 - Government decision	1957 - Government decision	1947 - Government decision
Operation modes implemented over time	- Direct export - Foreign producer outlet - Equity participation - Joint venture - Solve venture	- Indirect export - Direct export	- Direct export - Direct import	- Direct export - Direct import - Equity participation - Joint venture	- Direct import
Business model	B2C	B2C, B2B	B2B, B2G	B2B, B2G, B2C	B2B
Targeted products & services for export	011, 013, 016, 231, 234, 239,	not applicable	017, 250, 025	011, 013, 016, 231, 232, 041, 042, 049,	not applicable
Targeted products & services for import	011, 013, 016	381, 389, 316, 319	445, 881, 017, 321	161, 346, 461, 462, 491, 499, 421, 435, 439, 441, 464, 469	411, 374, 375, 161, 346, 333, 334,
Targeted markets for sales	Canada, China, Thailand, United States, Vietnam	Germany, Japan, Netherlands, Taiwan, France, Turkey, United States, Brazil	Soviet Union, Eastern Europe, Worldwide	Worldwide	not applicable

Case ID	C31	C32	C33	C34	C35
Targeted market for purchase	China, Thailand, Vietnam	Vietnam	Soviet Union, Eastern Europe, Worldwide	Worldwide	Soviet Union, China, Eastern Europe, Taiwan, Hong Kong, Japan, South Korea, Indonesia, England

Appendix 2: Free Codes

Codes emerged from the open-coding process are termed "free" because they are not yet assigned to any category. For easier reading, these codes are listed in alphabetical order. The numbering of the code IDs follows their sequential creation. Missing numbers indicate deleted codes. Codes that were renamed (no matter how many times) during the analysis process have kept their initial IDs. Code position indicates its categorical order.

Code name	Code-ID	Code position
accounting practice	142	69
Alliance	80	22
business association	366	32
business regulation	26	49
business service	365	33
buyer bargaining power	272	27
Centralization	168	70
characteristics of key decision makers	36	53
characteristics of workers	123	64
common business practice	20	14
communication method	104	88
competitor action	23	24
consumer preference	13	25
core business activities	119	71
country comparative advantage	283	7
CPC considered but disregarded	64	128
CPC discarded	143	127
CPC new	63	129
CPC pattern	128	125
CPC resumed	257	126
Culture	114	9
customer requirement	372	17
DIST adopted	243	97
DIST considered but disregarded	354	95
DIST dropped	311	96
distribution policy	15	94
economic condition	61	15
education and training	268	35
external factors	59	1

Code name	Code-ID	Code position
financial management	25	84
financial system	29	36
firm resource and capability	82	80
foreign exchange policy	141	50
Formalization	46	72
hierarchy of authority	83	73
HR management	50	85
ICT	95	37
IM considered but disregarded	183	119
IM new	153	120
IM returned	271	117
IM withdrawn	270	118
individualism vs. collectivism	369	10
industry life cycle	370	18
industry structure and attributes	44	16
information censor	117	46
information management	4	86
information source	103	89
information treatment	231	87
input market pattern	152	116
intensity of rivalry	32	23
Intermediary	290	20
internal factors	57	52
international collaboration	264	92
international economic integration	116	8
international management	65	83
international support	371	2
international trade	282	4
internationalization commencement	126	131
internationalization objectives	99	81
internationalization pattern	73	115
internationalization strategies	144	82
IS considered but disregarded	113	90
IS exploited	112	91
Isolation	296	6

Code name	Code-ID	Code position
KDM business experience	22	54
KDM capability	136	55
KDM decision making	88	56
KDM education background	49	57
KDM international network	11	58
KDM management style	87	59
KDM management training	124	60
KDM personal goal	38	61
KDM personality trait	2	62
KDM presupposed interest	199	63
labor supply	148	38
law and bylaw	277	34
law enforcement	178	48
legal system	367	31
living standard	275	39
market price	62	26
market structure	368	19
marketing management	173	93
OM abandoned	184	136
OM considered but abandoned	205	135
OM new	12	137
OM returned	242	134
operation considered but disregarded	101	123
operation implemented	55	124
operation pattern	138	121
operation withdrawn	182	122
organization configuration	66	67
organization culture	207	74
organization goal	100	75
organization technology	345	68
output market pattern	98	133
Planning	174	109
Politics	284	3
practice of government officials	230	47
PRIC adopted	313	99

Code name	Code-ID	Code position
PRIC dropped	318	100
pricing policy	185	98
PROD adopted	305	102
PROD considered but disregarded	306	103
PROD dropped	164	104
product life cycle	330	21
product policy	60	101
PROM adopted	161	108
PROM considered but disregarded	244	106
PROM dropped	226	107
promotional policy	35	105
psychic distance	253	11
public interest	201	12
public opinion	111	13
quality of government support	233	45
quality of labor force	147	40
quality of public information	110	41
real size vs. reported size	215	78
registered business form	89	76
relationship initiation	84	111
relationship maintenance	21	112
relationship management	18	110
research and development	262	113
risk management	3	114
Size	47	77
Specialization	172	79
strategy implementation duration	127	132
supplier bargaining power	232	28
supply chain	19	29
tax policy	48	51
Timing	67	130
trade policy	364	44
Transportation	146	42
Vietnamese government	56	43
Vietnam's image	295	5

Code name	Code-ID	Code position
Vietnam's infrastructure	115	30
worker capability	53	66
worker composition	156	65

Appendix 3: Code Hierarchy

This table shows the categories emerged from the free code book. Codes at lower levels are properties of their immediate parent codes.

1   external factors

    1.1   culture

        1.1.1   individualism vs. collectivism

        1.1.2   psychic distance

        1.1.3   public interest

        1.1.4   public opinion

        1.1.5   common business practice

    1.2   economic condition

    1.3   industry structure and attributes

        1.3.1   industry life cycle

        1.3.2   customer requirement

        1.3.3   market structure

        1.3.4   Intermediary

        1.3.5   product life cycle

        1.3.6   alliance

        1.3.7   intensity of rivalry

        1.3.8   competitor action

        1.3.9   consumer preference

        1.3.10   market price

        1.3.11   buyer bargaining power

        1.3.12   supplier bargaining power

        1.3.13   supply chain

    1.4   international support

    1.5   international trade

        1.5.1   Vietnam's image

        1.5.2   isolation

        1.5.3   country comparative advantage

        1.5.4   international economic integration

    1.6   politics

    1.7   Vietnam's infrastructure

        1.7.1   legal system

	1.7.2	business association
	1.7.3	business service
	1.7.4	law and bylaw
	1.7.5	education and training
	1.7.6	financial system
	1.7.7	ICT
	1.7.8	labor supply
	1.7.9	living standard
	1.7.10	quality of labor force
	1.7.11	quality of public information
	1.7.12	Transportation
1.8	Vietnamese government	
	1.8.1	trade policy
	1.8.2	quality of government support
	1.8.3	information censor
	1.8.4	practice of government officials
	1.8.5	law enforcement
	1.8.6	business regulation
	1.8.7	foreign exchange policy
	1.8.8	tax policy
2	internal factors	
2.1	characteristics of key decision makers	
	2.1.1	KDM business experience
	2.1.2	KDM capability
	2.1.3	KDM decision making
	2.1.4	KDM education background
	2.1.5	KDM international network
	2.1.6	KDM management style
	2.1.7	KDM management training
	2.1.8	KDM personal goal
	2.1.9	KDM personality trait
	2.1.10	KDM presupposed interest
2.2	characteristics of workers	
	2.2.1	worker composition
	2.2.2	worker capability
2.3	organization configuration	
	2.3.1	organization technology
	2.3.2	accounting practice
	2.3.3	Centralization
	2.3.4	core business activities
	2.3.5	Formalization

4.1.9 risk management

4.2 internationalization pattern

  4.2.1 input market pattern

    4.2.1.1 IM returned

    4.2.1.2 IM withdrawn

    4.2.1.3 IM considered but disregarded

    4.2.1.4 IM new

  4.2.2 operation pattern

    4.2.2.1 operation withdrawn

    4.2.2.2 operation considered but disregarded

    4.2.2.3 operation implemented

  4.2.3 CPC pattern

    4.2.3.1 CPC resumed

    4.2.3.2 CPC discarded

    4.2.3.3 CPC considered but disregarded

    4.2.3.4 CPC new

  4.2.4 timing

    4.2.4.1 internationalization commencement

    4.2.4.2 strategy implementation duration

  4.2.5 output market pattern

    4.2.5.1 OM returned

    4.2.5.2 OM considered but abandoned

    4.2.5.3 OM abandoned

    4.2.5.4 OM new

Appendix 5: Categorized Theoretical Statements

The last two columns reveal not only when each hypothesis emerged but also when modification occurred and how many times. Since this is the final set, all hypotheses were arranged categorically. It should be noted that we cannot present to you all versions of modified propositions and what phrase or code caused us to make such modification because doing so will make this paper unnecessarily cumbersome with overly detailed information. Furthermore, we cannot afford to show you all deleted concepts, categories, and hypotheses because of their volume.

Refined hypothesis in categorical order	Emerged	Modified
1. Anatomy of Vietnamese SMEs with respect to internationalization		
1.1. Organization configuration		
1.1.1. Context dimension		
1.1.1.1. Firm size		
1.1.1.1.1. Officially declared firm size is intentionally different from the real size	C1	
1.1.1.1.2. The bigger the appearance is, the more unwanted attention the firm gets to deal with	C2	C5, C7, C9
1.1.1.1.3. Real firm size is positively correlated to the firm's ability to internationalize	C9	
1.1.1.1.4. Real firm size is positively correlated to the firm's internationalization degree	C9	
1.1.1.2. Organizational technology		
1.1.1.2.1. Level of organizational technology is positively correlated to the level of Vietnam's IT infrastructure	C2	
1.1.1.2.2. Level of organizational technology is positively correlated to the firm's ability to identify foreign business opportunity	C5	C17
1.1.2. Structural dimension		
1.1.2.1. Organization culture		
1.1.2.1.1. Organization culture is patterned after Vietnamese family culture	C16	C17, C26
1.1.2.1.2. Hierarchy of authority in private firms are shorter than that of state-owned firms	C2	

1.1.2.1.3. Managers' span of control is negatively correlated to the real firm size information	C1	
1.1.2.1.4. Managers' span of control is positively correlated to the speed of information flow in small firms but negatively correlated to the speed of information flow in medium-sized firms	C4	C8
1.1.2.1.5. Level of concentration is high due to traditional autocratic management style rooted in the Vietnamese culture	C1	
1.1.2.1.6. Level of formalization is positively correlated to the amount of formal management training and the need for flexibility	C1	
1.1.2.1.7. Level of specialization is positively correlated to the firm's available resource	C1	
1.1.2.1.8. Level of specialization is positively correlated to firm size	C12	
1.1.2.2. Organizational goals		
1.1.2.2.1. Organizational goals are influenced by the key managers' presupposed interests which may not be for the benefit of the company (agency problem)	C2	C11, C18, C30
1.1.2.2.2. Organizational goals are stimulated by external conditions (reactive approach)	C3	
1.1.2.2.3. Organizational goals are bound by the firm's financial capability (constraints)	C4	
1.1.2.2.4. Organizational goals often change (short-term vision)	C3	C17, C29
1.1.2.2.5. Profit making is more apparent in the private sector	C5	
1.1.2.2.6. Profit making has become more important in the state sector	C11	C25
1.1.2.3. Core business activities		
1.1.2.3.1. Core business activities are not fixed	C10	
1.2. Key decision makers		
1.2.1. Business skill		
1.2.1.1. The educational infrastructure of Vietnam hinders the development of effective management skills	C21	
1.2.1.2. Business is a self-learning curve paced by the opening process of the Vietnam's	C1	

economy		
1.2.1.3. Experience in the private sector is more appreciated than in the state sector	C1	C33, C28, C15
1.2.1.4. Business skills is positively correlated to the international experience	C14	C18, C24
1.2.2. Decision making style		
1.2.2.1. Decision making is informal and spontaneous	C2	
1.2.2.2. Decisions are made by intuition with input from observation, reference, and trial-and-error	C1	C5, C8, C13
1.3. Networking		
1.3.1. Networking operates like buffalo herds in both in good and bad time	C10	C22, C27, C13, C32,
1.3.2. Firms are active in initiating and maintaining relationships	C1	C2, C4
1.3.3. Relationship is tested by time until both parties consider each other family to become strategic alliance	C3	
1.3.4. Strategic alliance among SME managers are more because of the need for survival than because of the need for development	C11	
1.4. Perception of external influence		
1.4.1. Globalization		
1.4.1.1. Attitude toward globalization is positive due to government propaganda	C1	C11, C22, C31, C33
1.4.1.2. International economic integration has little effect on the way they conduct business	C13	
1.4.1.3. Globalization adversely affects the state sector	C11	C25
1.4.1.4. Globalization has positively impacts on the private sector	C12	
1.4.2. Industry structure and attributes		
1.4.2.1. Market condition determines internationalization direction	C1	
1.4.2.2. Current market price serves as the primary indicator of market condition, causing inablity to make long-term plan	C2	C8, C10, C20
1.4.2.3. Access to quality information and market research methods is improved with	C2	C3, C10, C13

international experience		
1.4.2.4. Industry structure predetermines a firm's ability to internationalize	C9	
1.4.2.5. Lack of access to quality information and good market research techniques causes firms to act on perception (herd-like reaction)	C10	C13, C22, C27, C32
1.4.3. Political factors		
1.4.3.1. Political status has diminishing influence on the private sector at the pace of Vietnam's international economic integration	C25	
1.4.3.2. The ongoing political changes lift social prejudice on the private sector	C18	
1.4.3.3. Relaxed political environment remove restrictions on international development (make it easier for businesses to do business with former enemies)	C18	C20, C32
1.4.3.4.Firms accept political risks and do not have formal risk management	C16	
1.4.4. Business environment in Vietnam		
1.4.4.1. Unstable policy environment puts SMEss in a position to be reactive rather than proactive in making international development plans	C1	
1.4.4.2. Weak law enforcement and ineffective government support handicap SMEs's ability to resolve conflicts ("private orderings" does not work in the international setting)	C19	
1.4.4.3. Tradition of relying on relationship rather than legal system in doing business puts SMEs on risky positions in international transaction	C19	C22, C26, C27
1.4.4.4. Underdeveloped financial system creates a boundary on SME international development	C1	
2. Internationalization as a business strategy		
2.1. International motivators		
2.1.1. To internationalize or not to internationalize		

The decision of a Vietnamese SME to internationalize or not to internationalize is a function of whether the firm and its managers want to internationalize for whatever reason (dimension D), whether it perceives the industry's opportunity and/or pressure as great enough (dimension I), and whether it has the ability to do so (dimension A) . If in a situation where all three dimensions meet, the firm will be the most motivated to internationalize. If situated in dimension D, the firm will embark on internationalization at some point in time, now or later. If situated outside of dimension D, the firm will choose not to internationalize. See Figure 7 for its visual presentation. See Figure 3 for its visual presentation.	C1	C2, C3, C4, C5, C7, C8, C9, C12, C13, C14, C15, C18, C19, C20
2.1.2. Motivators to specific internationalization modes		
2.1.2.1. Import production inputs	C1	C5, C9, C10, C16, C19, C21
2.1.2.2. Import finished goods/service	C5	C5, C10, C16, C18, C19, C21, C28
2.1.2.3. Engage in non-equity collaboration for import	C28	
2.1.2.4. Establish joint-venture to serve domestic market	C11	C12, C20
2.1.2.5. Export production inputs	C2	C6, C14, C15, C17, C19, C25, C28
2.1.2.6. Export finished goods/services	C1	C2, C3, C4, C5, C19, C23
2.1.2.7. Engage in non-equity collaboration for export	C1	C4, C20, C31, C34
2.1.2.9. Establish joint-venture to produce goods overseas	C31	C31, C34
2.1.2.10. Establish joint venture to produce exported goods in Vietnam	C13	C14, C20
2.1.2.11. Establish foreign sales subsidiary (sole venture)	C1	C2, C6, C23, C24
2.1.2.12. Establish foreign production subsidiary (sole venture)	C10	C12, C20, C23, C31
2.2. Internationalization pattern		
2.2.1. Timing		

The choice of international market entry time by Vietnamese SMEs is determined by the key decision makers' and/or the firm's desire and activated by the firm's ability to internationalize.	C1	C2, C6, C9, C13, C17, C20, C26, C31, C34
2.2.2. Operation pattern		
The international operation of Vietnamese SMEs does not follow a predetermined pattern; rather, it exhibits an intermittent pattern of progress, pause, and retreat or continuity contingent on their situation at a given point in time.	C1	C2, C3, C4, C5, C10
2.2.3. Product/service pattern		
Vietnamese SMEs do not internationalize with a predetermined range of products/services; rather, the choice of internationalized products/services exhibits an intermittent pattern of adoption, abandon, and re-adoption contingent on the products/services' potential to yield profits.	C1	C2, C3, C4, C8, C10, C13, C25
2.2.4. Market pattern		
The market choice of Vietnamese SMEs is determined by price factors and made possible only under favorable political conditions in the country and a favorable governmental policy. Their market pattern is sporadic, with irregular periods of engagement, abandonment, and return.	C5	C10, C24, C8, C19
2.2.5. Internationalization path		
Vietnamese SMEs do not follow any predetermined international development path since their internationalization strategies are built contingent on internal and external factors and change over time, causing internationalization to follow sporadic patterns.	C12	C5, C12, C14
2.3. International management		
2.3.1. Planning		
The planning needed by Vietnamese SMEs is related to the volatility in their business environment. The more volatile the business environment is, the shorter-term the plans made by Vietnamese SMEs become. It is also related to the size and type of their business. The bigger their firm size is, the longer-term their plans become. Trading companies are able to change faster than producers; thus, their plans are for shorter terms.	C12	C14, C15, C19

2.3.2. Marketing management			
The international marketing management of Vietnamese SMEs is shaped by the managers' international knowledge and governmental policy and bound by the firm's financial ability.	C15	C16, C18, C20, C22, C25, C26, C28	
2.3.3. Information management			
Vietnamese SME information management is influenced by government control and the quality of the education system.	C1	C27, C29	
2.3.4. Human resource management			
The management of human resources for international activities at Vietnamese SMEs is affected by the quality of business education in Vietnam.	C1	C8, C13, C14	
2.3.5. Financial management			
Vietnamese SME financial management is technically unsophisticated and bound by the financial system of Vietnam and the government's foreign exchange policy.	C1		
2.3.6. Risk management			
Vietnamese SMEs do not have a formal approach to risk management, but rather, they rely on luck because of their limited international knowledge and experience as well as a result of weak protection from the government.	C1	C3, C8, C13, C13, C19	
3. Dynamic process of Vietnamese SME internationalization			
Vietnamese SME internationalization strategy formation is not a nicely sequenced process running on a standard time schedule. Rather, it has periodic, but not incremental waves as the managers respond to internal and external changes large enough for them to perceive. Therefore, changes in their internationalization strategies take place in spurts, each followed by an irregular period of continuity. See Figure 8 for a visual presentation of the relationship between the major categories and their direction of influence and sums up the causal linkage among their subcategories that we provided right above. See Figure 4 for its visual presentation.	C1	C2, C3, C4, C5, C7, C8, C9, C12, C13, C14, C15, C18, C19, C20	

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