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<input type="checkbox"/>	Licentiate's thesis
<input type="checkbox"/>	Doctor's thesis

Subject	International Business	Date	1.7.2008
Author(s)	Jessica Säilä	Student number	
		Number of pages	78
Title	Managing a micromultinational		
Supervisor(s)	Niina Nummela		

Abstract

This work sets out to investigate the challenges a small, rapidly internationalizing company faces during its growth. The study offers further insight into the subject of micromultinationals, which is a term created to describe a small company with an organization structure close to large, multinational corporations, but with limited resources. Such companies face the challenges of simultaneously handling their growth, profitability and internationalization. The micromultinationals operate in global markets, yet manage to maintain the flexibility of an SME. Especially in high-tech industries the micromultinationals have managed to gain dominating market positions in their niches.

The main research question stated was: How to manage the international operations of a micromultinational? It was further deepened to explain changes during internationalization, the subsidiary-headquarters relationships, control mechanisms and finally communication and commitment. The study was qualitative in nature and it was carried through with the help of a case company. The case company chosen is a Finnish SME, which has four subsidiaries. The company's personnel in the headquarters and in the subsidiaries were interviewed and furthermore the company also made internal documents available to support the findings of the interviews. The study established that the internationalization and growth of the company corresponded to those of companies of similar sizes in the high-tech industry. The most challenging issues for the company were the communication between the different units, motivation of the subsidiary staff as well as managing its profit. On the other hand all systems and issues related to governmental and environmental requirements were well organized.

In order to fix the issues acknowledged, the company should allow the subsidiaries to participate in the decision-making at the headquarters and common projects between the headquarters and the subsidiaries should be created. Instead of planning and implementing major IT-systems originally developed for MNEs, the company should create small systems for communication to make information available for all employees. Furthermore moving the strategy from headquarters to the subsidiaries should be done in order to boost motivation in the subsidiaries.

Key words	Micromultinational, SME, internationalisation, headquarter – subsidiary relationships
Further information	