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Thriving Amidst Geopolitical Turmoil: Strategies for Trading Organizations to Sustain Competitiveness

- *A qualitative study on how a trading company successfully adapts to the future and remains competitive in a changing market environment.*

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Abstract

Background and problem: *International trading organizations face significant challenges in adapting to the constantly changing global business landscape. This study aims to explore how these organizations navigate these challenges and capitalize on opportunities for competitiveness and relevance. By examining practical strategies and capabilities, the research seeks to shed light on how trading companies effectively manage complexities in a dynamic market environment, bridging theory with real-world practices.*

Research aim: *This thesis central inquiry revolves around understanding how the trading industry navigates challenges and opportunities arising from an uncertain business climate influenced by geopolitical events.*

Research question: *To achieve the research aim, the guiding research questions to this study are: How do international trading companies adapt to a rapidly changing market environment, considering geopolitical impacts? And the sub-question, What strategies and methods are used to ensure relevance in the highly competitive market? To achieve this goal, the study is structured around three main perspectives: Past, Present, and Future. Trough this, the study strives to create an understanding of how change is managed through thus perspectives and thus how competitiveness and relevance can be established.*

Research design: *The research question was studied using a qualitative approach influenced by interpretive epistemology, aligning with the exploratory nature of the study. Semi-structured interviews were conducted to delve into participants' perceptions and opinions. The in-depth information gathered from the semi-structured interviews is then compared against a carefully selected analytical framework to foster understanding and address the research question.*

Discussion and conclusion: *The study highlights the importance of organizational adaptability and competitiveness in the dynamic international trading industry. It emphasizes the significance of corporate foresight and proactive risk management strategies for success. Furthermore, the findings underscore the crucial role of dynamic capabilities and resilient relationships in navigating market complexities and capitalizing on opportunities in a volatile global environment.*

Keywords: *Dynamic capabilities, Corporate foresight, Geopolitical events, Techno-economic paradigm, Creative destruction.*

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1. Introduction

The introductory chapter of the paper introduces the research area and provides background information. It outlines the questions that the research aims to investigate, emphasizing the importance of how trading organizations manage complexity and the ever-changing market environment. It also explores how this affects the trading industry and emphasizes the importance of companies navigating through this environment. The chapter explains how several moving parts significantly influence these organizations, as well as why it is interesting and relevant to examine how these companies successfully handle this. Additionally, the chapter presents the research discussion, purpose, and research question, followed by the delimitations of the thesis and finally the disposition of this paper.

1.1 Background

In today's global business environment, organizations encounter a continuous stream of changes and challenges. Technological advancements, shifting customer preferences, and increased competition drive a dynamic reality where companies must adapt to survive and thrive. Historically, technological revolutions, as described by Perez (2010), have reshaped the landscape by introducing new ways of production, communication, and consumption. Which has historically led to the emergence of new businesses, the demise of others, and the flourishing of some. Schumpeter's (1939) concept of *creative destruction* underscores how innovations replace old business and create opportunities for new players to emerge, highlighting the importance of perceiving change and avoiding stagnation with outdated services and products.

With this in mind, it can be observed that organizations involved in international trade are heavily impacted by the ever-changing world. These organizations operate in complex market conditions where they conduct profitable business through imports and exports worldwide. This means that events affecting the world greatly influence the business model of these organizations to a large extent. Similar to how Mohamed (2018) emphasizes how Industry 4.0 offers opportunities to meet complex customer needs and Perez (2010) describes the latest technological revolution and the impact of digitalization on industries, there are many opportunities for trading organizations to navigate through an increasingly complex global market. For these organizations, it is also about creating opportunities to manage and embrace changes. Just as McCraw (2007) and Tripsas (1997) emphasize the importance of established companies understanding and adapting to the technological and market changes that come with these technological revolutions, where the ability to understand and leverage these changes has become more critical than ever. This is particularly important for trading organizations, where it is crucial to take advantage of changes in global trade and be at the forefront to build competitiveness and make profitable deals.

In light of these changes, it is evident that the ability to adapt and find innovative solutions will be crucial for success in today's market. Teece (1997) terms this ability as dynamic capabilities, arguing that these capabilities differentiate successful companies from unsuccessful ones. In an era where markets and industries are changing faster than ever, organizations' dynamic capabilities to adapt to the new reality become increasingly significant in creating conditions for long-term competitiveness in this rapidly evolving and fiercely competitive market we witness today.

1.2 Problem discussion

International trade organizations face a complex reality where they must navigate rapidly changing market conditions and geopolitical events that can affect their operations in various ways. Flack and Mitchell (2020) illuminate how our world is viewed as a complex system, where understanding and predicting the future pose significant challenges. Thus, these organizations need a long-term strategy and the ability to adapt to future challenges. Blackhurst and O'Grady (2007) highlight the constant risks from geopolitical factors, such as political instability and regulatory changes, which can impact the operations and profitability of businesses.

To survive and thrive in the global market, international trade organizations must consider many aspects. It is crucial for these types of companies to develop key competencies that contribute to creating conditions and competitiveness in managing changes affecting international trade. This includes the ability to anticipate and actively adapt to manage changes in a constantly complex business climate. Similar to Teece (1997) who emphasizes the importance of adaptability in the form of dynamic capabilities to build long-term competitiveness through first-mover advantages. Meanwhile, corporate foresight, as described by Fergnani (2022), becomes crucial. This involves systematically exploring trends and disruptions, combined with the ability to adapt and react to changes, which are absolutely essential for this type of business. By becoming experts in understanding the relationships between market changes, geopolitical events, and their impact on business operations, organizations can minimize risks and capitalize on opportunities.

In summary, the rapid change in the market and geopolitical influencing factors pose a challenge for international trade organizations. Therefore, it is interesting to examine and analyze how organizations handle this complex reality. By studying strategies and capabilities considered important in the trading industry, the study aims to create an understanding of how trading companies not only survive but also thrive in the constantly changing global market.

1.3 Purpose and research question

Our central inquiry revolves around understanding how the trading industry navigates challenges and opportunities arising from an uncertain business climate. This entails a significant focus on how companies within the industry utilize specific methods and means to best anticipate and manage future challenges. The study aims to establish an understanding of how international trading companies maintain competitiveness over several years in a changing business landscape. Essentially, our goal is to examine the interplay between tradition and renewal within the trading industry. Here, an organization at the international level within the trading industry will be explored to observe how organizational capabilities can not only mitigate future threats but also be leveraged for competitiveness.

> *RQ1. How do international trading companies adapt to a rapidly changing market environment, considering geopolitical impacts?*

The study highlighted that there are significant strategies and methods within the trading industry. To examine this further, the following sub-question was formulated to deepen the investigation of RQ1.

> *What strategies and methods are used to ensure relevance in the highly competitive market?*

Considering the constantly changing global business climate, there are several capabilities for organizations engaged in international trade that determine how these organizations successfully manage this ongoing change. Therefore, this study aims to investigate and understand how trading organizations practically handle and work with these capabilities. Through this, it seeks to explore how they build competitiveness and ensure relevance in an ever-changing market. The research seeks to create an understanding of how these organizations manage these aspects in practice. At the same time, the study exploratively aims to examine how they differ from and resemble existing models and theories in this area. Given that trading organizations operate in such dynamic businesses, there is interest in examining how literature relates to reality and whether any clear success factors emerge for managing this complexity in this type of industry.

1.4 Delimitation

To thoroughly study and explore this research question within the timeframe of this study, certain specific limitations have been applied. The study is therefore confined to a selected international trading company that serves as the study object. Furthermore, the study is delimited to the actual trading department within the chosen organization, as well as the support functions directly related to the trading department. The study is delimited to a practical perspective, with a particular focus on how the organization successfully adapts to the future to remain competitive. Given that this is a master's thesis, it was deemed unrealistic to conduct an extensive exploration of an entire industry with numerous trading organizations within the given timeframe typical for this type of research. Consequently, the findings of this thesis are somewhat limited as only one organization within the industry has been examined, which may lead to incomplete conclusions for the entire industry. Nevertheless, the study is still considered relevant as it provides insights from the study organization, which has extensive experience in the industry.

1.5 Disposition

The remaining part of the thesis consists of the following disposition:

Chapter 2. Literature review

This chapter elaborates on prior research concerning dynamic capabilities and other pertinent theories. This serves as the analytical framework employed for both data collection and analysis.

Chapter 3. Method

This chapter elucidates the data collection methods utilized and the methodological choices applied in this study.

Chapter 4. Empirical Findings

This chapter presents the empirical data collected from the interviews with the case organization.

Chapter 5. Discussion

This chapter discusses the empirical findings in relation to the selected theories based on the analytical framework.

Chapter 6. Conclusions

The results obtained in this study are summarized by attempting to address the research question. Furthermore, the theoretical contributions of the study, managerial implications, and suggestions for further research are discussed.

2. Literature Review

The literature review to be presented in this chapter aims to explore relevant theories regarding how companies manage change, embrace innovation, and maintain competitiveness over time. To achieve this goal, the chapter is structured around three main perspectives: Past, Present, and Future. Based on this framework, an analytical framework has been designed and will be presented in the chapter. Additionally, the chapter begins with a historical perspective, addressing concepts such as technological revolution, Industry 4.0, creative destruction, and technological paradigms. Subsequently, it discusses organizational capabilities that companies can develop to enhance and sustain their competitiveness. Finally, the chapter examines theories and previous research on organizational approaches to corporate foresight and scenario planning.

2.1 Technological revolution and societal change

From Perez´s perspective (2010), a technological revolution is characterized by a series of radically transformative events across the economy, society, and technology. These revolutions are often characterized by new technologies or production methods that result in significant changes within society and the economy, thus creating opportunities for further innovation and development. Perez (2002) delineates five technological revolutions that occurred between the late 1770s and the 2000s. The revolutions mentioned by the author are presented chronologically, starting with the Industrial Revolution in the late 18th century, followed by the Age of Steam and Railways in the 1830s, and subsequently the Age of Steel, Electricity, and Heavy Engineering in the late 19th century. The 20th century commenced with the introduction of the Ford Model-T, marking the onset of the Age of Oil, the Automobile, and Mass Production. Finally, Perez (2002) introduced the fifth and final revolution, the Age of Information and Telecommunication, which gained momentum during the 1970s. As previously noted by Perez (2010), a technological revolution leads to extensive societal, technological, and economic changes that pave the way for new innovation, as evidenced by the five technological revolutions presented by Perez (2002). For example, the effects of the Age of Oil, the Automobile, and the Mass Production revolution led to economies of scale that created entirely new conditions and opportunities for development and improved living standards for society.

According to Schumpeter (1939, p. 167), the emergence of innovations does not occur randomly; instead, technologies interlink and tend to arise in proximity to other innovations. Additionally, the author places the entrepreneur at the forefront of technological development, arguing that the entrepreneur should be seen as the driving force behind innovation and change in the economy. As previously noted, Perez (2010) defines a technological revolution as a series of mutually related radical breakthroughs forming a significant constellation of interdependent technologies, akin to a cluster of clusters. Here, new technologies increasingly interact rather than operate in isolation. According to the author, these clusters of new technologies then pave the way for further new technologies. Furthermore, it outlined how technological revolutions represent a vital and central aspect of societal development through their accompanying transformative changes and advancements in society, economy, and technology. Thus, a technological revolution can be seen as a significant upheaval of the economy's creative potential, enabling ample room for innovation. The new innovation may lead to a new set of generic technologies, infrastructures, and organizational principles that can enhance the efficiency of industries and activities (Perez, 2010). Schumpeter (1939) challenges the classical view of economic equilibrium, suggesting that the economy is in a process of constant change rather than constant equilibrium. The author coined the idea of *creative destruction* where new technologies and innovations not only create new markets but also render obsolete and replace old products and companies.

Further, Mohamed (2018) emphasizes how our current business environment is undergoing radical changes, with increasingly complex and rapidly evolving customer needs. This has traditionally been one of the underlying drivers behind the industrial revolutions that have occurred at various times. The author suggests that the essential question now is the need for flexibility and real-time responsiveness to market changes. Industry 4.0 is described as the ultimate pathway to enable the satisfaction of complex customer demands in the rapidly changing market. Mohamed (2018) explains how the core of Industry 4.0 consists of the Internet of Things, which enables the connection of people, products, and systems. Saurabh et al. (2018) describe Industry 4.0 as the fourth industrial revolution characterized by a combination of new technical components and principles to achieve horizontal and vertical integration. Koch et al. (2014) provide a similar description of Industry 4.0, agreeing that it is the fourth industrial revolution. However, they further explain how it is best understood as a new level of organizational control over entire value chains and product life cycles, and is even more focused on meeting individual customer requirements.

2.1.2 Creative destruction

Within the framework of economics and innovation, McCraw (2007) elucidates the term creative destruction, coined by Schumpeter (1939).. McCraw (2007) presents a contemporary interpretation of Schumpeter's (1939) concept, which describes a process where new ideas, technologies, or innovations surpass and replace older, established systems or methods. It stands as a crucial aspect of Schumpeter's theory of economic evolution and innovation. McCraw (2007) places the emergence of creative destruction within the historical context of the post-World War II era, characterized by global recovery and the rise of new technologies and business paradigms that have reshaped the global economy.

Moreover, McCraw (2007) elaborates on how technological advancement is integral to the creative destruction phenomenon. Technological progress serves as a catalyst for reshaping the economy, engendering opportunities for economic growth and transformation. This transformative effect is symbolized by creative destruction, wherein outdated structures and business models succumb to obsolescence, paving the way for novel and innovative alternatives. McCraw (2007) posits this as an ongoing process of transformation, wherein firms and industries fail to adapt to risk obsolescence at the hands of more agile and efficient counterparts.

Additionally, Tripsas (1997) sheds light on the phenomenon of creative destruction and delineates strategies employed by established companies to weather such changes. It underscores the pivotal role of complementary assets in navigating the creative destruction process. Specifically, it elucidates how incumbents possessing critical specialized complementary assets may maintain a competitive edge over new entrants, notwithstanding potential technological superiority. Tripsas (1997) outlines three key factors shaping incumbents' and newcomers' commercial viability in the face of competency-eroding technological shifts: investment in new technology development, technical prowess, and the capacity to leverage benefits from technological innovation through specialized complementary assets.

Tripsas (1997) further expounds on how the equilibrium among these factors dictates the success of established firms or newcomers amidst competence-disrupting technological upheavals. It delineates scenarios wherein established firms, by either abstaining from investing in new technology or possessing inferior technical capabilities compared to newcomers, can maintain market dominance if they retain valuable specialized complementary assets. Conversely, if technological shifts depreciate the value of these assets, established firms may lose their competitive advantage, enabling newcomers to seize market control. This analysis underscores the intricate interplay between technological innovation, complementary assets, and market dynamics in navigating the terrain of creative destruction.

Since *creative destruction* and *techno-economic paradigms* are closely interconnected, as they both describe how innovation and change impact the economy and society as a whole, the next chapter will elaborate on how techno-economic paradigms, along with the dominant technological methods, ideas, and norms, govern how innovations occur and how they are accepted and disseminated in society.

2.1.3 Techno-economic paradigm

Perez (2010) delineates the techno-economic paradigm as the ultimate and most effective means of harnessing and utilizing new technologies, both within and beyond the emergent industries. Consequently, the techno-economic paradigm serves as a guide for the emerging and rapidly expanding sectors as they emerge through the utilization and diffusion of new industries. The evolution and dissemination of each technological revolution and its techno-economic paradigm constitute successive major waves of development. In contrast to Kondratiev´s (1935) and Schumpeter´s (1939) exposition on long waves of technological development, which focus on the ups and downs of economic growth, Perez (2002) contends that attention should be directed towards explaining the diffusion of the technological revolution's myriad effects on the economy and society, including its impact on the space for growth.

2.1.4 Geopolitical effects

When analyzing supply chain dynamics, Blackhurst and O’Grady (2007) also emphasize the importance of considering geopolitical factors. They assert that geopolitical events and developments, such as changes in government policies, trade agreements, or international tensions, can profoundly influence the operations of supply chain networks. For instance, shifts in diplomatic relations between countries may lead to alterations in trade regulations or the imposition of trade sanctions, disrupting the flow of goods and materials along supply chains. Furthermore, the authors highlight the interconnectedness of global supply chains, noting that disruptions in one region or sector can have cascading effects throughout the entire network. For example, a political conflict or trade dispute affecting the production or transportation of a critical component in one country can disrupt the entire supply chain, impacting manufacturers, distributors, and consumers worldwide.

In addition to traditional geopolitical concerns, Blackhurst and O'Grady (2007) also underscore the significance of emerging geopolitical issues, such as cybersecurity threats and environmental regulations. They argue that the increasing digitization of supply chain operations and growing environmental consciousness globally introduce new geopolitical risks and considerations that must be taken into account by supply chain managers and policymakers. Overall, the authors stress the need for supply chain stakeholders to adopt a proactive approach to managing geopolitical risks and uncertainties. By staying informed about geopolitical developments, fostering resilient supply chain structures, and establishing contingency plans, organizations can better mitigate the impact of geopolitical disruptions and ensure the continuity of their operations in an ever-changing global landscape.

To summarize, the previous chapters have focused on change and how change occurs on a larger scale. It has also presented what factors that drive change. Now, in the upcoming chapters, the organizational factors will be presented. This will primarily include research on how companies are affected and can manage change to remain competitive.

2.2 Organizational capabilities and structure

Elucidating how large established companies often struggle to handle radical innovations, Christensen (1997) refers to this challenge as the *innovator's dilemma*. According to the author, established companies are focused on improving and optimizing their existing services and products to meet the current demands and needs of customers. This stems from these companies having an infrastructure and culture centered on enhancing and maintaining already existing business models. It results in difficulty identifying and investing in new radical innovations that differ from their already existing business operations. Christensen (1997) elaborates on how these radical innovations typically consist of introductions of new technologies or business models that change and disrupt the established markets. The author emphasizes how these innovations often originate in smaller niches or low-price segments where large companies are not competing. Finally, the author points out how large established companies often do not engage with new innovations until they have reached a stage in the innovation cycle where they are adopted by the mainstream and have left the initial niche market.

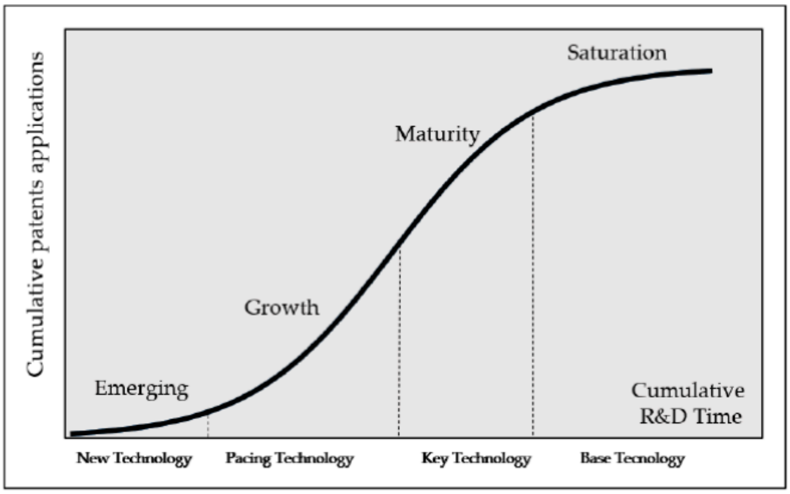

Figure 2.1 The S-curve concept of technology life cycle. (Gao et al., 2013)

To consistently succeed as an organization over extended periods, managers must not only be adept at placing the right person in the right position but also have a deep understanding of the organization's capabilities and constraints, argues Christensen et al. (2000), who emphasize that organizations possess capacity regardless of their employees or other resources. Furthermore, Christensen et al. (2000) suggest that when an organization faces significant market changes, the worst possible approach may be to drastically adapt the organization to the change. Instead, it is crucial to understand precisely which changes are feasible for the organization to retain its capability. Beer and Nohria (2000) also emphasize the importance of not rushing to change the organization, arguing that doing so increases the risk of losing focus and control over the actual outcomes of the change. Instead, decision-makers in organizations must first understand the nature and processes of organizational change. According to Beer and Nohria (2000), there are two theories of corporate change: Theory E, based on economic value, and Theory O, based on organizational capability. Beer and Nohria (2000) explain how organizations often have a combination of these two theories, resulting in conflicting goals. Therefore, they advocate for managing them separately and at different times, although some organizations successfully manage them simultaneously by combining goals with minor compromises.

Furthermore, Dyer and Singh (1998) share perspectives that argue that a company's competitive advantage stems from the resources and capabilities owned and controlled by the organization itself. They elucidate how companies that purchase standardized inputs do not create any competitive advantages as the inputs are either too readily available or the value they create is approximately equal to the cost of acquiring them. Instead, competitive advantages can be created in relationships within the value chain, where parties are willing to make relationship-specific investments and combine resources in various ways. Dyer and Singh (1998) argue that interorganizational relationships can be a strong source of competitive advantages if the relationships extend beyond standardized exchanges of goods and services. They contend that a company's critical resources today extend beyond its own organizational boundaries, with interorganizational relationships considered a key factor in creating competitive advantages and distinguishing oneself from competitors.

In the realm of organizational competitiveness, Teece (1997) introduced the concept of *dynamic capability*, which refers to a firm's ability to swiftly and effectively adapt to external environmental changes. The author further expounds on how a firm's dynamic capabilities are paramount for its survival in a competitive and evolving market. A firm's dynamic capabilities are thus perceived as pivotal for its ability to identify and exploit business opportunities, as well as to address threats from competitors and market conditions. Teece (1997) underscores the significance of managing and developing a firm's resources and competencies to enable continuous renewal and innovation. The author contends that through the cultivation of dynamic capabilities, firms can establish avenues for long-term competitive advantages.

Perry (1989) concurs with Dyer and Singh (1998) that advantages and profits are possible in the value chain in situations where companies are willing to make relationship- and transaction-specific investments. Furthermore, Williamson (1985) presents three types of relationship-specific approaches, beginning with site specificity, followed by physical asset specificity, and finally human asset specificity.

In situations described as site-specificity by Williamson (1985), subsequent production stages are located close to each other. This approach has proven effective in reducing inventory and transportation costs, ultimately resulting in lowered costs for coordinating activities. Physical asset specificity, according to the author, pertains to transaction-specific capital investments, where specialized machinery and tools for specific exchange partners are presented as examples. Moreover, the author describes how physical asset specificity has enabled differentiation and increased quality among products through enhanced product integrity. Finally, human asset specificity is described as transaction-specific know-how transactions enabled through long-term relationships. Williamson (1985) emphasizes how opportunities for cospecialization increase when partners develop experience working and doing business with each other, which can ultimately result in more efficient communication, improved quality, and increased speed to market.

Over the past decades, Kaplan and Norton (1996) explain how information has become central to companies' pursuit of competitiveness. According to the authors, this has resulted in the ability to leverage intangible assets becoming significantly more important than the ability to both invest in and manage tangible assets. In response to this shift, the concept of the balanced scorecard was coined as a framework for managing this change. The authors elucidate how the concept is structured around four measurable criteria aimed at generating a comprehensive view of the organization's performance in relation to the buildup and acquisition of intangible assets. In addition to considering financial performance through financial metrics, the model also highlights three additional perspectives: metrics for customers, internal business processes, and learning and growth. According to Kaplan and Norton (1996), the balanced scorecard enables companies to track financial results while monitoring progress in building capabilities and acquiring intangible assets needed for future growth. The model is described as a useful tool for enabling the alignment of long-term strategies and short-term actions. Most companies, according to the authors, overly prioritize their short-term financial goals and metrics, leading to the neglect of strategy development.

According to Kaplan and Norton (1999), the foundation of the balanced scorecard consists of the following: the financial perspective, customer perspective, process perspective, and finally the learning perspective. The Financial perspective is an integral part of the balanced scorecard perspective as it focuses on measuring financial performance and the potential for strategies to lead to increased profitability in the business. The customer perspective takes into account customers and market segments and uses metrics to measure the company's performance in this area. According to Kaplan and Norton (1999), it is common to measure factors such as customer satisfaction and market share within this perspective, which are often used as a basis for customer and market strategies. The process perspective focuses on goals and metrics for the organization's long-term innovation cycle as well as its short-term operational cycle. The purpose is for management to develop processes that enable the development of new products and services to meet future customer needs. Kaplan and Norton (1999) highlight this perspective as crucial for enabling long-term economic success. Finally, the Learning perspective is about creating conditions for organizational learning, where benefits can be derived from new knowledge and processes. Kaplan and Norton (1999) explain that the key to long-term profitability in today's highly competitive business landscape lies in an organization's ability to create value for its stakeholders.

In summary, the preceding chapters have addressed how organizations can cultivate various essential capabilities to maintain competitiveness over time. Moreover, the ensuing chapter will present theories pertaining to how businesses can navigate an uncertain future in the business landscape, thereby preparing themselves and ensuring their competitiveness moving forward.

2.3 Corporate foresight

Flack and Mitchell (2020) depict how the world is a complex system and what it means to understand and predict the future. The author presents that today's complex reality is characterized by many integrated actors that increase uncertainty about the future. It is also emphasized here that the collective results of actions feed back and affect the entire system, amplifying or weakening and changing patterns in non-apparent ways. Complex systems are vulnerable to events with probability distributions with heavy tails, leading to unexpected extreme events. The author advocates that instead of predicting and controlling outcomes, the focus should be on designing robust and adaptable systems to navigate through various future possibilities.

Moreover, the concept of corporate foresight, introduced by Fergnani (2022), elucidates a dynamic, firm-level capability enabling companies to assess future scenarios in the business climate. Similar to how Flack and Mitchell (2020) portray the complex world we live in, Fergnani (2022) describes how this type of complexity and uncertainty increasingly threatens to collapse different business climates. Therefore, the author continues to emphasize how it has become increasingly important for actors not only to make business decisions based on past data but also systematic evolution of possible futures. This is precisely what Fergnani

(2022) argues is the essence of corporate foresight. The concept is also clarified as the ability to systematically use heuristic processes to search for environmental trends and discontinuities, as well as design and evaluate multiple possible future outcomes of these trends and discontinuities. At an organizational level, it is argued that this area should, therefore, be closely related to strategic decision-making, as the purpose of the process is to prevent and provide decision-making information about the predicted future.

Rohrbeck (2010) further presents how corporate foresight can be seen as a dynamic capability of organizations. Here, the concept is contextualized as the dynamic ability to interpret the future at a systematic organizational level. Key components for corporate foresight are presented, emphasizing its role in achieving competitive advantages and survival in an unstable environment. The author introduces a sophisticated eight-component framework, consisting of six primary components (information gathering, people and networks, inclusiveness, method sophistication, technology variation and integration, foresight-strategy linkage) and two supporting components (foresight system, future perspective). Information gathering involves the breadth and depth of collected information to identify environmental disruptions and trends. People and networks focus on the quality of human resources involved in foresight procedures and the level of connection to external stakeholders. Inclusiveness concerns the involvement of different individuals at different organizational levels in foresight processes. Method sophistication refers to the ability to systematically interpret future-relevant information collected through foresight practices. Technology variation and integration involve the ability to select and integrate different foresight methods according to context and goals. Foresight-strategy linkage describes the ability to translate foresight information into strategic guidelines for future preparedness. The author also emphasizes the importance of each component to enhance the company's foresight capability and impact outcomes at both organizational and individual levels.

Another perspective on corporate foresight is shared by Vecchiato (2015), who explains how this process can create value if the organization conducts the work successfully. This value, as described by the author, is defined as first-mover advantages and strategic agility. Vecchiato (2015) explains that there are two basic prescriptions that companies can use to manage future uncertainty. Either they should strive harder to make more accurate predictions (rational strategies) or be flexible to adapt quickly (adaptive strategies). When done successfully, the author argues that the primary benefits a company can gain are being pioneers and leading market changes. Conversely, the drawbacks are missing out on these advantages due to being late and failing to anticipate such changes. Success in being a first-mover tends to lead to higher profits and market shares. This is achieved through a longer time on the market with competitiveness, thereby creating the opportunity to foresee external changes ahead of competitors.

Finally, Vecchiato (2015) describes how the above competitive advantages can also be achieved through Doz and Kosonen's (2008) concept of strategic agility. Doz and Kosonen (2008) explain how strategic agility is the ability to continuously adjust and adapt strategic direction in core operations. Similar to how Rohrbeck (2010) presents corporate foresight as a dynamic capability of organizations, strategic agility falls into this framework as a component. Strategic agility thus entails the ability to create value for a company in innovative ways, not only by creating new products and services but also through new business models. Doz and Kosonen (2008) further describe how strategic agility enables the organization to manage an unknown future environment through purposeful interaction between top management and three meta-capabilities. These three meta-capabilities are presented as strategic sensitivity: the intensity of awareness and attention to strategic developments, resource fluidity: the internal ability to quickly reconfigure capabilities and reallocate resources, and leadership unity: the leadership's ability to make bold, swift decisions without getting stuck at the top level.

Introducing scenario planning as one of many tools within corporate foresight, Schoemaker (1995) sheds light on its significance. Here, the author describes how scenario planning stands out in strategic planning for its ability to capture a wide range of possibilities in rich detail. Scenario planning essentially involves how a manager can identify fundamental uncertainties and then construct a variety of scenarios that will help compensate for common decision-making errors, overconfidence, and tunnel vision.

Schoemaker (1995) also chooses to present an analogy between scenario planning and planning to climb a mountain to provide a clear understanding of how the process might unfold. For instance, two-dimensional planning to climb a mountain could involve a detailed map, planned supplies, tools, and so forth. Here, the author suggests that these traditional planning tools overlook variable elements, such as weather, animals, other hikers, and so on. Instead of gathering detailed data from previous seasons and constructing computer simulations, Schoemaker (1995) argues that scenario planning goes a step further. Scenario planning explores the common impact of various uncertainties that stand side by side. Practically, this can be seen as reducing the extensive amount of data to a limited number of potential situations. Each scenario illustrates how different factors can interact under specific circumstances. By formalizing the relationships between these factors, a company can create quantitative models. After this, it is recommended that some form of evaluation of each scenario based on consequence and likelihood be conducted.

Describing how the process can appear and how companies can develop various scenarios, Schoemaker (1995) provides insights into scenario planning. The process of scenario planning involves several key steps: *Define the Scope*: Determine the time frame and scope of analysis, considering factors such as technological change, product life cycles, political elections, and competitors' planning horizons. *Identify Major Stakeholders*: Identify those who will have an interest in or be affected by the issues being analyzed, such as customers, suppliers, competitors, employees, shareholders, and government entities. *Identify Basic Trends*: Identify trends in political, economic, societal, technological, legal, and industry domains that are likely to impact the issues identified in step one. *Identify Key Uncertainties*: Identify uncertain events that could significantly affect the issues being analyzed, considering various economic, political, societal, technological, legal, and industry factors. *Construct Initial Scenario Themes*: Use the identified trends and uncertainties to create initial scenario themes, considering extreme possibilities or clustering outcomes around high versus low continuity, preparedness, turmoil, etc.

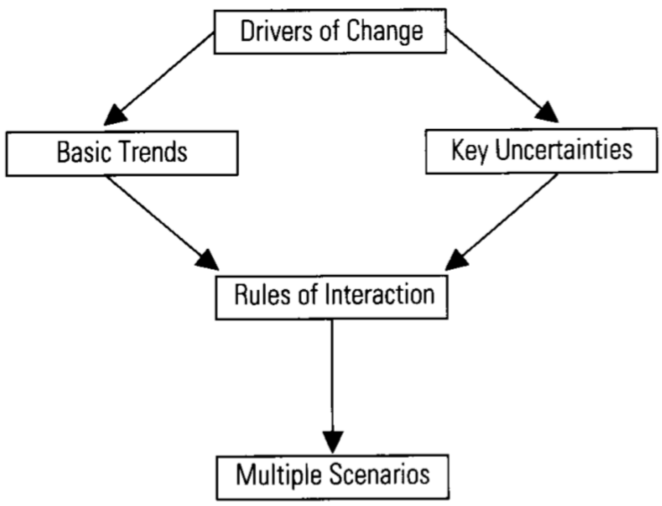

Figure 2.2 Illustrates the various building blocks for scenarios. (Schoemaker 1995)

Furthermore, Schoemaker (1995) presents further crucial aspects of Scenario planning. *Check for Consistency and Plausibility*: Ensure that the scenarios are internally consistent and plausible by assessing the compatibility of trends, outcome combinations, and stakeholder reactions. *Develop Learning Scenarios*: Refine the scenarios based on consistency checks and strategic relevance, organizing possible outcomes and trends around strategically relevant themes. *Identify Research Needs*: Conduct further research to fill knowledge gaps and enhance understanding of uncertainties and trends. *Develop Quantitative Models*: Formalize interactions among uncertainties through quantitative models, if necessary, to assess the consequences of various scenarios. *Evolve toward Decision Scenarios*: Iterate the process to converge toward scenarios that can be used to test strategies and generate new ideas, ensuring relevance, internal consistency, archetype, and equilibrium in the final scenarios.

Finally, the quality of the final scenarios should be assessed based on their relevance, internal consistency, archetype, and ability to describe a wide range of possibilities while highlighting competing perspectives and internal logic within each future.

Moving forward, similar to Schoemaker (1995), Schwenker and Wulf (2013) presents a more condensed planning framework for a time period that is often shorter than five years. This framework includes the following six processes: (1) Definition of Scope: Identify goals, time frame, stakeholders and participants for the project. (2) Perception Analysis: In the second step of this process, the analysis involves examining both internal and external stakeholders and their views on the industry's development. (3) Trend and Uncertainty Analysis: This stage can be considered as both the third and fourth steps of Schoemaker´s (1995) process. The analysis aims to organize and rank the factors identified in the initial steps while also pinpointing crucial elements that influence the future. These elements will serve as the foundations for the two scenario dimensions utilized in the scenario development phase. (4) Scenario building: In the following step, scenarios will be created based on uncertainties and trends identified earlier. These scenarios will elucidate potential future outcomes, with four plausible and coherent scenarios constructed by combining uncertainties with other external trends and factors. (5) Strategy Definition: In this stage, strategies and potentialities for each of the four scenarios are formulated. It is crucial here to define concrete plans, enabling the creation of robust strategies. Once the strategy for each scenario is determined, the common themes across these strategies will be amalgamated to create a core strategy that can be implemented regardless of changes. This approach fosters flexibility and allows for efficient resource allocation. (6) Monitoring: The final stage of the process builds upon the defined strategies and marks the beginning of their implementation within the firm. Schwenker and Wulf (2013) recommend here that the firm monitor the surrounding environment and external factors. This allows for maximum flexibility, enabling the firm to know when to make adjustments or take actions as needed.

In summary, we can see in the figure below which clarifies Schwenker and Wulf's (2013) six-step process, which is a condensed planning framework based on Schoemaker's (1995) original framework.

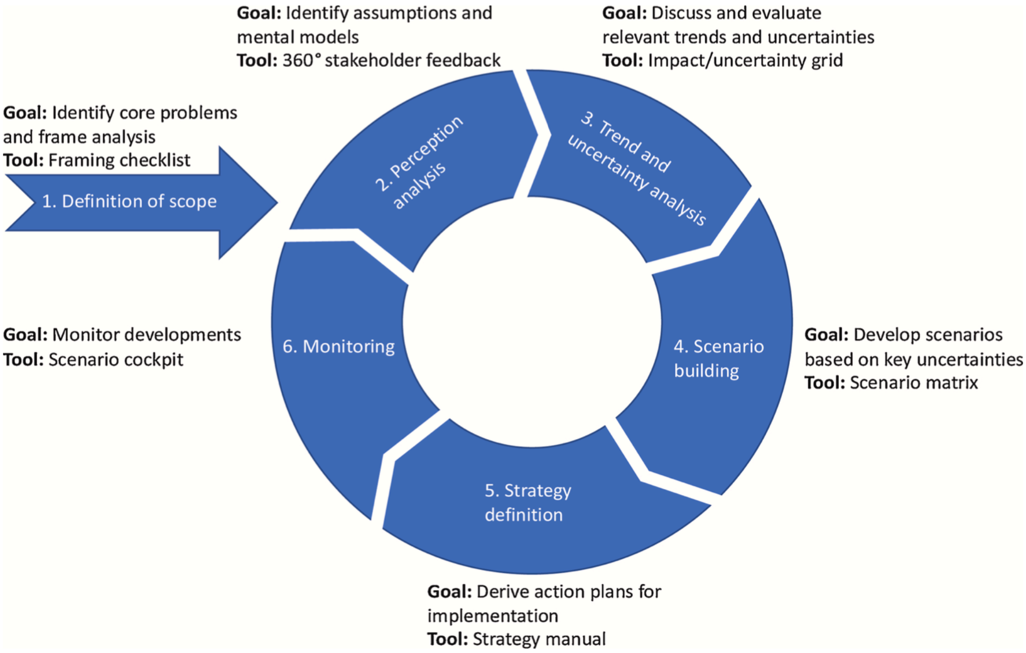

Figure 2.3 Scenario planning process steps. Reproduced from (Schwenker and Wulf 2013)

2.4 Analytical framework

The analytical framework of the study is depicted in Figure 2.4 and aims to provide an overview and guide for the analysis of the collected theories and models. The analytical framework is divided into three parts: past, present, and future. Each of these segments symbolizes different components of the study's theoretical chapters, with the past representing

Chapter 2.1, the present representing Chapters 2.2, and the future representing Chapter 2.3. The figure then illustrates how these three segments collectively influence an organization's dynamic capabilities, which constitute the foundation for the organization's competitive potential. The figure clearly shows that several factors affect the different time perspectives in the framework, where strategy in particular appears as a separate whole that also affects the present. As the arrows indicate, strategy refers to organizational decisions related to current competitiveness and adaptability. The figure also shows how dynamic capabilities are developed and contribute to managing the different time perspectives depicted in the framework. In summary, the analytical framework illustrates how this thesis has segmented its theoretical section into different components and how these components impact the development of the organization's dynamic capabilities, thereby forming the basis and potential for competitiveness.

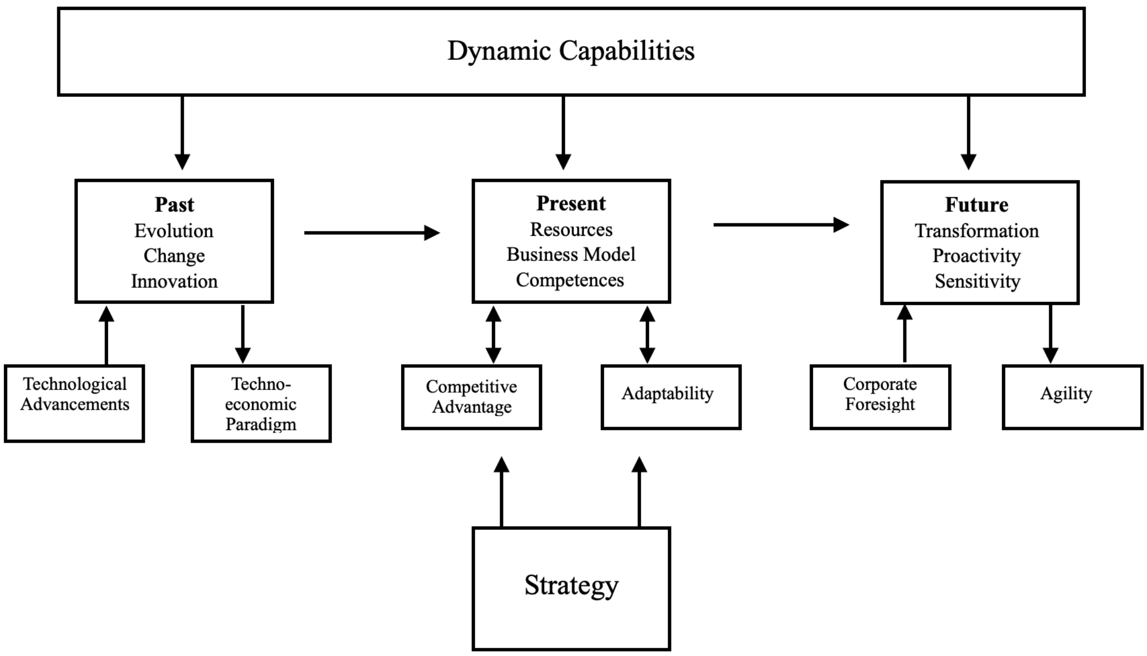

Figure 2.4 An overview of the analytical framework. Inspired by Teece (2018).

3. Method

This chapter describes how the study was conducted and why a qualitative approach was chosen. The chapter outlines the procedure for method selection, data collection, sampling, and interview method. Furthermore, it will be presented how the data analysis was conducted. Finally, various concepts related to research quality for qualitative studies that are relevant to this study will be presented.

3.1 Research strategy

To provide a basis for addressing the research question, the study will adopt a qualitative methodological approach. Bell et al. (2019) assert that a qualitative method creates conditions to attain details, fostering opportunities for a deeper understanding. The authors further describe how the qualitative research method places significant emphasis on soft data, requiring a deeper understanding than, for example, a survey study would have generated. This approach is considered the most suitable for this work since the study aims to increase understanding, which entails high demands for data richness. This research utilized an abductive method. Bell et al. (2019) explain that an abductive approach involves working with theory and data simultaneously. This choice was based on first developing a theoretical understanding of the subject, followed by analyzing the data and making logical connections between previous research and the collected data. Additionally, the research question focuses on how the organization practically works with this aspect. A literature review was also conducted to identify gaps and deficiencies in the existing literature. This was done with the aim that this study, based on relevance, could fill these identified gaps in the existing literature. This is achieved through an exploratory approach, involving research and comparisons that provide context and supplementation where current deficiencies exist, especially in the theory of change created by innovation (Robbins & O'Connor, 2023).

For data collection, semi-structured interviews are considered the most optimal approach. The choice is based on the need to create a deeper understanding of the area and how the organization practically works and addresses challenges. The interviews are based on a set of open but predetermined questions, allowing respondents to guide the conversation based on these questions. This method is considered appropriate as it allows for non-predefined questions that give rise to good discussions and a natural conversation with the respondent about the subject. Semi-structured interviews enable flexibility and openness to identifying new patterns in the empirical data. (Bell et al., 2019)

However, Bell et al.(2019) point out that even when interviews are at their most informal, they disrupt the normal flow of events. The authors also argue that interviews result in less naturalistic insights compared to other methods, such as participant observations. This may lead to studies and research that solely rely on interviews being more superficial, providing a weak foundation for scientific generalization. Furthermore, the authors describe how interviews rarely expose deviant or hidden activities. Atkinson and Silverman (1997) claim that interviews encourage participants to recount their experiences in a way that positions them as authentic. According to the authors, this results in exaggerated accounts of individual experiences.

3.2 Research design

Bell et al. (2019) outline how a qualitative method tends to advocate for a constructivist and interpretive epistemology to understand phenomena through human interpretations. Since the study is also exploratory, it is influenced by an interpretative approach, implying that understanding is sought through the interpretation of participants' perceptions and opinions. For the research design, this resulted in semi-structured interviews with open-ended research questions. Similar to how Bell et al. (2019) emphasize participants' perceptions and opinions in this approach, these participants can be seen as the study's respondents from the semi-structured interviews. It can be argued that the study's approach is supported by a social constructivist ontology, where, as Bell et al. (2019) explain, this means that reality is constructed through human interpretation. This research design is motivated by collecting abundant data that allows access to different perceptions, interpretations, and competencies at various organizational levels.

The study also employs thematic analysis. Bell et al. (2019) describe how thematic analysis is a method in research and data analysis aimed at identifying, analyzing, and reporting patterns and *themes* within a dataset. This method is usually used to extract deeper insights from qualitative data, such as interviews, focus groups, or text documents. Thematic analysis enables a systematic and structured processing of information to understand and interpret various aspects of a phenomenon or subject area. In the study, thematic analysis is applied to create an understanding of the organization's active work within a specific study area, with the goal of revealing and analyzing the central themes expressed by the study participants. These themes may be linked to competencies and skills required to understand and engage in the organization's work within the research domain. The study also utilizes multiple data sources to gather rich and detailed narratives about these competencies. These sources may include interviews with key personnel within the organization, observations of work processes, and the literature review that is employed. By integrating different types of data sources, a broader and more versatile understanding of the subject is created. This approach allows for exploring the subject from various perspectives and obtaining a more holistic picture of the competencies crucial for the organization's active work in the chosen study area.

In summary, for the study, a thorough thematic analysis involves a multi-step process. This includes familiarizing oneself with the data, generating initial codes, identifying themes, grouping themes, and then interpreting and reporting the results. Within the study, semi-structured interviews are therefore used as a central part of the research, but analytical frameworks are also employed to shape the subject and guide the research question. This approach is justified for the study based on how Bell et al. (2019) explain that using thematic analysis in combination with multiple data sources can enhance the reliability and validity of conclusions, contributing to a more robust and informative study on the organization's work in the chosen study area.

3.3 Research process

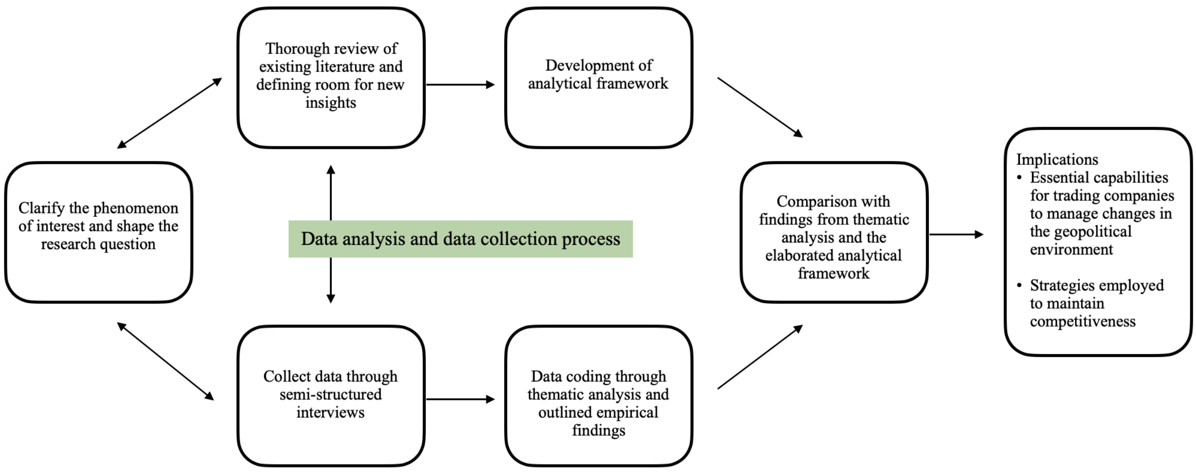

Figure 3.1 An illustration of the research process.

Figure 5 illustrates the research process of the study, which commences with the identification of an area of interest where insufficient research regarding practical applicability was noted. Based on this, a study object was selected, and a research question was formulated. Subsequently, a theoretical framework was constructed from carefully reviewed and selected previous research and theories deemed relevant to the study. Concurrently, data were collected through semi-structured interviews with respondents associated with the study object. This data then underwent thematic analysis, whereby recurring themes and sub-themes were identified and synthesized. The results of the thematic analysis were subsequently juxtaposed with the theoretical framework, wherein differences and similarities were discerned. The process culminated in a compilation of the results of the analysis, which addressed the research question.

3.4 Secondary data collection

Data has been gathered through an extensive search of existing data with the aim of providing an overview of theories, models, and practical cases that led to a changed business landscape.

3.4.1 Literature review

The theoretical framework was established and largely completed prior to the collection of empirical data. This is because Yin (2014) outlines how qualitative studies benefit from an existing foundation of a theoretical framework to guide the collection and analysis of empirical data. The literature review of the study primarily consisted of academic literature, including peer-reviewed articles in areas such as dynamic capabilities, creative destruction, technological revolution, and corporate foresight, among others. To ensure the reliability of the theoretical framework and thereby ensure the quality of the study, only reliable search engines have been utilized. The following search engines were utilized during the collection of the theoretical framework: Supersearch from the University of Gothenburg, Google Scholar, and Web of Science. Utilizing more than one search engine can be crucial for a study, as the use of carefully defined keywords can lead to missed relevant research in a single search engine (Bell et al., 2019).

3.4.2 Inclusion and exclusion criteria

In an early stage of the secondary data collection, boundaries were established regarding criteria for literature inclusion and exclusion. This was done with the aim of maintaining transparency towards the reader, where the frameworks for the selected literature for the study are clear and serve a purpose for the research. Therefore, this section contributes to clarity regarding why and how these criteria were set and how they align with the purpose of the study in exploration. The inclusion criteria thus encompass selected literature and theory on organizational capabilities within a changing external environment. It also includes selected research methods and practical tools for managing an uncertain future for organizational purposes. Since the study aims to explore how it works in practice, the literature focuses on organizational context. As research literature is extensive in this area, certain literature and theories have been excluded as it has been deemed that they do not meet the applicability requirements for a trading environment or do not align with the organizational context that the research targets.

3.5 Primary data collection

Primary data will be obtained through semi-structured interviews. Bell et al. (2019) outline how interviews provide opportunities to gather detailed and in-depth data in a qualitative study. This section aims to provide a description of the selection process, interview guide, and interview setting to clarify how the primary data for the study was collected.

3.5.1 Selection of respondents

Bell et al. (2019) underscore the importance of ensuring that respondents are highly relevant to the specified research question when selecting participants to ensure the quality of the study. To ensure this, the study's participants consisted of employees at various levels within an international organization operating in the trading industry. Similar to what Bell et al. (2019) mention as a common method for qualitative studies, the interviews employed purposive sampling, targeting employees at different levels within the company. This sampling method was chosen because it was deemed most suitable, with the assumption that it would offer the study various experiences, insights, and perspectives. This was considered the most advantageous approach to provide the study with a more holistic perspective on the operations of the study subject, aiming to result in an understanding of the organization that provides a foundation and creates opportunities to answer the research question. The selection of respondents from various departments within the organization was deemed advantageous for creating a comprehensive picture necessary for the study. Additionally, purposive sampling was considered advantageous for the study, as it requires deeper understanding and insights from relevant individuals to effectively answer the research question. To preserve the anonymity of the respondents, each respondent's name has been replaced with a letter and a number corresponding to the part of the organization the respondent belongs to. Here, T represents trade, F represents finance, L represents logistics, and finally, R represents risk. The number represents the chronological order in which the interview was conducted within each area of the organization.

Table 1. An overview of respondents.

Respondent	***Professional Title***	***Years of Employment***	***Date***	***Length (min)***	***Conducted***
F1	*CFO*	*5*	*25/03-24*	*46*	*In Person*
F2	*Financial Manager/ Group Controller*	*9*	*27/03-24*	*30*	*In Person*
L1	*Shipping*	*7*	*21/03-24*	*33*	*In Person*
R1	*Vice President Finance and Risk*	*<1*	*26/03-24*	*44*	*In Person*
R2	*Head of Trade Finance*	*29*	*27/03-24*	*49*	*In Person*
T1	*Senior Vice President for Trade*	*12*	*13/03-24*	*32*	*In Person*
T2	*Sales Manager*	*4*	*15/03-24*	*28*	*In Person*
T3	*Sales Coordinator*	*3*	*15/03-24*	*25*	*In Person*
T4	*Vice President for Trade*	*16*	*21/03-24*	*44*	*In Person*
T5	*Sales Manager*	*3*	*26/03-24*	*32*	*In Person*

3.5.2 Interview guide

Semi-structured interviews were used as the main source for data collection. The choice of semi-structured interviews was based on the need for detailed, in-depth, and descriptive data. The collection of relevant data was ensured by designing the interview questions based on the research question to ensure they were aligned with the research (Bell et al., 2019). The questions in the interview guide mainly consisted of open-ended questions that allowed for follow-up questions. This type of questioning was used to ensure that the respondent had the opportunity to somewhat direct the conversation to provide a comprehensive detailed picture from their own perspective. Since the main aim of the study was to explore how international trading companies work to stay relevant in a highly competitive market, a significant portion of the interview focused on understanding the working methods of trading companies to remain relevant in the market. Furthermore, there was a clear connection between the questions in the interview guide and the theoretical framework of the study. This was done to facilitate a good and clear comparison between theory and practice.

3.5.3 Interview setting

Respondents were provided in advance with the interview guide and an overarching description of the study. This gave the respondents the opportunity to prepare and offer more thoughtful answers. However, it also meant that spontaneity in the responses decreased. Furthermore, the interviews were conducted in person and recorded with the agreement of the respondent, as Blumberg et al. (2011) explain how recording interviews ensures and facilitates data analysis. Recording also enabled a more accurate and precise transcription of the interview (Bell et al., 2019). The authors argue that in-person interviews create opportunities for a more personal connection with the respondent. Additionally, opportunities are created to observe nonverbal signals and body language. This implies that these aspects may have been missed in interviews conducted digitally, potentially affecting the results.

Both authors were present during all the interviews, which was considered important by the authors for the study. This allowed for a division of tasks among the authors, where one could conduct the interview while the other focused on taking notes. All interviews were conducted in the respondents' first language to ensure mutual understanding and fluent dialogue, primarily in Swedish in this case. In situations where interviews were not conducted in English, transcription and selected quotes were translated into English.

3.6 Data analysis

After the completion of the semi-structured interviews, an analysis process was initiated. This process began with listening to the recorded material followed by transcription. The transcription process of the interviews was carried out promptly after each interview, as Bell et al. (2019) emphasize how this results in more reliability since the interview is fresh in memory. The transcribed texts are analyzed using thematic analysis (Bell et al., 2019). According to the authors, thematic analysis is a method where patterns and themes recurring in the collected data are systematically identified, analyzed, and reported. This method is considered effective for identifying patterns and providing a deeper understanding, which is crucial for the study. This process is also supported by Gioia et al. (2013), who describe it as effective in maintaining a high standard of qualitative analysis in research. It also enables a structured yet flexible method for discerning relevant themes from complex datasets. These themes are developed through the compilation of codes identified from the transcribed interview material. This is seen as an iterative process where the codes result in patterns and themes emerging, weakening, or strengthening. To counteract and manage the risk of analytical bias in qualitative data, the use of a structured method for analysis is of utmost importance. This approach enables the empirical results to be analyzed against the study's theoretical framework. Once themes and subthemes are identified, the main themes for the empirical results are constructed, forming the basis for the final analysis.

3.7 Research quality

Bell et al. (2019) outline criticisms against qualitative research methods, describing how these methods often tend to be biased and subjective. However, the authors further explain that a well-designed theoretical framework can reduce the risk of subjectivity. Additional criticism associated with the choice of a qualitative method is that the study's limited scope tends to result in findings that cannot be generalized or applied in other environments and situations. Fejes and Thornberg (2009) also elaborate on how quality in qualitative research is not as clearly defined as in quantitative studies, such as validity and reliability. Kuckartz (2014), instead, introduces new criteria for qualitative research, focusing on process-oriented standards with new criteria such as credibility, transferability, and dependability. Through these aforementioned criteria, measures will be taken to ensure and enhance the study's quality. Below is a description of these measures to be taken. In ensuring the quality of the study, this will be elaborated upon based on the four criteria: transferability, credibility, dependability and confirmability.

3.7.1 Transferability

Bell et al. (2019) explain how qualitative research often involves in-depth studies of small groups sharing certain characteristics. According to the authors, qualitative research tends to prioritize depth over breadth, resulting in findings that rely on the contextual uniqueness and significance of the studied phenomena. A challenge for the findings is to ascertain whether they are genuinely applicable in other contexts or in the same context but at different times. Examining respondents in diverse contexts established a foundation for comparison. Additionally, offering contextual details to the case respondents aimed to generate a comprehensive description of the research findings, as suggested by Bell et al. (2019). This approach empowers readers to form their own assessments regarding the potential applicability to alternative settings.

3.7.2 Credibility

To achieve credibility for the study, prior research and literature are utilized to define concepts and measures where applicable. Bell et al. (2019) elucidate the concept of respondent validation, which entails ensuring, in some way or another, that the collected data maintains high validity. Additionally, Bell et al. (2019) explain that establishing credible findings involves not only conducting research according to good practices but also sharing research outcomes with suitable circles for validation of credibility. To achieve this, the transcribed interviews will be sent to the respondents to confirm accuracy.

3.7.3 Dependability

Bell et al. (2019) explain how an 'auditing' method can be applied to ensure comprehensive records are maintained throughout the research process. Yin (2014) emphasizes that a systematic method and clear protocols are crucial in a well-conducted case study. Both Bell et al. (2019) and Yin (2014) further explain how transcribing the interviews is crucial to enhance the reliability of the data as they provide an evidential chain. To increase the reliability of this study, the data collection and analysis processes were meticulously explained and based on well-established research methods.

3.7.4 Confirmability

Bell et al. (2019) emphasize how the researcher's personal values and theoretical tendencies must not be allowed to influence any part of the study to achieve high confirmability. Confirmability is seen as a crucial measure for assessing the research quality of a study's objectivity. To enhance and increase the confirmability of this study, respondents were involved by being given the opportunity to approve the outcome of their respective interviews. Additionally, another researcher in the field was involved in the development of the research methodology. Continuous practice of reflexivity and awareness of the existence of potential biases has thus permeated the entire research process. To ensure that the researchers acted in good faith, the aforementioned measures were taken. This was to ensure as high confirmability as possible, although Bell et al. (2019) describe how complete objectivity is deemed impossible to achieve within business research.

3.8 Ethical considerations

Given that a significant portion of the data in the study was obtained through interviews, research ethics were of utmost priority. The study primarily considered the research ethical principles outlined by Vetenskapsrådet (2002): the requirement of information, consent, confidentiality, and utilization demand. These commitments are honored by ensuring that details such as names and workplaces remain anonymous, and a code was created instead to correspond to each respondent's interview. It was also clarified that participation was entirely voluntary and that the interview could be terminated at any time. Information about the study's purpose and the use of collected data was provided before the interview. It was emphasized that this type of data would solely be used for the study and, therefore, would be kept confidential from unauthorized individuals. Bell et al. (2019) elaborate on how one of the challenges of qualitative research methodology is the interpretation of the collected data when conducted by researchers. To address this challenge and reduce the risk of misinterpretations and distortions of the data, notes made during all interviews by each respondent were analyzed and verified.

4. Empirical Findings

In this section, the empirical findings resulting from a meticulous examination of the data from the conducted semi-structured interviews are presented. These findings illustrate central insights and patterns that have been discerned through thematic analysis from the vast amount of data generated by the interviews. Similar to the structure of Chapter 2, the data in this chapter will also be presented in three sections: Past, Present, and Future. The purpose of this division is to establish a basis for comparability with relevant literature and to provide an overview of how the trading industry has evolved over the years, what they are doing to facilitate change management today, and what they anticipate regarding changes in the future.

4.1 The developing market

This chapter will compile the respondents' accounts of how the organization has been affected by significant changes over the years and, through that, illustrate the *Past*. The changes presented provided insight into how the market has evolved and how the organization must adapt, reshape, and embrace those changes to remain competitive over time. As a result of this, an understanding was created of how technological revolution and changes in the external environment impact a trading organization. This section of the chapter aims to compile and elucidate how changes in the market and in society affect trading organizations.

4.1.1 Technical revolution within the trading industry

The respondents unanimously agreed that significant changes have occurred in the industry over the years. They emphasized that both work processes and the typical way of doing business have undergone significant changes. According to the respondents, it is the advancement of the technological revolution and its effects on the trading industry that have constituted the fundamental changes the industry has undergone. The respondents made it clear that digitization in recent years has resulted in major changes in many parts and aspects of the business. The access to information, both in terms of quantity and speed, was portrayed as the most significant effect of digitization on the industry. Several respondents highlighted how this new approach to gathering information has resulted in everything moving much faster today.

> *In the past, it was important to have offices everywhere in all the markets in which one was active because information traveled so slowly. Today, it is not as important because information has become so readily accessible. - T4*

The quote above illustrates an example of how the technological revolution and the advancement of digitization have resulted in changes within the business. However, the respondents also emphasized the importance of being physically present in countries where they conduct business. They argued that this is not the case in all situations where they do business, but rather that in the past, it was inevitable to have offices in all the countries where one does business, whereas today, one can operate in a country without needing to be physically present. Today, the choice to have a physical presence in a country may be about the need to try to ensure the discernment of false or true information rather than just gathering information in itself. The respondents explained, in connection with their account, that information is now much more accessible, but there are also challenges in being critical of all the information that is now available. The respondents describe how there has been a shift from being a challenge to access information in the past to it now being a challenge to discern between false and true information in the vast amount available.

> *The information flows much, much faster today. It's difficult to be critical of sources and to understand whether something is really true... This is a major challenge and can have significant consequences. In recent years, this has really accelerated very rapidly. It's moving so incredibly fast now, and we can't stop it. -F1*

The respondents also described how the effects of technological advancements in the trading industry have impacted the traditional way of conducting business within the sector. They explained how the progress of technology and digitization has made it easier for suppliers and customers to engage in transactions without the need for external intermediaries. They also explained that given the current direction of development, this approach will only become easier for both suppliers and customers. At the same time, the respondents clearly emphasized that their role is not about specializing in solving simple transactions but rather about tackling more complex and risky ones. Within that segment, respondents felt that digitization and technological advancement had not had as significant an impact. They partly attributed this to the fact that many of the countries they do business with are lagging behind in technological development.

Several of the respondents mentioned how the availability of real-time information leads to both challenges and opportunities for a trading company. It was described as one of the most prominent differences within the industry compared to the early 2000s. From one day to the next, a country where business was thriving could be completely excluded due to geopolitical events such as war, sanctions, or political elections. Several respondents mentioned the conflict between Russia and Ukraine as an event that led to disruptive changes in a very short time. They explained how their efforts to terminate all types of business dealings with Russia occurred very soon after the conflict began. Respondents clearly described that this would not have been the case 10-15 years ago. Back then, there would have been a much longer delay between the event itself and the companies' actions because they did not have the opportunity to access the information so quickly.

> *Today, we must react almost in real time when geopolitical events occur. Since we receive the information almost at the same moment as the event happens, everything moves incredibly fast today. If we don't react and act immediately, we fall behind. - T4*

Another aspect highlighted by several respondents was how the handling and processing of certain types of documents and certificates required for shipments between countries and continents largely remain the same today as they did 50 years ago. The respondents explained how working with this type of paperwork still requires physical documents with stamps, which differs from many other aspects within the transportation industry where digitization has led to a significant reduction in the need for physical components in processes. The respondents explained that this is due to both the requirement for very high security and meticulous documentation in transportation, but perhaps primarily the difference in the adoption of technological advancement between different countries. However, most respondents believed that even this process could be digitized shortly.

4.1.2 Trend shifts and development in the market demand for products

A trading organization does not produce its own product. These types of organizations do not purchase materials and manufacture their own product that are then sold to a customer. Instead, the business transaction occurs by purchasing a product from a supplier, which is then sold directly to a customer. These types of organizations thus function as intermediaries between suppliers and customers. Respondents explained how the international perspective comes into play, where trade occurs through a purchase made somewhere in the world and how the material is then sold market to market worldwide. In this type of commodity trading, it is ,therefore, not possible to control pricing to any great extent; it functions more like a stock market. It is therefore crucial for organizations to be aware of market fluctuations occurring globally. Respondents also emphasized a clear shift in how trends change more rapidly today than they did before.

> *Compared to before, I would say that trend swings occur more rapidly today. This means that conducting business today is more challenging than before, as many more external factors influence these shifts in trends. However, I would also say that these conditions create opportunities for us, to do business because transactions tend to become more complicated. -T4*

Based on this, the respondents explained how crucial it is for the organization to follow trend shifts and changes in demand for products traded on a global level. Here, the respondents elaborated on the importance of the organization being present and aware of the changes occurring in the markets. It was also emphasized here that this is crucial given that they themselves do not have their own product and therefore must know what customers demand and understand what they should purchase. Even in this area several examples were given of how global trend shifts and groundbreaking market trends have affected the organization. The following quote, for example, illustrates the impact of digitization on certain product demands that the organization trades and sells.

> *A change in product demand can also be observed where, for example, the demand for traditional writing paper and newspaper paper has decreased*

> *and transitioned more towards packaging and consumable paper-based products due to the advancement of digitization.* - T1

Furthermore, it became clear that the organization's international playing field also impacts how a trading organization must adapt to shifts in trends. Respondents were informed about how they can observe development and trend shifts happening at different speeds and to varying extents on a global market basis. Considering how the demand for certain products changes and is affected by these shifts for the organization, the company must also adapt because some countries are further ahead in development than others. From a digitalization perspective, respondent F2 explained how, for example, continents like Africa and South America still demand traditional writing paper, as they are not as developed in the technical advancement as other continents.

The significance of adaptability for the organization will be further discussed later in Chapter Four. However, as the above statement illustrates, a clear picture is painted of how market developments and trend shifts vary from market to market. Within this, the importance of how the organization must stay updated and adapt to remain competitive at an international level is also emphasized.

4.2 Organizational capabilities

In this part of the chapter, the organization's practices, values, and priorities will be presented to provide an overview of the organization's *Present*, demonstrating what it is currently doing to foster long-term competitiveness. Initially, the challenges and risks affecting a trading company are outlined. Furthermore, the importance of maintaining a long-term perspective in its operations is emphasized. Finally, the organizational characteristics considered important and significant for managing a changing market environment are presented.

4.2.1 Risk management within the trading industry

The respondents unanimously agreed that the trading industry is a risky business. They explained how there are several risks that directly or indirectly impact the organization, ranging from economic risks such as customers not paying, to geopolitical risks where countries engage in conflicts with each other, similar to the example mentioned earlier with Russia and Ukraine. These are described as significant risks for a trading company to consider. One of the respondents described how the justification for the existence of a trading company is to be a risk-taker, as intermediaries should assume the risk in a sale from both the customer and the supplier. According to the respondent, trading firms are not needed in so-called risk-free transactions; buyers and sellers can conduct the transaction on their own. Therefore, trading companies come into play when one of the parties in a transaction involves risk, which could, for example, be due to the political instability of specific countries, economic situations, or other types of uncertainties.

> *In Sweden, for example, or to Germany or to France, likewise. It's not a big deal; paper mills sell there themselves, while very few paper mills would be willing to take the risk of selling to Nigeria. But we are willing to do it, and that's why we exist, you could say. We cannot be afraid to take risks; we should not be. We should be risk-takers. It's our raison d'être, but calculated risks then. So we insure a lot of those deals, we actually do it with all the deals we can insure. Which means that we offload some of the risk we've taken on ourselves. - T5*

The respondents explained how the most common risk for their business is the economic risk of not getting paid by their customers. However, they also outlined how this does not necessarily mean that business with those customers stops. Rather, they described various ways to ensure the deals or try to motivate the customer to pay to avoid being forced to abandon the customer. Respondents working in the trading function within the business explained how this is an important part of building relationships that lay the foundation for long-term cooperation with both customers and suppliers. Long-term relationships were a recurring theme among the respondents and were considered one of the company's success factors. They argued that strong relationships with both customers and suppliers are crucial when unexpected risks arise due to, for example, geopolitical events. One respondent followed up this statement by giving an example of a situation where a country experienced an economic crisis and the customer could not pay all its suppliers. In such situations, the company, thanks to its good relationship with the customer, wants to be the supplier that the customer prioritizes paying first.

The respondents also explained how their approach to risk differs from many other companies that are not active in the trading industry. Geopolitical events such as wars, conflicts, or natural disasters have only negative consequences for most companies. While for a trading company, situations can be analyzed in a more nuanced way, where it often emerges that even if an event creates a myriad of problems, it also presents opportunities.

> *Geopolitical events affect us tremendously; that's what we thrive on. We love geopolitical events, regardless of what they entail or where they occur. In a world where there are no major changes, we wouldn't be needed. The reason we exist is that geopolitical events arise, complicating the work for buyers and sellers. - T1*

The quote above illustrates the trade industry's stance on geopolitical events. A recent example of such an event, which has had a significant impact on numerous companies and countries, especially in Asia, Europe, and North Africa, is how pirates in the Red Sea have forced a significant portion of the ships that were supposed to pass through the Suez Canal to instead circumnavigate South Africa. This has resulted in a substantial increase in both delivery times and freight costs for the cargo. Consequently, it is no longer as economically viable for European countries to trade with Asian countries and vice versa, leading to devastating consequences for many businesses.

> *Suddenly, it becomes much more expensive for Asia to transport goods to Europe and North Africa. This led to customers in North Africa, Europe, Turkey, and countries around the Mediterranean becoming very interested in buying more European cardboard almost overnight. For a trading company, this means that if we have a lot of European cardboard either in*

> *our warehouses or if we have the opportunity to quickly buy from the mills, it becomes a huge advantage for us. So, the situation in the Red Sea is great for us in that regard. - T1*

The respondent further explained that this could have had significant consequences for them if they had done a lot of business with Chinese paper mills and had no backup in Europe. Therefore, the respondents emphasized the importance of spreading out their risks by not being too dependent on any single supplier, customer, country, or market.

> *We have to be in many markets; we have to have many different qualities. It's a constant hunt for suppliers and qualities. It's important for us as a trading company to represent several suppliers so that we're not completely dependent on a few. Things are happening all the time in the world... Things arise all the time, where our partners all over the world are affected and involved. We take a lot of risks in the company. So, it's crucial for us not to put all our eggs in one basket. - R2*

A tool that the organization utilizes is the balanced scorecard. The respondents described the balanced scorecard as both a useful and appreciated tool within the organization. It emerged that the tool has had a very positive impact on the organization's overall understanding of the various departmental needs, workflows, and goals. Respondent F1 emphasized the need to maintain a holistic understanding of the business, including its internally interconnected processes. By using the balanced scorecard, the organization can better navigate through the various streams of work and information, thereby avoiding working in separate silos and thus becoming "blind" to the effects and conflicts of interest that may arise along the way. Respondent F1 further explained how this tool also enables open and transparent communication within the organization by clearly visualizing and communicating thoughts and visions for the future. In this way, it becomes clearer what the organization is striving for and how the various units are involved in achieving the organization's overall goals and visions. By making responsibilities and work distribution within the group visible and clear, the balanced scorecard not only fosters a sense of involvement and commitment but also the effectiveness and success of the organization as a whole.

The balanced scorecard is an important tool because it creates opportunities for understanding each other and the entire process flow. Because it's easy to get tunnel vision in one's own part of a process flow and want to develop and improve it as much as possible. But that can have a negative impact on both upstream and downstream in other parts of the business...With the balanced scorecard, we can share our thoughts and visions for the future in a very good way and make it visible. - F1

4.2.2 Long-term relationships before short-term profitability

An interesting aspect highlighted during the interviews was how crucial relationship building is considered within the industry. It's not uncommon for a customer or supplier to receive over 50 emails a day with similar offers for similar products. So, standing out and actually being the seller or buyer who closes the deal is very challenging today. It was evident among the respondents that the importance of long-term relationships is crucial nowadays and that the job of creating new potential long-lasting relationships can be very demanding. It emerged that it's not entirely uncommon to do business with a customer or supplier over an extended period where you don't make any money. Instead, you prioritize building a relationship with the customer or supplier, and only when that's in place do you start doing business where you make money from it.

Many times, you may want to get in with a new major customer, and then you may be prepared to think long-term…OK, I want to make a profit sometime this year from this customer, but maybe is´s not the time for that right now. The most important thing is that we get an order. - T2

Respondents also mentioned that through a good relationship with, for example, a supplier, you build a sort of barrier against others who want to do business with your supplier. Despite the above discussion, respondents assess that the importance of having good relationships with their suppliers is more crucial than with their customers. This is because respondents claimed that as long as you have access to products, you will always have something to offer, but if you have nothing to sell, it doesn't matter how many buyers you have good relationships with.

You can see in our industry that if you have a long-term relationship with a supplier, it's difficult for others to break in there. In our industry, people *want to be sure that we fulfill our promises. Over the years, we've shown that through ups and downs, we keep our word. I think that's incredibly important. Customers are a bit more challenging because you don't really need that long-term relationship there. Customers come and go a bit more often than suppliers. - F2*

Several respondents highlight the importance of long-term relationships and a long-term mindset when doing business. Respondent V1 clearly illustrates with this example how a long-term mindset is always present within the organization. At the same time, other respondents are clear that trading companies must be quick to handle short-term solutions to stay relevant in the market.However, this is presented in more depth later in the chapter.

It's not just about looking at how to make money today, but also how we'll make money and do business in 10 years, for example. Maybe we won't be able to do that if we take the first opportunity where the risks are high. Instead, we should build trust, gradually gain more volume, and do a good job so we can make good money over time. - T2

The respondents are clear about how the view of long-term relationships and a long-term mindset forms the foundation for the organization's potential for long-term competitiveness in the market. This was explained to be a characteristic that has been present within the organization for a long time and is also considered to be one of the reasons why the company is still active and competitive today. The organization plays a significant role in this work as it sometimes involves prioritizing long-term profitability over short-term profitability in order to highlight opportunities for more sustainable profitability. This approach and mindset are considered possible for the organization thanks to the advantageous ownership structure that exists within the company.

4.2.3 Organizational capabilities

Several aspects emerged as respondents described the abilities and characteristics that contribute to the organization's competitiveness. Initially, it was evident that the organization's long history in trade, as well as the collective expertise present both internally and externally through its local offices in various markets, constituted significant factors in how the company has been able to maintain its competitiveness over a long period. This observation seemed natural, especially considering that the organization does not produce its own products but instead relies on the competence of its personnel, corporate culture, and other internal resources to develop the business and ensure its profitability.

> *A crucial factor is the competence within the organization, that we have key skills required for the types of business we conduct. Specifically, the managers in the sales units who have been with us for a long time and have experience of the ups and downs in a fluctuating market. I believe that experience and expertise enable them to identify patterns and, to some extent, predict what they think will happen in the future while knowing how to handle the situation that exists today. Then this knowledge is passed on to new employees and retained within the organization. - T2*

Furthermore, within the same area, a picture emerged from the respondents that the organization's existence is based on trading in markets where their suppliers do not want to sell. These suppliers assess that either the risk is too high or that it is too complex to conduct sales of products to these specific markets. A turbulent macroeconomic environment, geopolitical circumstances, and events affecting the world create business opportunities for a trading organization. However, it was also clearly evident from the respondents that the role that this type of intermediary organization holds and the approach they apply in business operations is not something that anyone can handle. Respondents explained that it is the personnel within the organization who must possess expertise and the ability to manage these complex situations for the entire business model to prove profitable.

> *Of course, geopolitical events affect us like everyone else. But what's interesting is that the more difficult it is to conduct trade in the world, the more we are needed as an organization. Because our role is to step in as intermediaries when sellers and buyers are not willing to take risks on each other, that's where we come in with our expertise and stitch the deal together. - R1*

Several respondents were on the same track, and the quote below reinforces the image the trading organization has of geopolitical events. The quotes illustrate the recurring theme of the respondents' attitude and perspectives on geopolitical events from a corporate standpoint.

> *Historically, as a trading organization, we are quite well adapted to these types of events. And we also benefit from them. In a market that is completely stable and functioning as it should, there are others who can do our job instead. But it's precisely when things get chaotic that our know-how is truly put to the test. For us, it's all about being experts at managing a tumultuous world. - L1*

Many of the respondents also emphasized that each deal represents a form of craftsmanship in itself. The trading process requires multiple variables to harmonize for the deals to prove profitable. As previously noted, traders need to navigate both purchases from suppliers and sales to customers amidst shifting macroeconomic conditions. In addition to this, there are other factors that affect the profitability of deals, especially when the organization operates at an international level, such as logistical challenges regarding shipping, currency management, and handling of sanctions, among other things.

In this context, the respondents explained how the company structure contributes to increased competitiveness compared to competitors. One of the central parts in this context is that the business has dedicated support functions that handle these uncertainties, which in turn means that the organization possesses key competencies internally. The quotes below illustrate this.

> *We actively work on risk mitigation. We have a compliance department that can naturally pick up on geopolitical changes in areas when it comes to sanctions or similar. We also have a Trade Finance department that is very skilled at minimizing the risks of customer losses in difficult countries or countries that are geopolitically vulnerable. - F1*

Other respondents also highlighted the importance of the support functions within the organization. Another respondent specifically described how these support functions work and are applied, as well as their strategic role in the organization. The quote below illustrates this.

Something that may differentiate us from other organizations in the industry is that we, for example, have specialized functions that are in very high focus. For instance, the shipping department. We have our own freight procurement department and do not rely on freight forwarders… We have chosen to centralize and thus have that key competence by specializing and niching within certain areas where we have internal expertise. The same goes for the Trade Finance Department and Treasury Department, which handles various types of risk. - L1

4.2.4 Adaptability

An essential capability highlighted by the respondents was the organization's adaptability, within which the solution-oriented corporate culture was also emphasized. As previously mentioned, the organization operates in a complex business environment where many factors influence operations. Therefore, adaptability is of utmost importance in conducting business and contributing to international trade to the extent that the organization conducts its affairs.

I would say that flexibility and adaptability are something that we constantly need to consider and actively work on on a daily basis. Above all, I believe that collaboration among us employees is crucial here, but also collaboration with external parties. -T3

As the organization deals with markets deemed more complex and where suppliers themselves are reluctant to sell, the importance of an enabling corporate culture was emphasized, where employees are given the opportunity to explore and create solutions on their own. It was emphasized that this is of great significance for the organization's development and continued ability to drive its business forward. Within this framework, it is evident that the organization follows a corporate culture where knowledge and information are shared among employees to enable the identification of solutions to problematic situations. Additionally, the importance of learning from past experiences and situations to promote the organization's development and capacity for action is emphasized.

I believe it's important to have a corporate culture where making mistakes is acceptable. It's crucial for us that employees are challenged and encouraged to think outside the box. With the type of business we conduct, it *should be permissible to have wild and crazy solutions, and ideally, they soar, but in the worst-case scenario, they don't. However, deriving learning from these mistakes and using them as continuous learning for the organization is crucial. It's also important that knowledge is shared with all other employees.- F1*

The respondents clearly emphasized the significance of their corporate culture, flexibility, and adaptability for the organization. Considering that the company conducts global operations, they are heavily influenced by global events. Geopolitical events and situations affecting the world have a significant impact on a trading organization with global operations. Respondents identified several aspects affecting business operations, everthing from political elections in the USA to port strikes in Finland to political conflicts in Peru, the list is long.

These influences are significant both in the short and long term. In the long term, it involves maintaining good relationships with customers and suppliers, where the organization must be prepared to find new solutions in case of any problematic situations to fulfill its commitments to these stakeholders. In the short term, it requires the organization to adapt and be creative when opportunities arise that must be seized quickly, even amidst a chaotic geopolitical climate. Although respondents emphasized that they always strive to anticipate potential events or market situations, they often find themselves in situations where they must be solution-oriented to enable the execution of business.

We aim to minimize the disruption of deals whenever feasible.We always want the deal to go through. Therefore, as an organization, we always strive to be solution-oriented. For example, if a country we do business with goes bankrupt, there's a risk that we may no longer be able to conduct business there. Such a scenario is about finding new solutions and redirecting our business in a way that our losses in that market open up opportunities to sell those products to another market. - T4

4.3 Corporate foresight

In earlier sections of the empirical chapter, it has been partly demonstrated how a changing world, where constant events occur in various regions, greatly impacts trading organizations.

As the organization is active in global trade, several quotes in previous sections have clearly shown that phenomena like geopolitical events have a significant influence on this type of business. Against this context, the following section will focus on the *Future* and the respondents' perspectives on how the company handles, prevents, and anticipates potential events in different markets with the aim of proactively being prepared for changes and developing strategies to manage them.

4.3.1 Predicting the future

Initially, the respondents emphasized that the organization strives to be at the forefront and stay updated on any changes or events occurring in the markets where they operate. It also highlights that the organization continuously works to manage such situations in the best possible way, but that in many cases, it is challenging and very complex to predict future events. The following quote illustrates the respondents' view of how important it is for the organization to always try to anticipate what will happen in different markets.

> *In our industry, I think it's crucial to try to anticipate what will happen. With an international presence where we trade in several markets worldwide, it's especially important to always stay updated and try to foresee what will occur. Drastic changes can often have negative consequences, but I believe that if you are well-prepared, you can also turn this into advantages. However, it's, of course, difficult to precisely predict what the future holds; in the end, we're just left with a well-calculated guess. - F1*

Several respondents pointed out the significant impact of geopolitical events on business operations. It was explained how events originating geopolitically in one part of the world can also have consequences for markets in other regions. An example reiterated by several respondents was how geopolitical events in the USA, such as sanctions, fluctuations in the dollar exchange rate, and tariffs for specific markets, affect trade. To protect against such geopolitical events, respondents outlined both proactive measures and readiness to act when such changes occur. At the same time, they also strive to anticipate how different outcomes of such events can affect various parts of the company's business operations. In these scenarios, respondents explained how they systematically consider how an event can affect the market, supplier prices, and customers' purchasing power.

The work of trying to anticipate future events in general is described by several respondents as very difficult, with a significant risk that resources and time are spent planning and anticipating events that never occur. Considering the focus on risk diversification, it is important not to put all eggs in one basket. This means that the organization's focus is rather on preparing to act when an event occurs instead. In daily operations, this means creating the opportunity to actually act when events occur by being adaptable and quick. However, there is a significant variation between different situations according to several respondents, who point out that some events can provide indications of possible outcomes. A clear example highlighted by several respondents was the US election, where the outcome can go in two different ways. In such geopolitical contexts, the importance of having good foresight, creating conditions for making quick decisions, and acting when the outcome is determined is emphasized. Generally, when the outcome could be either one thing or the other, both the work of anticipating future events and their consequences and the preparation work to quickly handle unexpected events are considered particularly significant and as a competitive advantage. A quote from one of the studied traders provides insight into their attitude and perception of future prospects.

> *It's important and valuable to try to anticipate the future, but it can be difficult to predict certain types of events. For example, if it's a natural disaster or if Russia decides to intervene in Ukraine. In these examples, it's difficult to predict what will happen no matter how much one tries. What we can do is ensure that we have multiple options if something were to occur. This means being aware that things will happen and therefore focusing on how we can best respond when it potentially occurs. So, it's a part of the preparations that are our lifelines during geopolitical events. - F4*

Despite the significant challenge of trying to predict the future, the respondents agree that trading companies demonstrate an impressive ability to make informed assessments and weigh various factors against each other. Many of the respondents highlighted the crucial importance of having personnel in place around the world to successfully navigate uncertain times and identify possible trends and events. This strategy, which has been a cornerstone for trading companies for a long time, is still considered as important today as it was 50 years ago. Physical presence is needed not only to gather information but also to gain a deeper understanding of local conditions and cultural nuances, which are crucial for making accurate analyses and forecasts. The most notable shift that respondents pointed out was that today's trading teams are not only involved in collecting information but also actively working to filter and analyze it to distinguish true information from false. In an era of information overload and rapidly spreading misinformation, this has become an increasingly time-consuming task for trading companies. The quote below further illustrates one respondent's perspective on the work and the importance of trying to predict the future.

> *I believe it's really important. We need to try to stay one step ahead, even though it's not always possible, especially with tough-to-predict stuff like geopolitics...It's up to us to stay aware and, of course, consider how we would handle it if the worst happens.That demands that we have a plan that we probably aren't actively working on at the moment. But when the time comes, we need to know what to do. So, to wrap it up, I believe it's extremely important to be proactive and work on alternative possibilities if something could happens. - F1*

4.3.2 Current market trends

The respondents also provided insights into how they perceive shifts in trends that will change the way the company does business in the future. At the outset of the topic, it was also emphasized here how important it is for the business to keep up with trend changes. Respondents emphasized the importance of long-term thinking in the industry in which the organization operates. It was clarified that this type of business operates within a trust-based industry, where suppliers and customers build close relationships with the organization, enabling a significant portion of business over time. Respondents highlighted that this kind of long-term sustainability in business is built by always delivering on promises and resolving situations if any complications arise.

> *It's really important to have long-term thinking because we're in a trust-based industry, just like many others. It's important for us to build long-term trust, especially with our suppliers. It's about solving situations*

and building this trust by showing that we deliver on what we promise to our suppliers.- T5

Considering the current market context, respondents portrayed how several aspects of their business operations are dynamic, such as freight prices, product pricing, exchange rates, and sanctions. Here, the importance of continuously being aware of developments in different markets is emphasized. Respondents described how it is crucial to follow all types of geopolitical trends, which are made possible by the presence of salespeople in each market who stay updated. However, it was also highlighted that it is particularly important to focus on trends in regions where the most activity occurs. Respondents explained that it is of utmost importance to follow trends in areas where conflicts or other events with potentially significant consequences, such as payment capability and sanctions, can greatly affect the trading organization.

> *Above all, it's important to keep track of regions where things are happening, especially in conflict areas where the risk can escalate overnight. We must be very aware of the risks we are exposed to. As mentioned, these changes can happen overnight, so such trends are crucial for us. Being aware of the business you're doing and when it might be time to say no and pivot. Being aware of these trends and being willing to make decisions and not just let things roll on. - L1*

Finally, regarding the aspect of trends, respondents considered it very important to keep up with the trends that shape the future of international trade, as well as the industry's way of doing business. It also emerged that there are benefits to being at the forefront of these types of changes, both for building continued trust with customers and suppliers and also for having a long-term advantage over competitors, which can result in increased competitiveness. The quote below illustrates how respondents view future trend curves and how future changes can affect the organization's way of doing business.

> *I believe we will see a significantly faster and more unpredictable changing world in the future. Both for better and for worse. I also think it will become harder and harder to do business and make good money from them. You have to be very good at what you do and you have to have a very good network - F1*

The respondents also emphasized the importance of being aware of and adapting to future trends. For example, the use of tools such as artificial intelligence (AI) which can handle large amounts of information in the rapidly changing future business climate, was discussed. There was a discussion about the uncertainty surrounding how these trends will affect the industry in the long term. At the same time, new sustainability regulations from the EU that companies are obliged to follow were presented. These trends were identified as challenging to follow, given their recent prominence, but the respondents also highlighted the benefits of being early adopters and staying ahead when it comes to managing these trends effectively and accurately.

5. Discussion

This chapter will discuss how theory and empirical evidence differ and resemble each other. The structure of this chapter will be the same as before: Past, Present, and Future. This section aims to present the similarities and differences that emerged between theory and practice, as well as to engage in a discussion of why this was the case and what the explanation for this may be. The chapter also presents new research theory that has emerged as relevant based on the empirical findings.

5.1 Technical revolution within the trading industry

The respondents made it clear that the technological revolution has had a significant impact on many aspects of the trading industry. They emphasized that the rapid advancement of digitization over the past decades has been the primary driver behind the industry's transformation. This development has led to several factors within trading, including communication, data management, data collection, and business processes, being altered due to the increased use of digital technology and new innovative methods. The transformation undergone by the trading industry aligns well with Perez's (2010) description of technological revolution, where the author specifies how this type of revolution is characterized by a number of radical technological changes driving development that alters technology, the economy, and society. The fifth and most recently occurred revolution that Perez (2002) presented should be seen as a direct precursor with strong connections to the change digitization has brought about in the trading industry today. The main change trading companies have encountered in the past decade has been about information access and information management.

The results from the empirical investigation show that respondents' experiences and insights within the industry largely correspond with Mohammed's (2018) and Koch et al.'s (2014) description of Industry 4.0. These authors highlight how the business environment is undergoing radical changes due to the need for flexibility and real-time response to the rapidly changing market, driven by the speed of information. As several respondents have previously pointed out, a trading company's fundamental purpose is strongly linked to its ability to manage complex business situations. Mohammed (2018) explains how Industry 4.0

represents the optimal way forward to address an increasingly complex and demanding job market. Therefore, the adoption and management of Industry 4.0 are deemed crucial for all organizations, especially those specializing in handling complex business situations.

At the same time, it was possible to argue that the change referred to by several respondents regarding their perception of the impact of digitization on the trading industry is largely parallel to the change that the rest of society has undergone. Despite the respondents' claims that the industry has undergone significant changes, it suggests that these changes mainly follow the same patterns as the rest of society. This suggests that industry-specific changes and developments in the trading industry have not had a directly decisive impact on trading companies. This implies that the trading industry has been relatively mildly affected by aspects such as the Internet of Things and vertical and horizontal integration methods, as presented by Saurabh et al. (2018), Koch et al. (2014), and Mohammed (2018).

In addition to the effects discussed regarding the impact of digitization on information assets in today's society, technology has also given rise to additional aspects affecting the trading industry. As mentioned by the respondents the digitization's creation of various platforms has created expanded opportunities for buyers and sellers to meet and do business without the need for intermediaries. This was described by the respondents as an aspect whose consequences can already be seen today and something that is expected to become increasingly common in the near future as well. This is similar to Schumpeter's (1939) assertion that innovation does not occur randomly but rather occurs when technologies are linked together. Where so-called clusters of techniques integrate and result in innovations emerging naturally. This aligns well with Perez's (2010) concept that new innovations further drive the development of technologies that enable improved efficiency for industries and processes.

Another concept presented by Perez (2010) was the techno-economic paradigm, which refers to the most optimal and effective way to manage and exploit new technology. In relation to Industry 4.0 and the technological revolution, it was previously noted that the trading industry operates within, and the techno-economic paradigm can be seen as digitization and its byproducts. The empirical results provided valuable insights into how the trading organization views digitization and how the work of managing information overload is processed. An example highlighted, which can be seen as linked to Perez's (2010) techno-economic paradigm, was the need to physically have employees on-site around the world where trading was taking place. In a world where information can be accessed with a keystroke in real-time, respondents pointed out how the need for physical presence in different markets is almost as important today as it was during the 20th century when current information was significantly harder to come by. The best way to leverage this enormous wealth of information is then stated to be the combination of vast amounts of data along with human physical presence to discern true and false information. This approach is described by the respondents as a success factor that creates competitive advantages both in terms of decision-making and as it can provide indications of future events that may form the basis for decision-making today.

The literature provides an in-depth account of the concept of creative destruction, where authors like McCraw (2007) and Schumpeter (1939) explain how it refers to the process whereby new ideas and technologies surpass and replace older existing systems and methods. Respondents explained how their organization mainly deals with standardized products that have existed for hundreds of years and are in demand worldwide. The digitization previously discussed has had a significant impact on the demand for products such as regular newsprint in many countries. This is consistent with the authors' account of creative destruction and the impact new products and technologies have on the demand for existing ones. At the same time, respondents described how there has been an increase in demand for other types of paper-based products such as packaging materials. McCraw (2007) emphasizes how technological advancements act as a catalyst that reshapes the economy and opportunities for economic growth. The author describes how many companies fail with this type of transition, creating opportunities for other more agile businesses to take their place. At the same time, the situation regarding creative destruction typically becomes less devastating for organizations in the trading industry as they often do not produce their own physical product. Instead, as previously mentioned, they act as intermediaries, making the organizations themselves much more agile and adaptable to changes in market demand. This aligns with the example of how traditional newsprint has been replaced by demand for paper-based packaging materials in several countries and how the organization has successfully undergone that change.

At the same time, it is important to specify what and which regions are being referred to when discussing the impact of digitization. For a trading company operating worldwide and specializing in solving complex and difficult deals, it often involves developing countries. In these countries, digitization, Industry 4.0, and the technological revolution we referred to earlier are not nearly as widespread and developed. This means that, for example, the demand for traditional newsprint is still high in large parts of the world despite discussions of creative destruction for the product elsewhere. So, for a trading company operating worldwide, the reality of creative destruction is more complex and nuanced than how McCraw (2007), Schumpeter (1939), and Tipsas (1997) portray the concept.

5.2 Organizational capabilities

In the empirical chapter, it is evident how a trading organization operates within a risky industry, where their business is conducted in markets where suppliers refrain from selling products due to factors such as risk and complexity. This means that the organization's employees are expected to act as experts in resolving situations and identifying business opportunities in markets that are exposed to risks and heavily influenced by geopolitical factors. In line with Christensen's (1997) concept of the "innovator's dilemma," where the author describes how changes often disrupt the market, especially in less niche areas, respondents' views on risk propensity, risk management, and promoting controlled risk appear similar. This attitude contributes to a corporate culture characterized by problem-solving and innovation, where employees are expected to be innovative to continuously find new solutions that enable the company to maintain its competitiveness in the markets where they operate.

Furthermore, respondents emphasized that if everyone could handle trading within the organization's complex business climate, with the many dynamic parts in complex areas, this type of organization would not be needed. This view of the situation resembles Christensen's (1997) reasoning about how large established companies often hesitate to engage in and embrace early innovations and changes due to perceived risk. In the trading organizations' trading area, where large established suppliers do not want to offer trading, the organization is required to actively seek solutions and embrace changes early on in the change curves. This is because identifying profitable deals in an ever-changing business landscape is crucial.

The organization's approach to managing this type of risk in practice aligned with Christensen et al. (2000) argument, emphasizing the importance of effectively placing the right person in the right position and having a thorough understanding of the organization's capacity and limitations to maintain competitiveness over time. This reasoning aligns well with respondents' description of the importance of maintaining awareness of risks through close contact with the market, such as through local offices and strong relationships with stakeholders in the market. This is also reinforced by Williamson (1985), who explains so-called transaction-specific know-how transactions facilitated through long-term relationships. Here, the author explains how opportunities for co-specialization increase when partners develop experience working and doing business with each other, which ultimately can result in more efficient communication, improved quality, and increased speed to market.

It was clearly outlined from the empirical section that placing the right expertise in appropriate positions within the organization and creating awareness of its capabilities and limitations contribute to the generation and creation of transparent information, enabling the organization to be prepared for events that could potentially entail radical changes. Several examples were presented that could involve situations where a country defaults or where the domestic currency becomes too unstable to enable trading. The importance of the organization continuously making assessments and daring to make decisions in this area was emphasized, while it is crucial that the right person makes the right decision in different types of situations. This applies regardless of whether it is a support function holding the relevant expertise, a salesperson active in the market, or the compliance department. This also aligns very well with what Christensen et al. (2000) presented above.

Furthermore, it becomes clear that there are several significant aspects of significance for the organization when it comes to building competitiveness. In addition to the discussion on risk and innovation management, as outlined above, other interesting aspects were also identified in the empirical section. Similar reasoning can be found in Kaplan and Norton's (1996) explanation of how information has become central to companies' pursuit of competitiveness in recent decades. The authors point out that companies' ability to leverage intangible assets has become significantly more important than the ability to invest in and manage tangible assets. This reasoning resembles what the respondents explained regarding the organization's lack of a self-produced product. Instead, it is the key competencies of the personnel and information flows from a broad network that contribute to the trading organization's competitiveness.

The respondents' descriptions clearly indicate that the organization possesses intangible assets in the form of knowledge, experience, and expertise in-house, which provide competitive advantages for the organization. This view resembles what Dyer and Singh (1998) and Perry (1989) explained, where competitive advantages are created through relationships within the value chain, where parties are willing to make relationship-specific investments and combine resources in various ways. In this area, the respondents also emphasize the importance of long-term relationships with partners and the exchange of information between parties.

Differences can be discerned in how the organization strives to build long-term relationships where they can benefit from these relationships rather than making joint investments with partners, as Dyer and Singh (1998) and Perry (1989) describe. Instead, similarities can be found with Williamson's (1985) discussion of human asset specificity, where opportunities for co-specialization increase as partners develop experience working and doing business with each other. This can lead to more effective communication, improved quality, and increased speed to market. This aligns well with what many respondents highlighted in the empirical section regarding how the organization views long-term commitment to its business. Many respondents argued that business relationships do not always need to be specifically profitable in the short-term; instead, they should strive to build trust with customers and suppliers that can benefit the organization on multiple levels in the long term.

Throughout this work, there has been a significant focus on building and maintaining strong relationships to facilitate the establishment of long-term partnerships. This aspect has proven to be of central importance, both according to the theoretical framework presented and based on the empirical insights from interviews with respondents. One aspect that has not been highlighted so far but that could potentially be a significant factor in organizations' competitiveness is the importance that Granovetter (1973) attributes to *weak ties*. The author explains how access to such weaker connections creates opportunities for the influx of new information, new perspectives, and new business opportunities. These advantages can be assumed to be particularly relevant for trading companies, and the empirical data suggests that these aspects may have played a significant role in the operations of the organization under study. Based on the empirical findings, we can conclude that an extensive network is considered crucial, both historically and in today's business climate. This suggests that superficial acquaintances or weak ties likely have played a significant role in the organization's success.

In the empirical section, it emerged that the organization does not primarily use any particularly specific technical tools or platforms that distinguish it from competitors. Instead, the respondents emphasized the value of the balanced scorecard tool and considered it crucial for promoting open and transparent communication within the organization by clearly visualizing and communicating future thoughts and visions. It was emphasized how this tool promotes clarity about responsibilities and workload distribution within the group. By promoting a sense of involvement and commitment, the balanced scorecard contributes not only to increased efficiency and success for the organization as a whole but also to a better understanding of individuals' roles and significance in the process.

This view aligns well with Kaplan and Norton's (1996) description of the purpose of the balanced scorecard, where the authors highlight its ability to enable companies to monitor both financial results and progress in capacity building and acquisition of intangible assets necessary for future growth. Moreover, connections can be drawn to how the organization uses the tool to avoid creating conflicting goals within the organization. Instead, it serves as a means to create a shared vision for the future and to clarify who is responsible for different parts of the process. This preventive approach can be understood in the light of Beer and Nohria's (2000) "theory E and O," where economic value and organizational capability often conflict in the organization's development efforts. Beer and Nohria (2000) advocate managing these aspects separately and at different times to avoid conflicts, although some organizations manage to address them simultaneously by integrating goals with fewer compromises. As previously emphasized, the trading organization does not quite operate in the same way as Beer and Nohria (2000) advocate, but a clear picture emerged of how the balanced scorecard made these internal change processes clearer within the organization to avoid contradictions. This approach is surely used within the organization to manage the long-term and short-term perspectives in the company's affairs and development work. This was also backed up on an organizational level by how the respondents emphasized that the organization's ownership structure prefers growth over profitability today.

Finally, significant similarities could be identified between how the company creates competitive advantages under the conditions previously described in this section and how Teece (1997) addresses dynamic capabilities. The respondents clearly demonstrated how geopolitical events strongly influence the organization. In an ever-changing business environment, where complexities arise continuously, a trading company needs to be agile and adaptable to seize opportunities and manage challenges. Teece (1997) emphasizes the importance of dynamic capability for a company's survival in a competitive and evolving market, emphasizing that a company's dynamic capability refers to its ability to quickly and effectively adapt to changes in the external environment.

The respondents repeatedly emphasized the crucial importance of adaptability for a company operating within their industry. It emerged how this type of adaptability, similar to Teece's (1997) description, aims to exploit business opportunities and address threats from competitors and market conditions. The resulting corporate culture encourages employees to contribute solutions and learn from their mistakes, as the organization often finds itself in situations where they must quickly address consequences and turn them into opportunities. It became clear that this type of dynamic capability, as Teece (1997) describes it, is of significant importance for a trading organization.

Throughout this study, it has become evident that the organization under examination aligns with O'Reilly and Tushman's (2013) description of an ambidextrous organization on many levels. While ambidextrous organizations have not been explicitly mentioned in this paper, it has become apparent during the course of the study that there are significant similarities with how trading organizations operate. O'Reilly and Tushman (2013) describe this type of organization as having the ability to leverage existing advantages while continuously seeking out new opportunities. This description aligns well with the picture that the empirical findings have painted of how trading organizations function. Several respondents explained that a trading company should exploit, for example, a lucrative market as long as possible while also not putting all their eggs in one basket, as markets can change very quickly. Therefore, it is important to constantly search for new markets, customers, and suppliers.

5.3 The future of the trading industry

Considering the sensitivity of the trading organization to geopolitical events and global changes, the respondents emphasized the importance of future perspectives and assessments in predicting what will happen. With the company's dynamic and complex operations, there are many variables that can easily be influenced by macroeconomic conditions, which in turn affect business in various markets around the world. Following this line of thought, it was evident that the organization always strives to anticipate events by interpreting various signals and gathering information from the markets. Similarly to Flack and Mitchell (2020) and Fergnani (2022), the respondents explained how this is a challenging task, especially given the complex business environment they operate in. Both Flack and Mitchell (2020) and Fergnani (2022) highlight that a company's foresight is an important part of how they can maintain success in a complex business environment, but also that the phenomenon is difficult to master and sometimes requires flexibility and agility instead of investing resources in predicting an uncertain future. This reasoning is highly relevant to the earlier discussions in the chapters where the organization's adaptability was discussed as crucial for trading organizations. Also here, in direct connection to theories of corporate foresight, the respondents explained how it is sometimes practically impossible to predict an event, and in these cases, it is more important to be well-prepared and have the ability to act appropriately.

It was emphasized that sometimes it is more important to be able to adapt to the event and strategically leverage it to the organization's advantage. A recurring example was the pirates in the Red Sea, which had a significant impact on freight prices from Asia to Europe. Because this had such a large global impact, it was very difficult to predict the extent of the consequences. In this example, the respondents explained how this situation affected their organization in a way that complicated business in regions affected by the event, as well as Asian deliveries to Europe and North Africa. Instead, the respondents highlighted how their solution was to turn the situation to their advantage due to the conditions they had created and the organization's choice to act quickly. While Asian competitors struggled to deliver their products to these markets, the organization was able to adapt and redirect its operations to these regions and conduct profitable business. This example, along with many others in the empirical section, aligns well with how adaptability can lead to first-mover advantages as described by Vecchiato (2015) in corporate foresight.

Both Vecchiato (2015) and Doz and Kosonen (2008) emphasize that competitive advantages can be achieved through strategic agility and the ability to be flexible within corporate foresight. It is clear that the respondents' descriptions of the organization's ability to adapt and anticipate market developments provide the company with competitive advantages. This reasoning aligns with Vecchiato's (2015) argument about how adaptable strategies can lead to first-mover advantages, which in turn can result in higher profits and increased market share. Being first in the market provides the opportunity to anticipate external changes before competitors, giving a competitive edge. Similarly, Doz and Kosonen (2008) explain that competitiveness can be achieved through agility, which entails a continuous ability for an organization to adapt to changes.

Fergnani (2022) and Rohrbeck (2010) highlight the importance of actors and companies not solely basing their business decisions on historical data but also actively developing a systematic understanding of possible future scenarios. Rohrbeck (2010) emphasizes that a company's foresight capability constitutes a dynamic capacity and presents a framework with eight central components to promote this ability. These include, among others, information gathering and developing strong people and networks. These aspects correlate well with the respondents' descriptions of their method for anticipating the future, which involves collecting and analyzing information, observing environmental trends, and identifying potential discontinuities. In this way, the company can evaluate how different events and conditions may impact its business operations in various ways. Dynamic capability has been previously discussed in the chapter, but an interesting aspect is the view that Rohrbeck (2010) presents within corporate foresight, which also aligns well with the respondents' view of the organization's intangible assets, such as competence, adaptability, and problem-solving ability, as crucial to their operations. In the absence of a tangible product, the organization must be adept at handling complex situations in a challenging business environment, where these key competencies or the company's so-called dynamic capabilities form the basis of the company's foresight, playing a crucial role in how they build their business and maintain their competitiveness.

Within the framework of dynamic capabilities, it is clear that there are connections between the organization's view of the importance of placing the right person in the right position and decisions made in various areas being made by individuals with adequate expertise, which resonates well with Doz and Kosonen's (2008) description of how organizations manage uncertain future environments through targeted interaction between top management and three meta capabilities. Within these meta capabilities, there are similarities with the authors' portrayal of resource fluidity as one of them, which involves the organization's internal ability to quickly restructure and reallocate resources, as well as leadership unity: leadership's ability to make bold and quick decisions without getting stuck in hierarchy. These observations also align well with the respondents' emphasis on the importance of leaders at higher levels in the organization daring to make quick and appropriate decisions in situations arising from changes in the business climate in the markets.

Furthermore, the respondents outlined how the work of corporate foresight can concretely involve building various scenarios about the future. Where the different scenarios are executed as a consequence of the execution of another event. However, this was described as a slightly more theoretical work than a purely practical one actively worked on. Instead, the work of creating different scenarios was described as a more overarching mindset that employees have adopted to stay alert to what is happening around the world.

Interesting here is that there are both similarities and differences with Schoemaker's (1995) explanation of the concept of scenario planning. The author describes how scenario planning goes a step further than regular planning as it takes into account a significantly larger amount of uncertainties. The respondents clarified that the main challenge with scenario planning is the uncertainty about the future, which, according to their experience, has resulted in a limited allocation of resources to this type of strategic work. In the trading industry, which is characterized by a high degree of complexity and a multitude of variables, especially in international business, the respondents experience forecasting the future as particularly problematic. Despite this challenge, they emphasize that companies in this industry can achieve competitive advantages by acting quickly and effectively in connection with disruptive events.

Although the logic behind Schoemaker's (1995) scenario planning and its potential benefits within the trading industry are prominent, respondents' experiences suggest that the process of developing scenarios is too time-consuming, especially considering the limited likelihood of a scenario actually materializing due to the unpredictability and rapid pace of change in today's world. However, it emerged that there are occasions when scenario planning is used to some extent in practice and where resources are actually allocated to creating different future scenarios. This occurs in situations where there are two possible outcomes, such as in a US presidential election. In such situations, many similarities are observed between respondents' description of scenario development and Schoemaker's (1995) theory. However, the execution is described as considerably simpler than the six-step model the author presents. Instead, respondents explain that the focus is on identifying solutions and opportunities in both outcomes of such an event, where the goal is rather to prepare to handle the actual outcome in the best possible way.

6. Conclusions

The final chapter of this thesis aims to present the ultimate conclusions derived from the discussion and the answers to the study's research question. Furthermore, the study's theoretical implications, managerial implications, and suggestions for further research are discussed.

In the context of this study, it is evident that the international trading industry operates within a complex business landscape that is constantly evolving. Many dynamic aspects of this type of business are profoundly influenced by external events such as geopolitical occurrences. Tis study focuses on understanding how organizations in this sector navigate these complex and fluctuating circumstances while concurrently building competitiveness through organizational governance to leverage these events to their advantage over time. Both theoretically, by delving into a plethora of models and theories concerning how organizations can create conditions for competitiveness, and practically, by examining the reality within a typical trading organization, this study has sought to shed light on how this phenomenon is managed. Through a selected analytical framework incorporating relevant theories in the field and qualitative semi-structured interviews, the stated objectives were achieved, and the two main research questions were addressed.

When addressing RQ1, *How do international trading companies adapt to a rapidly changing market environment, considering geopolitical impacts?,* several essential factors emerged regarding how trading companies succeed in adapting to a constantly changing business environment influenced by geopolitical events. Being a learning organization that continually strives to be adaptable and solution-oriented to respond to global changes agilely was considered crucial. Additionally, the ability to function as an ambidextrous organization, leveraging existing opportunities while constantly exploring and seeking new ones, was described as significant for enabling long-term success in the industry. Geopolitical events were found to impact these types of organizations prodoundly. Therefore, corporate foresight was deemed an essential tool for anticipating market trends and creating conditions to adapt to a constantly evolving business environment successfully. However, it was noted that corporate foresight and scenario planning are simplified models with limited utility within the complex trading industry. Instead, the work on these methods is described as fundamental to proactively creating conditions to act on both threats and opportunities.

Regarding the sub-question, *What strategies and methods are used to ensure relevance in the highly competitive market?,* several crucial aspects emerged concerning the strategies and methods that trading organizations employ to remain competitive in the market. The study clearly indicated that trading organizations operate in a complex business environment, where they identify business opportunities in markets where many other companies are reluctant to engage due to perceived risks and trading difficulties. From a risk perspective, this market environment requires trading organizations to be more risk-tolerant than other companies. It became evident that these organizations must also be innovative to maintain and create competitiveness. From this perspective, being solution-oriented and having a corporate culture that advocates controlled risk-taking, where employees are encouraged to think outside the box, were identified as significant factors. The importance of why this is crucial for the competitiveness of trading organizations was demonstrated by the fact that these characteristics must exist as market conditions can change rapidly due to geopolitical events. Risk mitigation based on strategic choices in how these organizations conduct global business was also apparent in this area. This was considered crucial from a competitive perspective as it provides opportunities for trading organizations to adapt their business when geopolitical events affect their operations. The expression "not putting all eggs in one basket" was recurrent, indicating that despite some markets being more lucrative at times, there are significant risks associated with being too heavily invested in one supplier, customer or market, making this type of risk mitigation particularly important.

Furthermore, within the strategic choices in trading organizations' business, long-term vision and the establishment of a broad network were mentioned as crucial factors for creating and maintaining competitiveness. It was evident that in this industry, good relationships create conditions for adaptability and agility in an organization. Finally, it was shown that for these types of organizations, intangible assets are more critical than tangible ones. Given that these organizations do not produce their own product, intangible assets such as know-how, competence, and dynamic capabilities are crucial for their competitiveness. In a constantly changing market environment influenced by geopolitical events, expertise, know-how, and continuous learning are crucial for trading organizations' opportunities to make favorable deals.

6.1 Theoretical implications

This thesis gives rise to three primary theoretical implications. The overarching division for this study has been *past, present*, and *future* in order to create as fair a depiction as possible of how an organization historically worked to maintain its competitiveness. Each of these temporal perspectives leads to different conclusions, resulting in varied theoretical implications. The first theoretical implication pertains to the past and highlights how the study, by presenting several examples that align with concepts such as *creative destruction* and *techno-economic paradigm,* confirms the relevance of these theoretical concepts within the trading industry. Furthermore, the study also confirms the second theoretical implication, concerning the present by demonstrating the applicability of the concept of *dynamic capabilities*. Through the organization's descriptions of actions taken to strengthen its dynamic capabilities to promote adaptability and organizational agility, the practical relevance of the concept is affirmed within a complex industry. Finally, the thesis suggests that the concept of *corporate foresight,* presented for the future, has some utility. However, the study notes that this concept provides a view of reality that is too simplified to be significant within such a complex and ever-changing industry as the trading industry.

6.2 Managerial implications

The managerial implications of the thesis extend to both trading companies specifically and other organizations operating in the international market. For trading companies, significant portions of the study's literature review and empirical findings can be directly applied, offering valuable insights into how a trading company can sustain its competitiveness over time. These insights can guide both long-term strategic decisions and short-term priorities. Furthermore, the understanding of balancing long-term visions with short-term actions, where the emphasis on building strong relationships sometimes outweighs short-term profitability, may be relevant for various international organizations. The ongoing effort to combine proactivity with the ability to be agile and reactive also provides useful insights for companies in different industries operating in the uncertain and rapidly changing global environment. The thesis's overall practical contribution lies in its ability to illuminate how a well-functioning organization in a complex and highly competitive industry manages both the challenges and opportunities arising from geopolitical events.

6.3 Future research

This thesis has examined and explored several interesting areas and aspects regarding how companies in the trading industry work to remain competitive over time. Additionally, the thesis has uncovered several promising strands for future research. One suggestion for future research is a qualitative study that delves more deeply and focuses on the extent to which trading organizations function as ambidextrous organizations. This aspect was not included in the literature review of this thesis but was considered to have significant similarities after a thematic analysis of the empirical material. Another possibility would have been to investigate the significance of past and accrued organizational know-how for older organizations compared to new younger organizations without historical organizational experience. Furthermore, since this study was conducted in a Swedish company that operates internationally, it would be of interest to conduct a similar study with trading companies from other countries. This is to see if geographical differences have any significant impact on how companies engaged in international trade operate. To test the reliability of this study, aspects such as long-term relationships, risk mitigation, and adaptability, which were considered important for the study organization of this thesis, would have been of interest to investigate.

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Appendix

Appendix A. Interview guide

General information

- For your information, both you and your organization will remain anonymous throughout this study.
- Is it acceptable for this interview to be recorded and later transcribed for use in a master's thesis?
- Could you please introduce yourself and provide details about your current role and main responsibilities?
- How long have you been working within the organization?

Geopolitical Events

- How do geopolitical events affect your organization?
- How do you work to manage the difficulties and opportunities presented by these events?
- In your experience and based on your own observations, how important do you consider foresight and future outlook for the organization's business opportunities?
- What risks are particularly important for you to be aware of in your industry?
    - How do you work to address these risks?

Capabilities

- What qualities do you believe make your workplace competitive within your industry?
- What would you say is important today to remain competitive within your industry?
- What challenges and opportunities do you see for the company in the current market context?
    - Could you mention a geopolitical example where you have previously succeeded in capitalizing on an identified opportunity?

Ability to adapt to change

- In what ways would you say you work with flexibility and adaptability in the organization's daily operations considering geopolitical influence?
- Can you mention any specific tools or platforms that you have implemented to improve your adaptability?
- How have technological and digital initiatives affected how you adapt to market changes considering geopolitical instability?
- How does your corporate culture and employees contribute to your ability to adapt and be innovative in a changing market environment?
- How important is it for you to have a long-term relationship with your customers and suppliers, considering the uncertainty surrounding the rapidly changing market you operate in?

Trends

- Which trends are particularly important for you to follow from a geopolitical perspective?
- How do you work to follow such trends in the market?
    - What methods and tools do you use to monitor and evaluate market trends and competitive situations to identify opportunities and threats in the market?
- How important is it for you to have long-term foresight in your work, linked to technological advancements and changing needs?
- Over your years in the industry, have you experienced any major changes related to technological advancements?

Ending

- In your opinion, is there anything we haven't asked about that you believe could contribute value to this research?
- Who do you recommend we speak with next?
- Could you provide us with a warm introduction?

Appendix B. Data Structure