

## **The Patterns of Internationalization and Business Process Outsourcing (Bpo) as Keys of Business Internationalization for Multinational Companies**

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**Abstract:** This paper analyzes and presents the outlines of business process outsourcing (BPO) for multinational companies. The methodology of research started with an initial literature review then to go further with the research there was a focus on data analysis and description, The research has focused as well on analyzing the OLI model for BPO and internationalization by suggesting BPO in the model for multinational companies. According to the analysis and results, BPO is relevant for both domestic and multinational companies but some features and restrictions may be possible during the process. Restrictions, strengths, weaknesses and risks that should be taken into consideration by the company that would like to operate as multinational or remain domestic. In conclusion, BPO has become a common contemporary business model with a number of companies seeking to outsource variable costs as much as possible, to establish market relationships with subcontractors and to focus on design and management of the value chain for business values but a resilience plan to mitigate risks during BPO and internationalization is very important.

**Keywords:** *Business internationalization, Internalization, Business Process Outsourcing (BPO), multinational companies, patterns*

**JEL Codes** *F20, D45, F23, L25, M16*

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## Introduction

As business internationalization has become important for many companies and business holders to reach more business values and expand the business in different markets. Business Process Outsourcing has become a process by which a company and/or organization may identify and increase productivity its and lead to optimization, involving third parties that are outsourced to perform that task or activity. The outsourcing of entire activities is today one of the major strategic options of a firm. However, outsourcing is not without difficulties and risks.

Traditionally, outsourcing is an abbreviation for “outside resource using” (Kopplemann, 1996). According to Arnold (1996) Outside means to create or make up a value from without, not within, the company. This outside focus is not an end in itself, it is a strategic perspective on external resources but identifying these external resources is not enough. They must be used by and for a company in order to strengthen its position in competition (Arnold, 2000). Outsourcing has become an important business approach. Moreover, a competitive advantage may be gained as products or services efficiently by outside suppliers. It is an agreement in which one company hands over a part of its existing internal activity to another company through a contract (McCarthy & Anagroustou, 2004).

The aim of this research and paper is analyzing the outlines of Business Process Outsourcing without forgetting its relevance to internalization and business internationalization. Globalization has gradually shaped the world for ages and it has undoubtedly been accompanied by various waves of industrialization. It moved the world and human society from simple energy resources such coal and wood to fossil fuels for industry as sources of energy and to sustainable energy and business, step by step it globalized the energy market, every step is accompanied by energy consumption, so the intensive use of energy has become fundamental in economy (Benabed & Boeru, 2023). Globalization has, for instance, facilitated the dissemination of technology and information, thereby generating new opportunities for innovation and development, emphasizing that the 4<sup>th</sup> and 5<sup>th</sup> industrial revolutions are evidence of it. In addition, it has led to concerns regarding privacy and security, as well as the possibility of job displacement and inequality. (Benabed & Boeru, 2023).

The labor market has known changes but the challenges after the start of the pandemic and the recent international geopolitical instability that

has overwhelmed both emerging and advanced economies because the Crisis of Covid-19 could lead a part of qualified workers to leave their jobs or return under different conditions and high cost of leaving, the thing that makes wages weaker in contrast with the rising rate of inflation in such situations that happen occasionally. On the other hand, it is highly difficult to match all the labor supplies and demands because an occurring inflation impact the supply chain as well (Benabed et al., 2023).

The purpose of this research and full paper is to analyse, describe and present the patterns of internationalization and business process outsourcing (BPO) as keys of business internationalization for multinational companies.

## **Related literature**

### ***Multinational companies (MNCs) and international Business***

Multinational corporations or companies (MNCs) are an omnipresent feature of the modern economy, accounting for about one quarter of global output and one third of international trade (Jensen, 2006). Their importance to economic activity increases as the global economy becomes increasingly integrated, and, despite the obstruction and interruption caused by the recent financial recession and crisis, that role is likely to continue to expand (World Bank, 2010) since there might be a substantial deviation from perfectly integrated global markets (Ghemawat, 2011). Given the value and importance of the multinational corporation there has been much research on its role and progress as an institution (Bartlett & Ghoshal, 1989).

Multinational companies executives have struggled to define and determine a suitable role for headquarters to effectively reach and create values from international activities or operations. The frequent large scale reorganizations and reformations of Multinational Companies (MNCs) or corporations' headquarters illustrate and show how uncertain many are as to the better influence and optimal structure of that entity (Bartlett, 1983). Various international business scholars and strategists have therefore conceived to evolve and promote prescriptions for the optimal allocation of business activities between headquarters and the country's subsidiaries (Bartlett & Ghoshal, 1989). For them, the challenge is to balance the tensions inherent in operating internationally achieving an overall effectiveness and dynamic arbitration, while maintaining the suppleness to match

local markets' requirements and needs (Ghemawat et al., 2007). This has led to specific recommendations concerning organizational design of multinational companies (MNCS) that seek to balance the requirements of centralization with decentralization (Bartlett & Ghoshal, 1989).

The international business literature began examining the essential role of headquarters in the multinational corporation by taking into consideration centralization-decentralization continuum as a way to sort out the classic inherent compromise and tradeoff in any multinational between local responsiveness and global efficiency (Prahalad, 1975). With a limited attention to the specific roles played by headquarters, the focus was on the level of delegation and mission of authority to the country subsidiary organizations so the field determined a limited number of generic strategies, possibly best captured in Porter's notion of global and multi-domestic strategies (Porter, 1986).

### *The background of Business Outsourcing Process in short*

Business process outsourcing (BPO) is a method of subcontracting various business-related operations and services to third-party vendors. Although BPO originally or mainly applied solely to manufacturing entities, such as soft drink manufacturers that outsourced large segments of their supply chains, Business Process Outsourcing nowadays applies and focuses on the outsourcing of various services and products (Bloomenthal, 2022). Business process outsourcing (BPO) needs third-party vendors or subcontractors to carry out some parts of their business operations. BPO started with large manufacturing companies to help with supply chain management for values. Today, the Business Process Outsourcing has grown to include all kinds of sectors, without forgetting services companies. Business Process Outsourcing can be considered as offshore outsourcing if the subcontractor or vendor is located in a different country; for instance, in the case of customer support, with companies to facilitate BPO to companies around the world. Thus, BPO today has become an industry unto itself. (Bloomenthal, 2022).

Outsourcing was first recognized as a business strategy in 1989, then, it integrated in business and throughout the 1990s it became such an integral part of business economics (Twin, 2022).

### ***Internalization and Internationalization for multinational companies***

According to the previous discussion on the option view to international entry, the initial investment can be analyzed from the perspectives of internalization and internationalization. Internationalization decisions relate to investing a certain amount of capital at entry, i. e., entering by a smaller or larger subsidiary but Internalization decisions address the share in capital that is chosen for entry, i. e., entry by a minority or majority joint venture or a fully-owned subsidiary (Fisch, 2008). Classic internalisation theory (Coase, 1937) says that, conditional on location factors, multinational enterprises (MNEs) emerge and arise when the benefits of internalisation exceed the costs (Williamson, 1975; Rugman, 1981; Buckley & Casson, 2020). As it stands, this is almost tautological. When a company is found to a multinational enterprise (MNE), it is claimed that the net benefit of internalisation is positive, and if it is not an MNE then it is claimed that the net benefit is negative. But internalisation theory contains other propositions or suggestions as well, and it is the synergy between all these suggestions that gives the theory explanatory power (Buckley & Casson, 2020). Internalisation theory covers ‘market-seeking’, ‘resource seeking’ and ‘efficiency-seeking’ MNEs (Dunning, 1958).

Firms that consider investing abroad need to decide about the time and mode of market entry. Choosing the right moment and volume of international entry is important, as its success is affected by uncertainty. In particular, such investment decisions have to respect the environmental uncertainty that is exogenous to the investor’s actions (Adner & Levinthal, 2004). According to the “Long-run Theory of the Multinational Enterprise” by Buckley and Casson (1976), firms circumvent the imperfections of international markets by internalizing business processes concerning tacit knowledge, perishable goods, intermediate products and raw materials. However, internalizing markets may lead to reduced economies of scale, problems of cross-border communication and discrimination by host governments. Calvet (1981) tries to reconcile the theory of internalization with the transaction cost view of markets and hierarchies (Williamson, 1975).

According to Nayyar and Bantel (1994) in early internationalization phenomena, two temporal dimensions occur: precocity and speed. The nature of world markets and of the business activities taking place in this environment call for pursuing opportunities of international expansion as

soon as they emerge and to develop them quickly, in order to gain first mover advantages, scale up learning curves and thus access to profit advantages sooner than global competitors (Nayyar & Bantel, 1994). Starting early is an important pre-requisite for developing experiential learning and contributing to firm performance. The Cambridge dictionary (2023) states as well that the Evidence against particular representations does not put a dent in the concept of internalization, and evidence against the general concept is impossible. (Cambridge dictionary, 2023). Internalization occurs when a transaction is handled by an entity itself rather than routing it out to someone else. This process may apply to business and investment transactions, or to the corporate world (Chen, 2021). In business, internalization is a transaction conducted within a corporation rather than in the open market. Internalization also occurs in the investment world, when a brokerage firm fills a buy order for shares from its own inventory of shares instead of executing the trade using outside inventory (Chen, 2021).

In fact according to Chen (2020) Internalization can also apply to a multinational corporation. This happens when the company decides to shift or switch assets between its own subsidiaries in different countries (Chen, 2021). Furthermore, internalization can occur when an individual, business, or firm decides to handle an issue in-house instead of outsourcing it to a third-party (Chen, 2021). Besides, companies may decide to internalize the production of a particular material on its own rather than having another manufacturer do so. This process is called internal sourcing, or delivering products to customers through the business's own channels instead of using an outside shipping company (Chen, 2021). Internalization is beneficial to a company as it cuts down the costs of outsourcing certain process such as manufacturing or selling products and services. The process also provides benefits to brokers, who can make money on the spread, or on the difference between the purchase and sale price (Chen, 2021). It seems that the traditional approaches to international entry need to be enriched for a dynamic analysis. Buckley and Casson (1998) state that early models of the multinational enterprise did not foresee the rising importance of uncertainty in today's foreign direct investment decisions. Therefore, Buckley and Casson propose a new approach, the theory of real options. Rivoli and Salorio (1996) argue that the theory of real options incorporates the question of "when" a foreign direct investment takes place after a location has been selected for entry (Buckley & Casson, 1998).

Multinational enterprises (MNEs) take over and coordinate their foreign direct investments (FDIs) so as to grow and improve their effectiveness and performance. Back to history, the main view on MNEs' international strategy has been that they do business globally (Friedman, 2005) and (Levitt, 1983). Through internationalization, the company can introduce products or services to other countries that do not yet have them or do not have them (Benabed, 2023). A multinational company is a company that operates in several countries where it may have factories, offices or points of sale and normally there is a country where it begins operations and we can call that company a parent company and the rest of the countries where the multinational has been established and extended over time will be called subsidiaries (Benabed, 2023). Multinational companies have got various characteristics and implications for business values and no matter their size small, medium or large they need to focus on the aspects of sustainability and digital opportunities to reach the clients' satisfaction and be close to them (Benabed, 2023).

### ***Business Process Outsourcing and the FIAT industry evidence***

According to Balcet (2020) the reasons for outsourcing and its effects may vary according to the activity being outsourced. Outsourcing has been a widely and extensively applied strategy in the automobile industry but the academic jury on its contribution, efficiency and relevance to profitability is still out; Zirpoli and Becker (2011) argued that "companies' outsourcing too much" such as FIAT in the 2000s decreased and lowered their control on key technologies, with negative effects on performance (Balcet et al., 2020).

According to Balcet and Ietto-Gillies (2020) from an organization of production point of view strategies of outsourcing can be seen as fragmenting the production process through various firms. However, such strategies at the same time will be able to integrate also industries and sectors. Outsourcing can take place within and across nation-states. In the latter case, the fragmentation or integration due to outsourcing extends and enlarge also to countries and markets as it is possible to be seen and observed with global value chains. (Balcet & Ietto-Gillies, 2020). Balcet and Ietto-Gillies (2020) stated in their research that Firms have always used external channels to assure supplies. The theoretical issue behind the dichotomy inter-

nalization versus externalization has been the goal of many studies following Coase (1937) and it is usually observed in terms of minimization and decreasing of transaction costs. (Balcet & Ietto-Gillies, 2020).

Balcet and Ietto-Gillies (2020). Stated in their research that they focused on three main elements of strategy: (a) geographical localization of production with specific emphasis on internationalization strategies, (b) outsourcing versus internalization of production and (c) strategies towards labour and how they interact with (a) and (b) in other words they act in such a way as to provoke and undergo a series of reciprocal actions and reactions. Following a theoretical analysis of these three strategic elements, we shall then apply it to a study of Torino the Italian Car Factory as known in Italian *Fabbrica Italiana Automobili di Torino (FIAT)* in its historical setting since World War II. The three elements are considered in the context of the overall company's trajectory or path. Other elements of strategies might be commented on if and when they are seen as interacting with the three that are the object of our analysis (Balcet & Ietto-Gillies, 2020).

## **Methodology and research questions**

The methodology of research started with an initial literature review then to go further with the research there was a focus on data analysis and description, the research has focused as well on analyzing the OLI model for BPO and internationalization by suggesting BPO in the model for multinational companies.

The research questions that helped go further with this research and analysis are the followings

RQ1: What outlines of BPO are there and why is it a suitable model for multinational companies?

RQ2: How outsourcing can be successfully applied as a business process?

RQ2: What potential restrictions could be possible for multinational companies?



## **Analysis and results**

### ***Business Process Outsourcing as an applicable modality with restrictions***

Basically, as BPO is important for internationalization, it is necessary to mention the loss of internal skills which can prove detrimental over time. The dependence that can be established on service providers, there is also the quality degradation that could be a risk. When the service provider or subcontractor is not faced with the final market, there is also a possibility of a loss of information on the production process and the formation of costs, the disconnection between external partners and internal functions may cause communication difficulties or loss of opportunities. There are also the risks linked to the irreversibility of an outsourcing decision which concerns the links in strategic value chains for the ordering company.

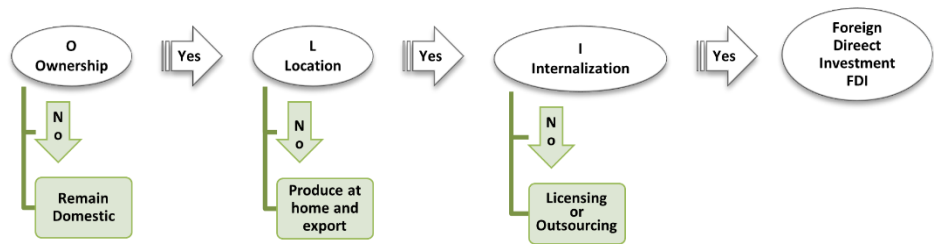
We can mention the costs of contracting and supervision, the often underestimated costs linked to the management and control of the service provider, the costs of exits and relations with the service provider, especially if they have gradually become essential. Attention must also be drawn to conflicts of interest which may arise between the main company and the service provider. According to Williamson (1958), suppliers can also be opportunistic and pose a risk of hold-up. Due to incompleteness of contracts and information asymmetries. In other words, they can take advantage of the situation by degrading the quality of the service, reducing the volumes produced or even raising their prices if they are in a position of strength.

### ***Internalization, Internationalization and the relevance of BPO for the OLI model***

Chen (2020) states that An eclectic paradigm, also known as the ownership, location, internalization (OLI) model or OLI framework, it is a three-tiered evaluation framework that companies can follow when attempting to determine if it is beneficial to pursue foreign direct investment (FDI). This paradigm assumes that institutions will avoid transactions in the open market if the cost of completing the same actions internally, or in-house, carries a lower price. It is based on internalization theory and was first expounded upon in 1979 by the scholar John H. Dunning (Chen, 2020).

The OLI model suggested by Dunning in 1988 is one of the classic paradigms and it is rather a paradigm than a theory in internationalization that can be applied for companies that would like to go multinational or remain domestic, as being multinational in business is about companies that operate in multiple countries or markets. Some models may explain, predict, prescribe or tell the company what to do in business but the OLI model that is about reaching internationalization and it explains why and how the company may go multinational or remain domestic in business. (See figure 1). As internationalization needs some parameters, with some attention the OLI model may be applied as well, but the company before using this model should do some research about the market and follow what we call information assumption.

The core idea is that as a first step for internationalization if the company starts with a focus on its ownership advantages that may characterize and distinguish it with a competitive advantage and value such as genuine product, services or a brand or even operations and business processes, if not the company has to remain domestic and operate in the international market of the country of origin. As a second core idea and step if the company owns an interesting ownership with which it can enter markets abroad, it has to do some research about the best and most suitable locations for its business and operations abroad to go multinational by focusing on different aspects that may bring various advantage to its market and operation abroad in other countries such as low salaries, suitable or low taxes, big demands, suitable locations for sales and a suitable geographical position. (See figure 1). As for internalization, the multinational company or business holders may go and decide with their abilities between two business processes: internationalizing with foreign direct investments FDI, if it the company has the ability. If not the company may remain multinational but through licensing or outsourcing products and services abroad or near its area. (See figure 1).

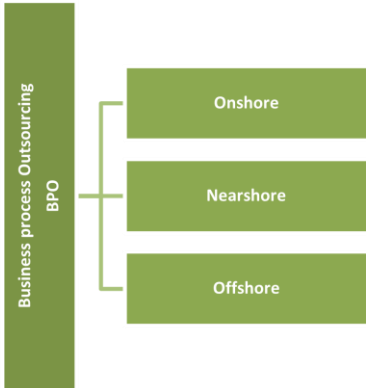


**Figure 1. Internalization model and Business Process Outsourcing (BPO)**

Source: Author's design and contribution, 2023, Adapted from the Eclectic Paradigm by Dunning (1988) (By adding and suggesting Outsourcing in the model)

***The outsourcing of services through subcontracting for competitive values***

Subcontracting refers to the situation in which a main company hires a contractor company in search of the outsourcing of some services or manufacturing activities that the main company decides not to take charge of, leaving that service in charge of the specialized company. The contractor could hire a subcontractor company in the event that the main the company that could be multinational cannot carry out the service. The outsourcing of services through subcontracting implies the obligation of the contracting company to carry out the service at its own expense and through its own supply of work. Outsourcing or labor subcontracting regime is a figure through which an employer provides a service or executes works in favor of a contractor who supervises the development of the services or works executed. (See figures 1, 2, 3 and 4).



**Figure 2. Possible types of Business Process Outsourcing (BPO) for companies**

Source: Author's design and research, 2023

The main company of the headquarters may decide about the type of outsourcing that suits better its business, services, activities and operations. If the company decides to transform from domestic to multinational, it has to focus on either near outsourcing or offshore operations. However, if it doesn't it remains domestic may follow the business model of onshore Business Process Outsourcing if it does not have a strong brand or competitive operations to compete with and present abroad in other locations for competitive values and advantages to its business and services. (See figures 1, 2, 3 and 4).

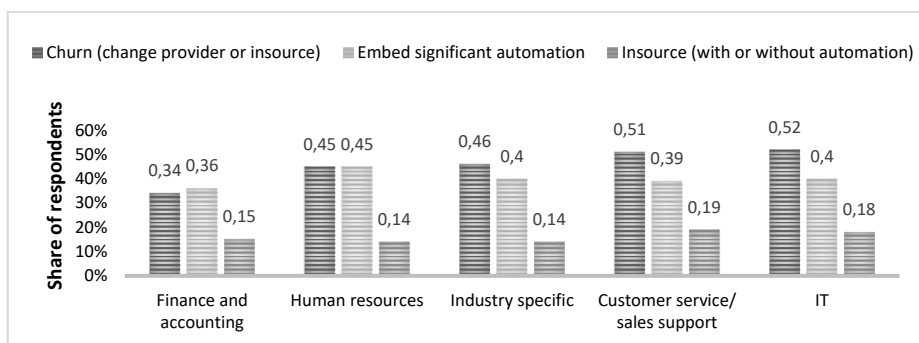
All types of outsourcing and subcontracting are possible for business values and competitive advantages, by following them the domestic or multinational company may possibly raise its reputation and reposition its existence in international markets abroad or near its territory in case of relevance to its main tasks and activities. (See figures 1, 2, 3 and 4).

### ***Business and the possible outsourcing restrictions***

According to this research Subcontracting cannot cover all of the same or similar activities carried out in the company.

- It must be justified by its specialized nature.
- It may not include equal or similar tasks to those performed by the rest of the workers at the contractor's service.

Figure 3 illustrates the outsourced and managed services usage plans globally by function in 2019. We observe that for finance and accounting embed significant automation has the highest percentage with nearly 36% followed by the change in provider or insource with 34%. While for human resources both were with 45% but there was a low percentage 14% for insource without automation. For industry specific, customer service, sales support and IT outsourced focused more on the change provider or insource as outsourced managed services usage plans with a percentage of 51% in customer service and 52% in IT the highest there were a change provider with high percentage followed by embed significant automation and then insource without automation. (See figure 3).



**Figure 3. Outsourced and managed services usage plans worldwide by function 2019**

Source: Author's contribution, Statista data (2023)

### ***Internationalization and the main reasons and goals of multinational companies for International Business activities***

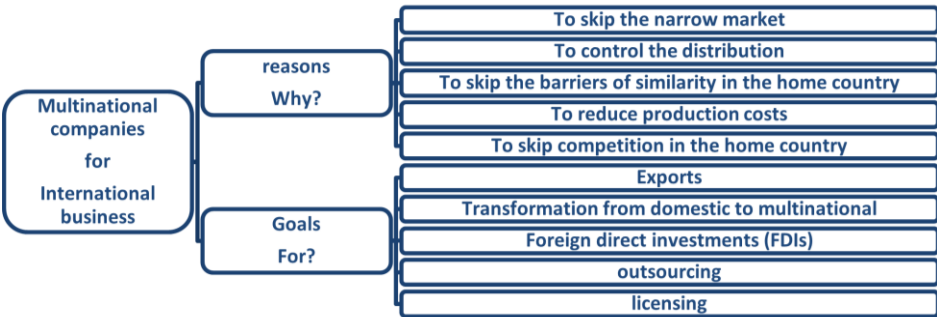
Generally, when companies decide to start expanding at a global or international level, they logically have to expand in other countries to take advantage of the advantages of low cost or the differentiation that allows them to expand their profitability, but in order for them to carry this out, it is very important to have an internationalization strategy.

Internationalization allows companies to achieve at least a competitive advantage to increase their presence in the international market, therefore it is important that they are well designed and since based on this the company will be able to enter new markets to increase values or profit, the number of its customers and sales. Through internationalization, the company can introduce products or services to other countries that do not have them yet or do not have them at all. A multinational company is a company that operates in several countries where it may have factories, offices or points of sale and normally there is a country in which it may begins operations and we can call that company a parent or main company and the rest in other countries where the multinational has been established and extended over time will be called subsidiaries or affiliates. (See figure 4).

According to this research there are various reasons for business internationalization through multinational companies since it is an important strategy for international business opportunities and values. Companies choose to go multinational to skip the narrow market in the domestic or home country and by extending their business abroad they may be able to control the distribution between the areas of their subsidiaries and even

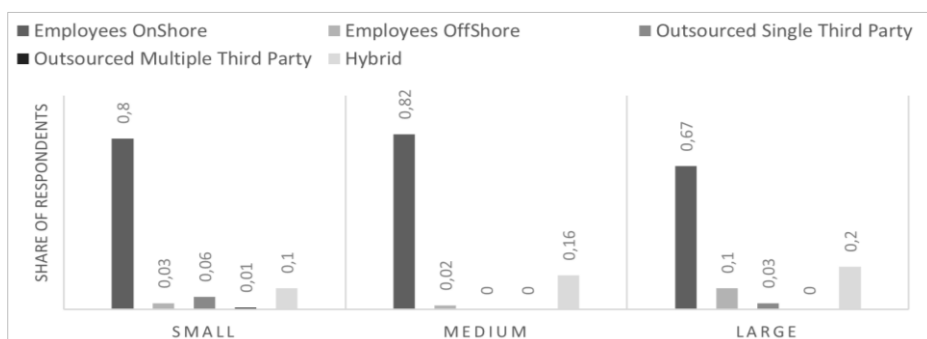
between them and the neighboring areas. When companies go multinational; they skip somehow the barriers of similarity in the home country and through this strategy they may reduce the production costs. Furthermore, one of the main reasons for the multinational strategy is skipping competition in the home country and financial difficulties. (See figure 4).

However, going multinational needs to be based on some goals and some of them could be Exports between the subsidiaries and even for other countries in the shape of transformation from domestic to multinational. This way, the company may reposition itself and extend its reputation abroad. Moreover, multinational companies are famous as well with the possibility of foreign direct investments (FDIs) and other business internationalization processes such as outsourcing with its three types and licensing for business values. (See figures 2 and 4).



**Figure 4. Multinational companies’ business as an Internationalization strategy: reasons and goals**  
Source: Author’s design and research, 2023

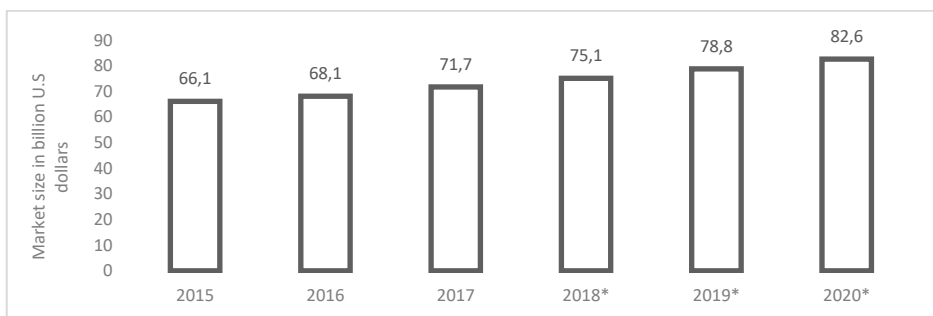
Figure 5 illustrates the Human resources shared services outsourcing by organizations globally in 2019 with a comparison between small, medium and large companies. We observe that the highest share of services is for employees onshore with 80% in Small companies, 82% in medium companies and 67% in large companies. (See figure 5). Followed by Hybrid services with the highest share and percentage with approximately 20% in large companies globally and 16% in medium companies and only 10% in small companies. As for employees offshore it was highly observed only in large companies in 2019 globally with 10%. Whereas small companies were characterized in 2019 globally with a small percentage of outsourced single third parties 6% compared 3% in large companies. As for outsourced multiple third parties it was observed only with 1% in small companies compared to 0% in both medium and large companies worldwide. (See figures 2 and 5).



**Figure 5. HR shared services outsourcing by organizations globally in 2019**

Source: Author's contribution, Statista data (2023)

Figure 6 illustrates the global turnover and revenue of the outsourced customer experience market the period (2015-2020). From the figure we observe that there was an increase from 66.1 billion US dollars to 82.6 billion US dollars but the difference between the years was not big. The thing that makes sure that globally the outsourced customer experience market witnessed somehow a period of success since the revenue globally was increasing. (See figure 6).

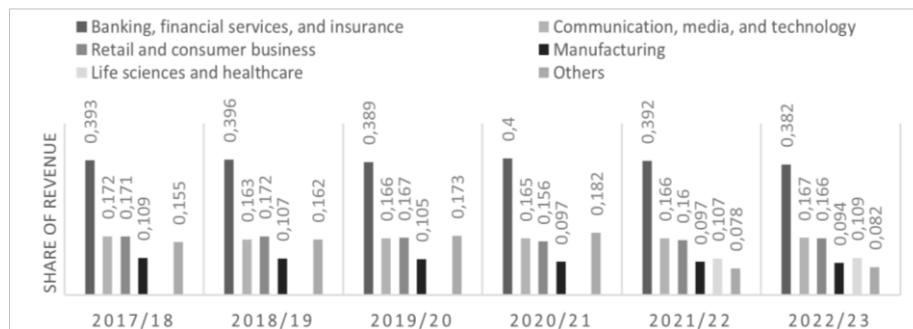


**Figure 6. Global turnover of outsourced customer experience market from 2015 to 2020\* (in billion U.S. dollars)**

Source: Author's contribution, Statista data (2023)

Since 2017, most of the annual revenue of Tata Consultancy Services (TCS) were generated in the banking, financial services, and insurance industry. Banking, financial services and insurance have remained high if we compare 39% in 2017 and 38% in 2023 these outsourced services made up almost 40 % of Tata Consultancy Services' revenue in 2023. (See figure 7). The other outsourced services such as communication, media and technology have remained with approximately a similar percentage if we compare

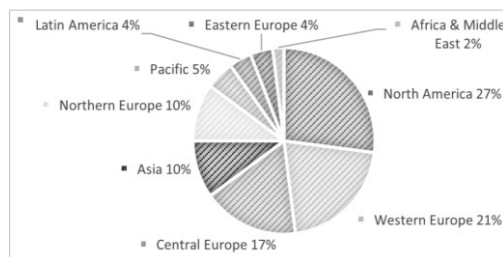
2017 (17%) and 2023 (17%). The percentage manufacturing, retail and consumer business have remained slightly the same between the years of the period 2017 and 2023. Whereas, outsourced life science and healthcare were observed only in the period between 2021 with 10% and 2023 with 11%, this is probably due to the risk of the pandemic provoked by Covid-19 this type business process outsourcing started to appear. (See figure 7).



**Figure 7. Tata Consultancy Services (TCS) revenue share, by industry vertical 2017-2023**

Source: Author's contribution, Statista data (2023)

If we take the period of 2020 globally by region, we observe in figure 8 that illustrates the share of the outsourced facility management market globally that North America was in the lead with 27% followed by Europe with 21% then central Europe with 17%. While, Asia and North Europe with the same percentage of 10%. From figure 8 and the available data in the mentioned source, we may observe as well that the share of the global outsourced facility management market in 2020 was low for Latin America and Easter Europe with 4% each and the lowest was in Africa and the Middle-East with only 2% (See figure 8).



**Figure 8 Share of the global outsourced facility management market as of 2020, by region**

Source: Author's contribution, Statista data (2023)



## **Conclusions**

In conclusion, despite the spectacular drop in the cost of information, outsourcing is not a sure-fire winning strategy. But it is clear that it has become a central element of contemporary business models with a number of companies seeking to outsource variable costs as much as possible, to establish market relationships with subcontractors and to concentrate on design and management of the value chain. BPO is relevant for both domestic and multinational companies but some features and restrictions may be possible during the process, restrictions, strengths, weaknesses and risks that may should be taken into consideration by the company that would like to operate as multinational or remain domestic. As internationalization needs some parameters, with some attention the OLI model may be applied as well, but the company before using this model should do some research about the market and follow what we call information assumption. Business Process Outsourcing is an applicable modality towards internationalization but a resilience plan should be moderated and managed within the process to mitigate the risks that could harm the business values, focusing on the location is important as well.

Internationalization allows companies to achieve and reach a competitive advantage to increase their presence in the international market, therefore it is important that they are well designed and since based on this the company will be able to enter new markets to increase value. or profit, the number of your customers and your sales. Through internationalization, the company can introduce products or services to other countries that do not yet have them or do not have them. A multinational company is a company that operates in several countries where it may have factories, offices or points of sale and normally there is a country where it begins operations and we can call that company a parent company and the rest of the countries where the multinational has been established and extended over time will be called subsidiaries.

BPO has become a common contemporary business model with a number of companies seeking to outsource variable costs as much as possible, to establish market relationships with subcontractors and to focus on design and management of the value chain for business values but a resilience plan to mitigate risks during BPO and internationalization is very important.

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