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Business Model Transformation during Internationalization: Stretching from Japan to the US Market

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Abstract

This case study on Japanese technology services firm, HILLTOP Corporation, shows how the elements of its business model did not have to change strongly to attain success elements during entry into the foreign market, yet certain changes were profound and led the company toward a new business model. Internationalization led to dramatically expanded flows of information which provided the inspiration for and current planning of a radical new business model in alignment with the firm's corporate philosophy and practical strengths. Additionally, internationalization inspired the rank and file staff while providing a challenge to the next generation successor. A bold but attainable goal helped the firm orient itself toward a vastly larger goal.

Keywords: internationalization, business model, business model innovation, Japan

1. Introduction

Firms generally seek profitable business models to ensure survival through developments that they might encounter in their business environment (Osterwalder and Pigneur, 2010). However, when expanding operations to a foreign environment, there might be a need to readjust existing business models and or develop new models (Baber et al., 2019a, 2019b) for the target country (Ojala and Tyrväinen, 2006; Onetti et al., 2012). Although the impact of internationalization on a firm's business model has attracted some attention in international business literature, we have meager

understanding of the impact of foreign market entry on different elements of a firm's business model (Baber et al., 2019a; Onetti et al., 2012).

For this reason, this chapter shows, through the lens of an in-depth single case study, how the elements of a firm's business model might change during foreign market entry. Specifically, we aim to answer the research questions: 1) How does internationalization impact the elements of the business model? and 2) What are the inspirational impacts of internationalization on creating new business models? In more detail, we demonstrate how a Japanese high-technology firm entered the US market as well as how the details of the business model of the firm changed. Additionally, we study how the firm was able to improve its operations and thereby increase throughput and revenues by taking advantage of an expanded footprint in the US markets. Remarkable features of the case include a digitalized business model that relies on highly skilled labor and low-cost digital transmission to complete complex, high margin tasks at high speed. Another remarkable feature is the success over only four years of achieving a multimillion-dollar turnover in the new location while building total revenues and profits of the parent firm.

Next, we define the business model concept applied in this paper and present six different elements that have a critical role when studying business models in international context. Thereafter, we present the research method used in this study. The method section is followed by the case narrative and discussion of the findings. In the end, we present the conclusions of the study and provide answers to the given research questions.

2. Business models in international context

There are several ways to define the term business model. Generally, it describes how firms create, capture, and deliver value to customers and stakeholders. The academic literature on business models provides several definitions. For instance, a short but very apt definition argues that business models are “stories that explain how enterprises work” (Magretta, 2002, p. 4). In contrast, Osterwalder et al. (2005, p. 17-18) defines business model in much more detail as follows:

“A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams.”

However, despite the definition used, Chesbrough (2007, p. 12), speculates that “every company has a business model, whether they articulate it or not”, and that “at its heart, a business model performs two important functions: value creation and value capture”. Altogether, we can say that business models are important for both theory (Zott et al., 2011) and practice (Ojala and Tyrväinen, 2011; Osterwalder and Pigneur, 2013).

In recent literature on business models, authors have focused increasingly on different elements that characterize business models (Baber et al., 2019a, 2020a; Baden-Fuller and Morgan, 2010; Ojala, 2016; Zott and Amit, 2010; Zott et al., 2011). Further, business model innovation (BMI), that is how business change over the time due to managers’ actions and reactions to changes in markets and environment, has attracted increasing interest (Baber et al., 2019a, 2019b, 2020a; Bohnsack et al., 2014; Cavalcante et al., 2011; Demil and Lecocq, 2010; Ojala, 2016; Saebi et al., 2017). Although though we have a growing body of literature on business models (Zott et al., 2011), there have been calls for better understanding of business models and their innovation

especially in the context of firms' internationalization (Johansson and Abrahamsson, 2014; Rask, 2014; Onetti et al., 2012). When a firm enters international markets, there might be various changes in a business model because of changing requirements for products, different environmental contexts, needs for new types of value chains, etc. (Child et al., 2017; Ojala and Tyrväinen, 2006).

2.1. Business model elements

To better understand changes in a business model, we employ business model elements introduced by Ojala (2016) in the context of advanced technology business and further developed by Baber et al. (2019a, 2019b, 2020a). These six business model elements deliver an understanding of different aspects how firms create, capture, and deliver value. Discussing elements, in addition to a whole business model, makes it possible to identify important characteristics of a business (Osterwalder et al., 2005). Change in one element of a business model is likely to result in changes to other elements as a matter of intentional design or incidental balancing (Kindström and Kowalkowski, 2014). For example, if a new product is very successful, the firm might cut other products shifting the Value Network from one group of suppliers to another. Subsequently, the changes in the Value Network could lead to changes in Information Flow, for example as new sales forecasting is put in place. Thus, changes may ripple through the Business Model returning to elements previously disturbed (Baber and Ojala, 2020). The authors hold the business elements allow useful discussion of specific aspects of business activities and show the logics behind movement of value, knowledge, resources, and so on through the system that is the overall business (Ojala, 2016; Osterwalder et al., 2005). Further, these elements help understand dynamic environments over large geographies, so they are readily applicable to an international context. Below we give a short description of each element used in this case study.

The first element, Product and/or Service element is related to a firm's innovations that it develops and markets (Baber et al., 2020a). It describes how the innovation is related to other products and services, and their evolution in the market (Adomavicius et al., 2008; Arthur, 2009). In the case of international business, this element might require customization or localization of product/service for the target country (Ojala and Tyrväinen, 2006). The Product/Service element broadly identifies how the innovation that a firm brings to markets provides value for the customers, partners, stakeholders, and others (Ojala and Tyrväinen, 2006; Osterwalder et al., 2005; Osterwalder and Pigneur, 2013).

The Value Network comprises the key actors within the broader ecosystem (Chesbrough, 2007) of competitors, regulators and other organizations where the firm operates that jointly create the value offered to customers by the focal firm. To operate successfully in a Value Network, a firm must understand how suppliers in their local or international networks share benefits among themselves as well as to the firm's value offerings (Walter et al., 2001; Zain and Ng, 2006). Thus, the Value Network brings benefit to the company from key actors in the ecosystem. It should also provide an understanding of how a firm gains contact with partners and how value is exchanged among these partners (Ojala and Helander, 2014; Osterwalder and Pigneur, 2010; Teece, 2010), roughly corresponding to the left hand side of the Business Model Canvas (see Osterwalder and Pigneur, 2010). International partners within the network might provide different kinds tangible and intangible resources that enable and support the firm's activities in international markets (Barney, 1991; Johanson and Mattsson, 1988; Zahra et al. 2003). Such analysis enables evaluation of how foreign partners could increase the value to the firm's own offering.

The next element, Value Delivery, explains the connections in the ecosystem that deliver value among different actors including customers (Ojala, 2016). As opposed to Value Network, the Value Delivery element involves bringing value outward from the focal firm to recipients through channels and with help of enabling partners (Osterwalder and Pigneur, 2010; Teece, 2010). Roughly, the Value Delivery element corresponds to the center and right hand side of the Business Model Canvas (see Osterwalder and Pigneur, 2010).

The fourth element, Revenue Model, explains the processes by which a firm earns and spends money through its activities in the market. As some previous studies on pricing indicate, firms might use different pricing strategies in different geographical locations (Ojala and Laatikainen, 2019). Traditionally, Revenue Model has a significant role in business model literature (Morris et al., 2005; Osterwalder et al., 2005; Osterwalder and Pigneur, 2010; Teece, 2010; Zott et al., 2011).

The fifth element, Information Flow, refers to the exchange of information and the network nodes and routes by which it moves among different actors and firms (Baber et al., 2020a; Timmers, 1998). However, the Information Flow element is not only related to exchange of information between the focal firm and its network of partners and customers, but also to how the firm receives and uses the information in a meaningful way to create value and reconfigure its business model (Amit and Zott, 2001; Timmers, 1998).

The sixth element considered in this case study is Decision Making Structure. This element has been mentioned previously in the literature (Siggelkow and Levinthal, 2003), but not thoroughly described in terms of business models. It may however have significant impact on other elements of business models (Baber and Ojala, 2020). Decision Making Structure refers to the movement of problems and solutions through a firm, especially among branches and to or from the headquarters. Such structures may be centralized or decentralized with benefits depending on conditions of coordination (Snihur and Tarzijan, 2018) and the degree of centralization may impact decisions and performance (Joseph et al., 2016).

3. Methodology

The information for this study was collected by following the idea of action research case study (Stringer, 2013). The fourth author of the study has been a regular employee, a software and machining engineer, of the case firm HILLTOP since 2011. The third author has been working as an outside business advisor with the case firm for about 20 years. The first author worked at the case firm as an outside advisor and specialist related to the US market during the internationalization process investigated in this study. The second author has not been involved within the case firm's activities or the data collection. His role was to provide outsider perspective, critically examine the collected data, and make clarification to avoid biased theorizing (see Gioia et al., 2013).

The collected data are based largely on memoranda notes made by three of the authors while working in or supporting the case firm. Additionally, we conducted three interviews with the President and CEO of HILLTOP Japan, S. Yamamoto, between 2017 and 2020, and four with the President and CEO of HILLTOP Technology Laboratory, Inc. (the US entity), Y. Yamamoto, between 2017 and 2020 regarding the firm's business models and the experiences of the US market entry. Further, we validated the collected data by using secondary sources such as the firm's websites, press releases, and publicly available printed material.

We organized the data into chronological order (Miles and Huberman, 1994) to better understand the causal links between different events (Pettigrew, 1990) related to the

internationalization and changes in the case firm's business model. Thereafter, we identified and removed unnecessary data in order to write the case narrative. This case narrative was divided into three different phases: 1) foundation and re-invention, 2) internationalization, and 3) follow up on internationalization. Based on the case narrative, we were able to organize the data into different business model elements and observe possible changes within each element.

4. Case narrative

In this section, we present the history of the case firm, HILLTOP Corporation, followed by the internationalization steps taken in chronological order.

From founding to re-invention

HILLTOP was initially founded as Yamamoto Seikoshō by the Yamamoto family in 1961 as a precision manufacturing company in Kyoto, Japan. As such it was a lower tier supplier of items such as screws and other small metal parts. These were manufactured mainly by hand and with low automation. The company was very much subordinate to the higher tier players and had little opportunity for co-creating value and no input regarding orders. Mass production characterized the situation – orders were received and filled. After the oil shock of the early 1970s, profits decreased regularly as Japan's industrial leaders sought to cut costs. As the current company management tells it, every year brought demands for lower costs as well as fewer orders and thus the firm's initial business model stagnated. It was in this environment, in the late 1970s, that the current head of the business, S. Yamamoto, joined the firm.

In 1980, he became factory manager and immediately considered how to improve the company. His changes to the business model moved it away from mass production jobs ordered by mid-tier suppliers, work that was routine, unchallenging, and low margin. The business model changed from 1981 through the mid-1980s from that of a lower tier supplier to an engineering service model. In this new business model, the firm was no longer a lower-tier supplier but a direct supplier to the end user firms which included large manufacturers, advanced engineering firms and institutes. The new specialization and its business model was the polar opposite of mass production: multi-axis machining of one-off aluminum shapes used in prototype equipment.

With the new services, the company culture shifted from executing routine manufacturing based on manual skills to constantly learning and managing new technologies as they took on challenging work from customers and collaboration with customers. This new business model and culture developed successfully, leading to a corporate philosophy that emphasizes not repeating work, not accepting uninteresting orders, and constantly learning new skills. An outward sign of success was the award in 2003 and again in 2006 of Best Company for IT strategy in western Japan. The global financial crisis of 2008 caused the management to consider reaching out to international markets. The elements of this business model stabilized as follows: the Product/Services element consisted of engineering solutions plus a physical, metal object; Value Network now included far more customers who made far fewer orders; Value Delivery was direct to the end user, no longer mediated by higher tier suppliers; Financial Structure became more complex as financing was required for major equipment purchase and construction; Information Flow however was vastly richer as technical information about equipment, engineering, and machining, flooded into a managed knowledge base. Additionally, the flow of unstructured, non-technical information about customers and markets increased. The managers dubbed this the "long tail" model because a graph

of orders (Y-axis) to customers (X-axis) would show few repeat customers but very many with only one order.

Internationalization

HILLTOP took action to internationalize in the aftermath of the 2008 global financial crisis. In the thinking of S. Yamamoto, who had become the top manager, the downward slide of Japanese industry since the mid-1990s only seemed to be worsening. It seemed unlikely for the prospects of any companies with operations solely in the Japanese economy to remain strong in the long term. Such companies, embedded entirely in the domestic economy, depended on leading businesses for job assignments. Although HILLTOP was not directly exposed to the downturn, economic impacts would eventually reach the specialized Japanese customers that HILLTOP dealt with such as engineering firms, medical manufacturers, universities, and research institutes. Intending to leave a healthy company to the next generation of the family and the firm's employees, considerations of accessing foreign customers came about.

In 2012 the decision was taken to explore and open a US office despite having no particular affinity for the US, and no practical network relationships there at all. An important reason for picking the US was that it was economically a world leader and therefore seemed a better goal than low-margin China. A second, equally important reason for targeting the US, was that S. Yamamoto saw it as an audacious goal for a small Japanese firm with no international experience that would inspire the younger staff. It was a bold inspirational goal which would nonetheless be attainable because scores of Japanese businesses had done it before. It would be, in other words, rather than a nearly impossible "moon shot," a "California shot". This attainable ambition was in keeping with the firm's philosophy of nurturing its employees while challenging them with new skills (Baber et al., 2020c).

In preparation for taking on the US market, the firm made an effort to find formal and informal advisors. The first steps toward the US included outreach to Japanese governmental organizations such as Japan External Trade Organization (JETRO), and organizations in the US such as the Japanese Chambers of Commerce. At the same time, the firm sought individual contacts through its own network inside Japan. Once activated in the US, the network of people familiar with Japanese business, including Japanese speakers, generated increasingly valuable information. These connections developed most of all in California, initially in the San Francisco/Silicon Valley region, and thereafter in the Los Angeles/Orange County area. Both areas have active communities of Japanese companies and Japanese entrepreneurs. These contacts represented an immense expansion of members and nodes in the networks of the firm's Information Flows. The network was productive early on in identifying reliable local services and setting expectations about local organizations and behaviors. The expanded Value Network did not however lead directly to customers.

To assess the market and develop relationships with potential customers, the firm decided to participate in a major trade show in Anaheim, California. For this event, considerable care was taken to prepare the team, engage consultants, schedule meetings, and gather information about the market and possible partners and competitors at the event. The event was seen as a way to gauge the US market's sophistication and abilities. The main findings were that competitors had advanced equipment, but not the same speed and engineering skills. Additionally, price points were attractive from the view of HILLTOP. Thus, the event confirmed the firm's basic hypotheses about the feasibility of entering the US market. In the end, HILLTOP US was able to attract

interested firms and convert these into customers based on the strengths of their offers. The total package of precision, speed, cost, and engineering ability brought customers onboard. The network of contacts eventually produced information leading to the Irvine, CA location chosen for the US plant. The network also gathered senior Japanese businesspeople who provided mentoring to the head of the US operation, Y. Yamamoto, son of the head of HILLTOP Corp. This network also created new Information Flows that were not available in Japan regarding the US market and even regarding industry players in Japan. The father, S. Yamamoto, had seen the US not only as a strong candidate market, but as a suitable management challenge to the son. He believed that his putative successor could not lead the company without overcoming challenges and building up his own self confidence in order to gain perceived authority as an authentically successful manager.

It took almost two years from the first travel to a major US trade show in California to founding of the subsidiary in 2014. Eventually, a location in the city of Irvine was selected, equipment installed, and customer work commenced. The new US customers have been generally similar to the ones in Japan regarding industry, activities, and so on. With processing on site in the US, good operations became an advantage: the California location could take an order, process the specifications, send the related files electronically to Japan for programming work overnight, and receive the completed work the following day for machining, finishing, and delivery. In cases where customers required some or all of the steps to be done in the US, they could comply. Thus, the flow of information as an internal product to and from the home location in Japan changed. Further, the Value Network and Delivery elements expanded with a vital additional node situated inside the company. Any engineering task could be completed in either location, allowing optimal throughput speed of jobs whether they originated in Japan or California. From the viewpoint of the US-based customer, two days of work could be packed into one. The result was unbeatable speed of Value Delivery in the US on top of the original Product/Service package that included strong engineering as well as a final physical object. Additionally, since programming costs for HILLTOP are not as high as in the US industry, it meant an attractive price offering for US customers while improving the profit margin of the firm. Thus, a two-prong competitive advantage developed in the Financial Structure element because of HILLTOP's internationalization.

The number of customers has increased in density in California, though more sparsely in other US cities. Contact was made with government and consultants in other cities and some visits were made to consider an additional US location. While these steps have expanded the network of HILLTOP, no additional locations have been added to the firm's structure. New partners, new customers and revenues, new delivery networks, and flows of data have developed. The service and product combination has remained essentially the same. Data around the US customers and the related soft knowledge has remained similar to that of Japan, allowing the firm to further develop its valuable knowledge base about the industry. HILLTOP was surprised to find that technical knowledge around the raw materials and machining was impacted by local climate differences in California and Kyoto. This is valuable information and means that HILLTOP will not be surprised by such issues as it expands to other international locations or contracts work elsewhere in the world. The revenue/cost structure has changed incrementally as profits must be repatriated and new banking relationships have been created in the US.

Currently, more than five years after founding the US entity, the home company and the US subsidiary are thriving. The US business has doubled its revenues each of the past three years. Results are not yet available regarding the impact of the Covid-19 virus in 2020, however it is clear that the business, both in the US and Japan, has suffered less than many other businesses. The firm overall, is thriving and putting resources into developing new business models.

Follow up on Internationalization

Continued internationalization is under consideration. Candidate locations include the US Midwest or East Coast as well as Europe. More complex, however, is a plan for a new business model now under development which would project the firm's presence globally without need for physical locations. An internationalized business model of this sort may generate particular advantages in the Covid-19 era allowing high connectivity across the platform and geography while minimizing the physical movement of people, supplies, and finished products.

The next internationalization and related business model came about as an unexpected, indirect fruit of the internationalization to California. While developing the California operations, the younger Yamamoto found himself in contact with highly experienced mentors who could speak to him in Japanese. Their general knowledge of business and their network of contacts both in California and in Japan helped inform his thinking and expand his sources of input. At this time, Y. Yamamoto came face to face with the realization that the business model creating the current success in California was based in part on the lower programming cost in Japan, a result of HILLTOP's management approach. However, that advantage that would inevitably erode as the firm's workforce aged: a seniority based system must of course pay more to older workers. It would also mean the same workers would do the same jobs for decades, a taboo in the corporate philosophy which insists that employees learn, take challenges, and not be bored by routines. Thus, the long-term strategic task came to be the development of a new business model that will allow the company to maintain high margins, selectively choose regarding contracts they accept, and manage a vastly improved Value Network. Seen in this context, the internationalization of HILLTOP has led not only to an incrementally improved and expanded business model, but also to conceptualization and innovation of a profoundly new business model.

5. Summary of findings

This case report shows the development of HILLTOP Corporation, a Japanese, mid-sized engineering services firm that specializes in multi-axis machining of aluminum for prototyping purposes. The process of internationalization resulted the following changes to the elements of the firm's business model.

- 1) The Product/Service element functions with the same logic as before the internationalization. The original product and related services have proven acceptable to the US market and no significant changes have developed.
- 2) The Value Delivery and Value Network elements have new branches, links, and nodes. Work can originate in either country, be partially completed in the other, and delivered in the originating country. New human networks, in Japan as well as the US, have developed. Because the US based network includes Japanese people with advanced experience and contacts in Japan, HILLTOP's information about Japanese industry has improved as well.
- 3) The Financial Structure element changed initially with the transfer of money into the US for investment. New US-based customers also mean new revenue inflows as well as costs that had not existed before. Meanwhile US-based banks are part of the new structure around the California subsidiary. Most important to their success in the US is that programming

costs remain low, because of HILLTOP's operations approach, and are significantly lower than in the operations of North American competitors.

- 4) The Information Flow element has changed significantly. These changes have been partly in parallel with Value Delivery and Network. For example, as a new human information network has developed in California, and consequentially in Japan as well, the flow of unstructured information has increased. This flow includes insights about the market, potential customers, and trends in the US as well as Japan. Another important flow is the movement of technical data as a raw material or semi-finished internal product. With additional customers, this flow necessarily increases. The character of the data originating in the US is very similar to the already well known Japanese data. This data and learnings from it contribute to the HILLTOP database that helps the firm experiment with new ideas and services.
- 5) The Decision Making Structure element adjusted as the new location in California meant that California and Japan-related issues were resolved mainly in their respective locations. In addition to day to day completion of client tasks, only certain types of issues needed participation from both locations. These included transfer of funds from Japan to the new branch and such instances have decreased with the increasing success of the US operation. Thus, the US and home operations are highly dependent on each other to execute the activities of their business model, but not for decision making processes, resulting in a degree of decentralization and an empowered branch manager.

The table 1 below summarizes the changes in each business model element.

Table 1 HILLTOP's Business Model changes due to internationalization

Element	Change
Product/Service	There were no significant changes to this element.
Value Network	Limited change: Work now comes from the new US location's customers.
Value Delivery	Limited change: Delivery includes a new internal node, the US location.
Financial Structure	Limited change: Use of local banking services and income from the US.
Information Flow	Expanded flow of technical, digital information. Expanded flow of customer insights. Expanded human information network in US and Japan.
Decision Making Structure	Decentralized: home and USA branch. Partially devolved power to younger generation.

Broadly speaking, the scale of change in the elements due to internationalization is not dramatic except for Information Flow and Decision Making Structure. Internationalizing did not radically alter the other elements nor the overall business model. However, while internationalization did not require major changes in business model elements, it did lead to the set of new ideas that are the core of the new business model the company is currently enacting. Specifically, the leader of the California operation identified the change in Decision Making Structure as providing a physical and cognitive space plus pressure which allowed the necessary thinking to occur. At the same time,

he emphasized that the new Information Flow in that space facilitated the access to and review of new ideas and thinking.

Internationalization itself was proposed by the senior head of the business. His concerns about the business and the eventual transition to new leadership caused him to send his successor on a challenging internationalization project. In resolving that challenge, the firm not only innovated its existing Business Model, it additionally created a completely new one using the strengths of the existing business activity. The results are expected to include expanded networks and an extension of the firm’s financial sustainability and therefore viability. The novel model will lead to greater profit margins and work that is aligned with the company’s philosophy of performing tasks that are enjoyable and interesting, not routine. The overall process is depicted in Figure 1. Thus, concerns stemming from company philosophy and the predicted economic future led to the internationalization challenge. Resolving that challenge led to innovations and thence to generation of the novel model now being refined and put in place. These linked steps are depicted in the graphic below along with the key outcomes of those innovations to the right.

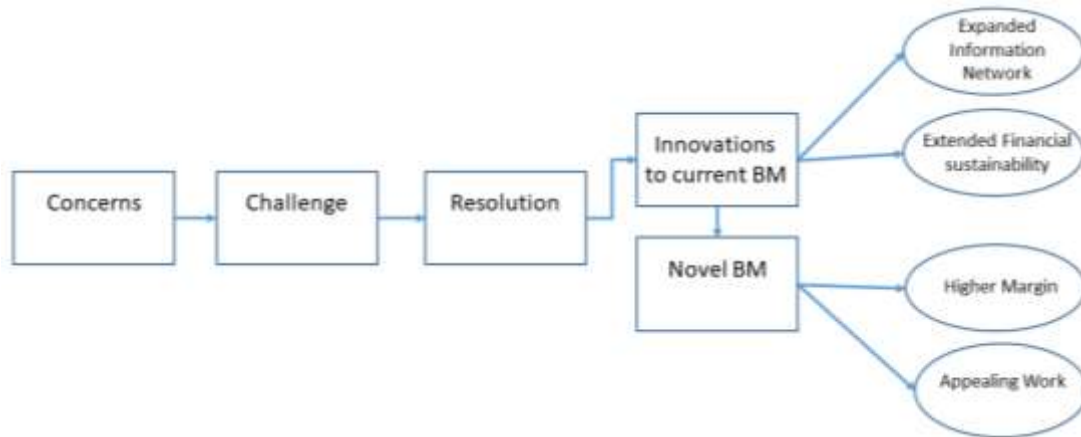


Figure 1 Overall process leading to BMI

Impact of altered element on other elements

As previously mentioned, change in one element of a business model may lead to change to other elements. The case evidence shows that more than one altered element may impact the same element and that an element may be impacted immediately or indirectly. In the case of HILLTOP, four pathways emerge. Three of these converge, making direct and then reinforced, indirect impact on Information Flow which in turn directly gives birth to the new business model. These impacts are shown in Table 2 below.

Table 2 HILLTOP’s Business Model element change impact on other elements

Element	Immediate impact on	And this impacts
Product/Service	--	--
Value Network	Information Flow	--
Value Delivery	Value Network	Information Flow
Financial Structure	--	--
Information Flow	Novel business model	

Decision Making Structure	Value Network	Information Flow
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The role of Information Flow in this case confirms the proposition that it is of central importance in firms with a strong e-commerce aspect such as HILLTOP's long tail business model (Timmers, 1998; Weill and Vitale, 2001). The key role of the altered Decision Making Structure business model element derives from the move of the expected successor from the headquarters to the new overseas operation. Had HILLTOP transferred only lower staff overseas, it is doubtful that the dramatically innovative new business model would have appeared. The lead manager at the new location found himself in the right combination of pressure and expanded input for creation. Thus, we can refine the pathway of greatest interest in this case study as Decision Making Structure → Value Network → Information Flow → Novel Business Model (a platform) and shown in Figure 2 below.

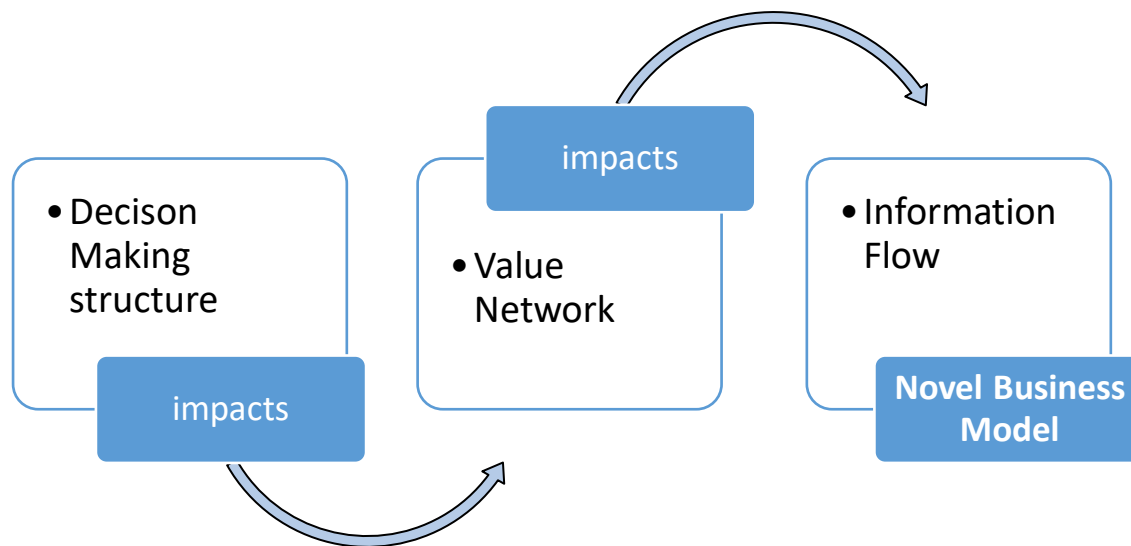


Figure 2 Key pathway of business model innovation impact

6. Conclusion

Regarding Research Question 1 on the impact of internationalization on business model elements, HILLTOP Corporation's internationalization brought about changes in the elements that can only be seen as improvements: beneficial outputs such as more profit, broader networks, escape from the probably poor future facing Japan's economy, and inspiration. The internationalization of the firm was successful, yet it required minimal changes to the existing business model. The element most heavily impacted was Information Flow, an unexpected fruit of the internationalization and change to the Decision Making Structure. The expanded Information Flow that developed during the internationalization process gave rise to ideas around the upcoming platform business model. Regarding Research Question 2 about the inspirational impacts of internationalization, internationalization meant motivating younger staff and challenging the next generation leader. Potentially much more impactful however is the new business model under development. The new model, which matches the corporate philosophy, was triggered by the sequence of events involving

the firm's internationalization. The firm's deep philosophy led to internationalization and the business model element changes that enabled creation of the new business model now under development.

The events and processes laid out here show that internationalization had moderate impact on the structure of the current business. Initially seen as a management challenge to the upcoming successor, the internationalization morphed into a nursery for a new business structure that proposes to radically change the whole company. Thus, the tangible benefits of profit, customers, and knowledge have brought positive but moderate competitive advantages. The intangible benefits include yet unrealized but potentially immense advantages to the firm.

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