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Integrating Creating Shared Value into International Strategy

A Framework for Competitive Advantage

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ABSTRACT:

As the customers are demanding more sustainable practices, companies have increased the importance of sustainable development in their strategies. However, sustainable development is often only addressed as a part of the sustainability strategy and not as a strategic driver for all the company's operations, and therefore companies can have difficulties combining their financial and sustainability goals. Different companies have different strategies and goals, which means that the same sustainability actions might not be suitable for all companies. This thesis approaches sustainability from the point of view of the concept of Creating Shared Value, and the aim is to study how a company can integrate Creating Shared Value into its international strategy in order to gain competitive advantage.

This research was conducted using qualitative research methods. The data collection method was semi-structured interviews and the interview data was thematically analysed. The case company for this thesis is a Finnish IT company, and five interviews were held with the company's employees to understand their perceptions of the key themes of the study: international strategy, sustainability operations and competitive advantage.

This study presents the Creating Shared Value integration framework that demonstrate how companies can strategically leverage Creating Shared Value to achieve international competitiveness. The findings suggest that Creating Shared Value can be integrated into a company's international strategy and used as a driver for competitive advantage, as long as the company has a strong strategical foundation and relevant core competencies, in which the Creating Shared Value actions can be integrated into. This means that the company identifies core competencies that can be enhanced with Creating Shared Value actions, and therefore create competitive advantage. For the case company, this means focusing on strengthening its offerings related to green IT and digital responsibility and developing the partnership with their current regional partner.

KEYWORDS: International strategy, Creating Shared Value, Sustainability, Competitive advantage, Partnerships, Information technology

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TIIVISTELMÄ:

Asiakkaiden vaatiessa entistä kestävämpiä toimintatapoja yritykset ovat lisänneet kestävän kehityksen merkitystä strategioissaan. Kestävät toimintatavat käsitellään kuitenkin usein vain osana kestävän kehityksen strategiaa eikä koko yrityksen toiminnan strategisena ajurina ja tämän johdosta yrityksillä voi olla haasteita yhdistää taloudellisen ja kestävän kehityksen tavoitteita. Eri yrityksillä on erilaiset strategiat ja tavoitteet, minkä takia kaikki kestävän kehityksen toiminnot eivät välttämättä sovi kaikille yrityksille. Tässä pro gradu -tutkielmassa lähestytään kestävää kehitystä jaetun arvonluonnin käsitteen näkökulmasta ja tavoitteena on tutkia, miten yritys voi integroida jaetun arvonluomisen kansainväliseen strategiaansa kilpailuedun luomiseksi.

Tutkimus on toteutettu kvalitatiivisena tutkimuksena. Sen aineisto kerättiin käyttämällä puolistrukturoituja haastatteluita, ja haastatteluista saatu data analysoitiin temaattisesti. Tutkimuksen tapausyritys on suomalainen IT-yritys, jonka työntekijöille tehtiin viisi haastattelua, jotta voitiin ymmärtää heidän näkemyksiään tutkimuksen keskeisistä teemoista. Keskeiset teemat olivat kansainvälinen strategia, kestävän kehityksen toiminnat ja kilpailuetu.

Tämä tutkimus esittää viitekehyksen jaetun arvonluomisen integroimisesta, mikä osoittaa kuinka yritykset voivat strategisesti hyödyntää jaetun arvonluontia saavuttaakseen kansainvälistä kilpailukykyä. Tulokset viittaavat siihen, että jaettu arvonluonti voidaan integroida yrityksen kansainväliseen strategiaan ja käyttää sitä kilpailuedun ajurina. Tämä kuitenkin vaatii sen, että yrityksellä on vahva strateginen perusta ja asiaankuuluvat ydinosaamiset, joihin jaetun arvonluonnin toimet voidaan integroida. Tämä tarkoittaa, että yritys tunnistaa ydinosaamiset, joita voidaan parantaa jaetun arvonluonnin toiminnalla ja tämän johdosta saavuttaa kilpailuedun. Tutkimuksen kohteena olevan yrityksen tapauksessa tämä tarkoittaa keskittymistä vihreään tietotekniikkaan ja digitaalisen vastuullisuuteen liittyvien tuotteiden ja palveluiden vahvistamiseen, sekä nykyisen alueellisen kumppanin kanssa tehtävän yhteistyön kehittämiseen.

AVAINSANAT: Kansainvälinen strategia, Jaetun arvonluonti, Kestävä kehitys, Kilpailuetu, Yhtiökumppanuus, Tietotekniikka

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Abbreviations

CSV = Creating Shared Value

IT = Information technology

1 Introduction

In recent years, there has been a growing awareness of the need to prevent environmental damage, and an additional push to ensure that sustainable development also includes caring for people and communities. Companies are emphasising the importance of sustainable development in their strategies, focusing on different areas such as energy, local communities, and biodiversity (see Ameer & Othman, 2012; Brown, 2021; Chuong et al., 2025; Porter & Kramer, 2011).

Clients are demanding more sustainable supply chains, leading governments to tighten regulations on environmental, human, and social impacts (Brown, 2021). Several results show that companies that take sustainability into account perform better financially (see Ameer & Othman, 2012; Brockett & Zabihollah, 2012; Kang et al., 2016). Thus, environmental performance is an important part of business for shareholders and stakeholders and is in the interest of both of them (Irshad et al., 2023). Companies should therefore treat sustainability as another business challenge, and it requires defining a strategy, implementing a process, defining roles and responsibilities, and selecting tools and approaches (Brown, 2021). Companies need to integrate ethical and social responsibility initiatives into their operations, but it is also important to focus on providing quality goods and services. Such strategies are useful and offer new models in a changing economic environment (Hartman et al., 2017).

1.1 Background to the topic

From an academic perspective, this thesis contributes to literature that seeks to understand and apply the knowledge of how companies can align shared value with competitive strategy in international markets. It builds on the theoretical lens of Creating Shared Value, which suggests that companies can generate economic value in a way that also produces value for society by addressing its challenges (Porter & Kramer, 2011). This framework offers a conceptual foundation for exploring how shared value can be integrated into the international strategy.

There has been debate if corporate sustainability performance is also beneficial for wellbeing of the company and not only beneficial for social and environmental wellbeing (Xiao et al., 2018). Shared value means policies and operations that improve a company's competitiveness while at the same time benefiting the economic and social environment in the areas where the company operates. Therefore, the aim of shared value creation is to discover and maintain the connection between society and economic growth (Porter, 2011). A natural-resource-based view of the company is the competitive advantage and strategy for companies to differentiate from each other and implement sustainable economic activities (Hart, 1995). Corporate image and differentiation from competitors can be improved by strengthening company’s proactive strategy towards environmental management (Zameer et al., 2024).

Sustainable development strategies are important for companies operating in international markets. Clients around the world increasingly demand sustainable and environmentally friendly products and companies are encouraged to invest in sustainability. As a result, international companies are looking for new ways and opportunities for sustainability, which is important for competitiveness and success (Tanasiichuk et al., 2024). Sustainable development is an important objective in the global economy, and companies need to make changes to integrate and adapt to that (Chuong et al., 2025). Promoting and maintaining corporate social responsibility is also key to success globally and this requires accountability of managers and new motives for them to learn new skills and develop new capabilities (Filatotchev & Stahl, 2015).

Corporate social responsibility methods can provide opportunities for companies to transform their resources and knowledge into products, goods and services that benefit local communities and other stakeholders. This creates wealth for investors and wider society (Filatotchev & Stahl, 2015). Carrol (1991) identifies four categories of corporate responsibility, which are seen as the expectations that society and stakeholders have for companies. These responsibility categories are economic, legal, ethical, and philanthropic and they can be described as a pyramid. It starts with the basic idea that economic performance underlies everything else. At the same time, companies are expected to obey the law, as the law is society's classification of acceptable and unacceptable behaviour. Next, companies are expected to be ethically responsible, and to avoid or minimize harm to workers, consumers, and the environment. Lastly, companies are expected to provide economic and human resources to the community and improve the quality of life. These dimensions are not just ethical obligations, as they can provide real opportunities to redefining productivity in the value chain, for example, implementing ethical supply chains across borders can reduce risk, improve quality, and strengthen stakeholder relationships internationally (Porter & Kramer, 2011).

Companies have different ways to execute sustainability in their operations, such as recycling, DEI-programs, and sustainability balance scorecards (see Hristov & Searcy, 2025; Vildåsen, 2018). Corporate sustainability awareness and initiatives have a positive impact on a company's competitive advantage and brand value (Kim et al., 2021). However, sometimes businesses can find it difficult to combine their financial goals with sustainable development goals (Vildåsen, 2018). Stakeholders increasingly expect companies to make their global operations sustainable while overcoming significant obstacles in a difficult global landscape (Kavadis et al., 2024).

1.2 The Research Question

The aim of the research question is to understand how shared value can be integrated into a company’s international strategy, and enable competitive advantage in international markets. The research seeks to find a solution on how businesses can align sustainability objectives with international strategy, while adapting to diverse market expectations and maintaining consistent international approach.

All things considered, this research aims to provide a framework for international European companies seeking to create shared value. A case study of a Finnish international IT company is used as a benchmark to assess the functionality of the framework and in the future research other European companies can apply the framework to their operations.

The research question of this paper is the following: *How can a company integrate Creating Shared Value into its international strategy to gain competitive advantage?*

This thesis's methodological research choice is qualitative research. According to Saunders (2007), qualitative data is based on meanings represented through words, collected in non-standardized way that requires classifying the data into categories, and is analysed using conceptualization. The thesis will utilize qualitative research methodology to develop a framework for the case company.

The first part is finding theoretical literature to create the theoretical framework, which requires going through academic articles and literature to find reliable sources for this research. The second part is to collect primary data by conducting semi-structured interviews with the case company's management and employees. In the third part, all the data and information will be combined to create a thematic analysis to identify patterns in sustainability integration.

The final output will be a framework, applicable to the case company and other companies, providing actionable recommendations for embedding CSV into international strategy while gaining competitive advantage.

1.3 Key Concepts

Sustainability as a term has become popular in politics as an expression of what public policies aim to achieve. Over time, it has been redefined to cover the social, economic and environmental aspects (Kuhlman, 2010).

International strategy refers to research on how companies and economic actors engage in cross-border activities, where the international context itself fundamentally shapes strategy, risks, and opportunities. It is not just a matter of operating in several countries, but of how cultural, institutional, and geographical differences change business behaviour and results compared to purely domestic strategies (Tallman & Pedersen, 2015).

Competitive Advantage can be interpreted in many different ways and is considered a cornerstone of strategic management. Generally speaking, competitive advantage is seen as having a value-adding strategy that gives an edge over competitors (Sigalas & Economou, 2013).

Creating Shared Value (CSV) highlights that instead of considering social issues as apart from economic goals, companies may address social challenges and increase their competitiveness at the same time. Its foundation is the assumption that social and economic growth are intertwined (Porter & Kramer, 2011).

1.4 Delimitations

There are certain delimitations that need to be taken into account. The research focuses only on a Finnish company operating in the IT industry and in the European market. Therefore, the integration of Creating Shared Value into international strategy findings are only limited to the European market and results cannot necessarily be applied to companies operating outside European markets due to their own laws and regulations.

It is noticeable that the European Union's Sustainable Development Goals differ from those of USA or Asia, for example.

1.5 Structure of the Thesis

There are six main chapters in this thesis. The research question, key concepts, delimitations and methodology are presented in the first chapter, which serves as an introduction. The second chapter is the theoretical background, which introduces the main topic of this thesis, the concept of creating shared value by Porter and Kramer (2011), and presents different international strategies that a company can implement. Additionally, the chapter focuses on the combination of the theoretical findings of the first two topics; creating shared value and international strategy. Lastly, the chapter introduces this thesis' conceptual theoretical framework.

After the creation of the theoretical background, the third chapter discusses the research design and methodology and begins the empirical part of this thesis. It presents the data collection method and interview process. In addition, the chapter assesses the trustworthiness of this thesis and presents the case company. The fourth chapter presents the research findings and reviews the interview results. Based on the results, a framework for competitive advantage is created in chapter 5, where also the findings are discussed in further detail. The sixth chapter concludes this study and also examines the possibilities for further research and the application of the framework to other companies.

2 Theoretical Background

This chapter introduces and examines the key concept of this thesis, the concept of Creating Shared Value (CSV), developed by Porter and Kramer (2011). The aim of this chapter is to explain what CSV is, how it differs from Corporate Social Responsibility (CSR) and the Triple Bottom Line (TBL), and what are the basic aspects of this concept. The literature review begins by explaining what corpore sustainability is and the theoretical foundations of CSV, followed by a focus on its main principles.

2.1 Corporate Sustainability

The first step to sustainability is to understand its meaning. Its main components include environmental practices to protect natural resources, human resource practices to ensure safety and equity, social practices to promote community development and human rights, and administrative management, and financial practices to promote ethical behaviour and the long-term health of the company (Brown, 2021). One of the most known definitions of sustainability is by the World Commission on Environment and Development (1987): "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

There are several ways to explain corporate sustainability. The corporate sustainability framework consists of five key dimensions: economic, governance, social, ethical, and environmental performance. The economic performance can be seen as the most important dimension, as it is the foundation of corporate sustainability (Brockett & Zabihollah, 2012). According to Khan et al. (2016), investors have committed to the integration of environmental, social, and governance data in their capital allocation process, and sustainability concerns have been seen as strategically important by multiple companies. Client demand for sustainable products, growing social responsibility, increasingly limited resources, and growing concern for the environment are some of the most important drivers of corporate sustainability (see Budsaratragoon & Jitmaneeroj 2019; Brockett & Zabihollah, 2012; Lozano, 2015). In addition, companies are searching for sustainable practices due to the recent global economic state and increasing pressure from the regulators and public (Brockett & Zabihollah, 2012).

Triple Bottom Line by Elkington (1997) is one of the best-known sustainability frameworks and it implies that businesses should consider environmental and social performance in addition to financial performance, creating the bottom line. Environmental performance refers to how much resources, such as energy, land, and water company uses in its operations. Social performance refers to the company's and stakeholder's impact on shareholders (Hubbard, 2006). The TBL concept proposes that instead of companies looking only for financial indicators, such as profits and return on investment, they should focus on positive return on investment from economic, environmental and social capital (Savitz, 2023). Therefore, TBL means the basic economic, social, and environmental responsibilities that companies must implement in their activities (Khan et al., 2023).

Porter and Kramer (2006) argue that business strategy and social policies should follow the concept of shared value. This should benefit both the company and society, as if only one of them is followed, it will be at the other's expense and can only gain short-term value and in the long-term eventually damages both the company and society.

2.1.1 Sustainability in the IT industry

In history, there have been multiple groundbreaking technological transformations, latest being digital transformation that has impacted almost all companies and industries (El Hilali & El Manouar, 2019). Digital transformation can be defined as the introduction of digital applications into companies, which transform the way businesses operate and leverage the potential of information technology (Gomez-Trujillo & Gonzalez-Perez, 2022). Broadbent and Cara (2018) argue that there is a mutual relationship between digital transformation and the transition to sustainability. The culture of sustainability goes hand in hand with digital transformation as an accelerator of cultural change, as together they promote new methods of cooperation, consumption and production.

It is necessary to understand the consequences of the digital transformation to avoid negative impacts, and to participate in its planning in a sustainable way, which is seen as the concept of digital responsibility (Trier et al., 2023). Digital responsibility is described as contributing to sustainable digitalization beyond the legal minimum by stakeholders, such as companies and public institutions (Mihale-Wilson et al., 2022; Kunz & Wirtz, 2024; Thorun, 2018). Trier et al. (2023) introduced eight digital responsibility principles that should guide stakeholders, which are sustainability, participation, functionality, data privacy, transparency, fairness, norms and values, and accountability.

Businesses must balance their social, environmental, and economic aspects while improving their digital abilities in order to survive the digital transformation (Gomez-Trujillo & Gonzalez-Perez, 2022). In the recent years, the IT industry has grown exponentially, and companies have transferred their businesses online, and therefore the IT industry's ecological footprint has grown. However, with new technological inventions, the IT industry has the potential to reduce greenhouse emissions and contribute to sustainable development (see Moore, 2013; Charfeddine & Umlai, 2023).

2.1.2 Sustainability in Europe

Multiple studies show that there are significant differences between EU countries in terms of sustainable development dimension (Coelho et al., 2025), for example, in terms of both the absolute level of autonomy and power granted to employees and the degree of inequality between classes. Even if employees belong to the same occupational group and are similar in terms of demographics, human characteristics, workplace characteristics, and company characteristics, they are granted varying levels of absolute and relative autonomy and power depending on the country in which they work (Paskov, 2025). Since every region has its own cultural and political differences, companies outside the Nordic countries that want to follow the success of Nordic companies need focus on the basic principles rather than simply copying practices from the Nordic companies (Strand, 2024). Two distinct geographical groups can be distinguished, and firstly is the Nordic countries, where workers have the greatest autonomy and power and there is less inequality between classes (Paskov, 2025). According to survey conducted in Finland, independence at work was chosen by respondents as the most important factor that makes their work more enjoyable (Lehto & Sutela, 2005). The Nordic countries stand out as global leaders in sustainable development, consistently ranking at the top of numerous sustainability indicators, and at the core of Nordic countries' success is strong cooperation and stakeholder engagement. (Strand, 2024). Secondly, the countries of Eastern Europe, where workers have the least autonomy and power and there is greater inequality between classes (Paskov, 2025). This supports previous findings that in social democratic welfare systems, which are the Nordic countries Sweden, Denmark, Norway, and Finland, working conditions are more favorable and report a higher quality work, as reflected in greater worker autonomy and authority and less inequality between classes in these dimensions. The Nordic countries are seen as sustainability leaders (see Coelho et al., 2025; Hartikainen et al., 2010; Paskov, 2025; Strand, 2024).

2.2 The Concept of Creating Shared Value

Porter and Kramer (2011) introduced Creating Shared Value (CSV) as a strategic framework that redefines the purpose of business. CSV emphasises that companies can improve their competitiveness while simultaneously addressing social challenges, rather than viewing social issues as separate from business objectives. It is based on the idea that economic and social progress are closely connected. CSV differs from corporate social responsibility, as CSR sees social and economic progress as separate conditions, whereas CSV is based on the idea that these conditions are linked together and expand the connection between social and economic progress (Porter & Kramer, 2011).

For example, a company that invests in energy-efficient production methods not only reduces its environmental footprint, but also lowers operating costs and strenghtens its brand image among environmentally concious consumers. A similiar example is when a company that invests in a employee wellness program not only increases its employees' wellbeing, but also lowers employee absences and lost productivity. This aligment between social and economic benefit illustrates the fundamental logic behind CSV. Figure 1 shows areas where connection between competitive advantage and societal issues are the strongest (Porter & Kramer, 2011).

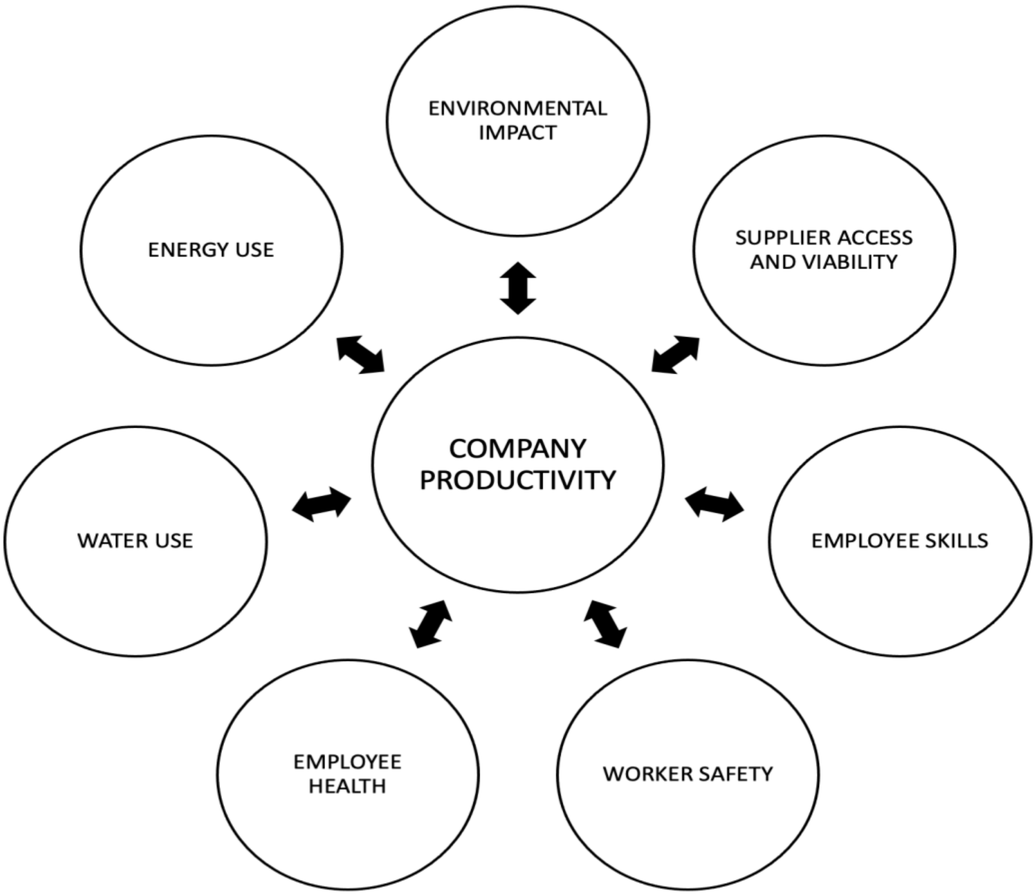

Figure 1. The connection between competitive advantage and social issues (Porter & Kramer, 2011).

There are three ways how companies can create economic value by creating social value, which are by reconceiving products and markets, redefining productivity in the value chain, and enabling cluster development at the company's locations. Each of these is part of shared value, meaning that improving one creates opportunities for others (Porter & Kramer, 2011). Study by Nandi et al. (2020) highlights that focusing on principles reconceiving products and markets and redefining productivity in the value chain has a direct impact on the success of business model. In addition, Dembek et al. (2014) argue that these three ways can help companies overcome current socio-economic trade-offs and contribute to the environmental and social well-being without sacrificing competitiveness and economic returns.

Many researchers have contributed the Porter and Kramer's (2011) framework on how to create shared value (Saenz, 2019). Li et al. (2023) argue that creating a shared value strategy can improve company's competitiveness by meeting social and environmental obligations. It shows that the strategy promotes the offering of technological and knowledge resources, which in turn promotes the acquisition of market resources, human resources and capital resources. Visser and Kymal (2015) argue that CSV must be integrated with CSR and other sustainability activities by focusing on integration and value creation without undermining the viability of the company.

2.2.1 Critisicm on Creating Shared Value

According to Crane et al. (2014), CSV is a reformulation of the basic principles of stake-holder theory. Stakeholder theory can be seen as the idea that a company's actions affect the common interests of all parties, not just its own shareholders (Freudenreich et al., 2020). Stakeholders can be, for example, employees, investors, customers, local communities, the government and the environment. While there have been disputes to identify which groups or individuals qualifies as stakeholder (Philips & Reichart, 2000), according to Freeman (1984), stakeholders are groups that a company has relationships with. The stakeholders both affect and are affected by a company's decisions and therefore a stakeholder-focused company wants to show the stakeholders that it sees and understands the ways it influences them (Harrison et al, 2010).

Crane et al. (2014) argue that the main problem with CSV is its view of the company as an entity with the sole purpose of generating economic value for the company and its owners. CSV cannot implement the idea that the purpose of the company needs to be redefined because it is largely limited to specific projects and products rather than the company as a whole.

2.3 Principles of Creating Shared Value

This chapter focuses on the three main principles of Creating Shared Value that are reconceiving products and markets, redefining productivity in the value chain and enabling local cluster development. The purpose of this chapter is to introduce and gain in-depth knowledge on what are these principles and how they can be used to create shared value in a company.

2.3.1 Reconceiving Products and Markets

One of the main ways in which companies can create shared value is by reconceiving products and markets (Porter & Kramer, 2011), so that they respond to unmet societal needs in traditional markets, such as more environmentally friendly services or healthier products (Gionfriddo & Piccaluga, 2025). The needs of society are enormous today, and decades have been spent in the business world learning to analyze and create demand, but the most important question has been ignored: are the products good for customers? Many companies are now developing ways to help the common good, such as public utilities using digital intelligence to save electricity consumption, or tools that help customers budget, manage credit, and pay debts. In these and many other ways, entirely new opportunities for innovation are opening up and shared value is being created. However, the problem with the principle can be seen in companies that manufactures products of questionable social benefit, such as tobacco industry or arms manufactures.

In each of these cases, innovation can be developed that offer shared value but the fundamental nature of the product have negative impact on society. Although, in the end the benefits to society are greater because companies are often much more effective than governments and non-profit companies at marketing that motivates customers to adopt products and services that deliver societal benefits, such as healthier foods or environmentally friendly products (Porter & Kramer, 2011).

2.3.2 Redefining Productivity in the Value Chain

Another way for companies to implement CSV is by redefining productivity in the value chain (Porter & Kramer, 2011), six factors have been identified that contribute it, which are energy use and logistics, resource use, procurement, distribution, employee productivity, and location (Gionfriddo & Piccaluga, 2025). Addressing societal issues within the value chain can lead to increased efficiency and competitiveness, a good example of this is Nestlé's initiative to improve procurement and work directly with farmers to improve their practices. Nestlé helped farmers to increase their crop yields and the quality of it by providing training and resources, which in turn ensured a stable supply of high-quality material for Nestlé. This collaboration improved Nestlé´s supply chain efficiency, improved the livelihoods of the farmers involved and decreased farms environmental impact (see Nestlé, 2021; Porter & Kramer, 2011). The approach involves re-evaluating and improving various aspects of the value chain, such as energy use, resource allocation, and employee productivity, to create economic value while at the same time addressing social and environmental challenges (Porter & Kramer, 2011).

In the same way, Unilever has identified improving health and wellbeing, reducing environmental impact, and improving livelihoods as its key objectives. This has been implemented in Unilever's Sustainable Living Plan, which includes strategic objectives such as improving health, hygiene and nutrition. It also focuses on reducing environmental impacts by improving water and energy efficiency in manufacturing processes. These actions have led to cost savings and contributed to environmental protection, demonstrating that operational improvements can be linked to social benefits (see Unilever, 2021; Visser & Kymal, 2015).

Redefining productivity in the value chain requires improving the efficiency and effectiviness of a company’s operations in a way that also increases social and environmental progress, including iniatives like reducing energy consumption, minimizing waste, improving work conditions and sourcing materials sustainably. Companies can lower their operational costs and risks, and contribute positively to society and the environment by implementing such prcatices (Porter & Kramer, 2011). This can bee seen in the case of Enel industrial plants, where the workers' productivity was improved by providing them with smart glasses to improve safety and save time, and by using drones to inspect the solar panels. The aim was to create shared value without decreasing the business value, and employee interviews valitated that it can be done through redefining productivity in the value chain. In this case, it meant improving energy and resource use, efficient procurement, and employees' productivity (Gionfriddo & Piccaluga, 2025).

The concept of redefining productivity in the value chain is further supported by Visser and Kymal (2015), who introduce the idea of Integrated Value Creation (IVC), which emphasizes the integration of social, environmental, and economic considerations into key business strategies. They argue that such integration leads to sustainable value creation for both business and society.

2.3.3 Local Cluster Development

Porter and Kramer’s (2011) CSV principles include also local cluster development, which is another way that companies can create shared value. The main idea is to support businesses, infrastructure, suppliers, service providers and local institutions close to where the business is located (Gionfriddo & Piccaluga, 2025). A group of geographically close companies and institutions in a certain industry that are linked by common and complementary factors are known as clusters (Enright, 2000). Clusters represent national and local economies and require new roles for companies, different levels of government and other institutions to improve competitiveness. Instead of thinking competition and strategy within a company, clusters suggest that much of the competitive advantage lies outside of companies and even their industries, but rather in the locations of their business units (Porter, 2000). Companies can improve their productivity and contribute to the economic and social development of the communities in which they operate by investing in local clusters. However, the creation of open and transparent markets is an essential part of cluster building in both developing and developed countries (Porter & Kramer, 2011).

In local cluster development, companies can create shared value by collaborating with local institutions, such as academic programs to improve workforce skills, invest in infrastructure projects that benefit both the company and the community (Porter & Kramer, 2011). An example from enabling local cluster development is from Sweden in 2004, when a paper and pulp company started an industrial research and development company. The aim was to create a platform for cooperation between the pulp and paper cluster and Karlstad University, and to attract new companies to the region. This led to increased investment and job creation in the region. The cluster for the local community has created shared value in economic, social and environmental benefits to the region. Economic benefits included increased sales and attracting investors. Social benefits included increased regional, national and international cooperation, new jobs, increased research projects in collaboration with municipalities, universities, and increased equality and diversity. Environmental benefits included decreasing energy consumption and waste (Martinidis et al., 2021).

The development of local clusters also encourages innovation among companies, suppliers, and institutions within the region. This can lead to the creation of new products, services, and processes that benefit both the company and the broader community. Companies can achieve sustainable growth while addressing social and economic challenges at the local level by aligning business success with regional development (Porter & Kramer, 2011).

2.4 International Strategy

This chapter introduces the concept of international strategy and how companies can utilize it in their advantage to expand into new markets. International strategy is a broad concept and this chapter only focuses on the four main strategies of internationalization.

First, it is important to acknowledge that companies usually operate in multiple countries, and therefore it is necessary to understand how corporate strategy and international strategy are connected (Alexander et al., 2014). The objective of a corporate strategy can be described as a milestone that motivates the company and represents the most suitable path to long-term shareholder value creation (Collis, 2014). It refers to the main scope and direction a company implements to achieve long-term objectives, often across different business units and markets. It encompasses decisions on resource allocation, diversification, mergers and acquisitions, and global positioning in response to external volatility and internal capabilities (Hunter, 2021).

Igor Ansoff is considered a cornerstone of the literature on corporate strategy, particularly in linking strategic foresight and performance. Ansoff emphasized that companies must adapt their strategies to the volatility of the environment in order to remain competitive. Ansoff's models presented systematic approaches to product market expansion and diversification that continue to influence modern frameworks (see Ansoff, 1965; Hunter, 2021; Martinet, 2010).

International market penetration and expansion can benefit a company by increasing its growth and profitability. Therefore, it can be argued that international strategy is a part of corporate strategy, which includes strategies and actions taken by businesses in the global market to optimize their value (Nguyen, 2018). Examining the cross-border operations of economic actors or the strategies and management of companies involved is known as international strategy (Tallman & Pedersen, 2015).

2.4.1 The Four Main International Strategies

There are four main international strategies, which are international, multidomestic, global and transnational strategy. The strategies were first introduced by Bartlett and Goshal (1989) and they can help companies to compete in the international market (Nguyen, 2018). The strategies are standards of the generic international strategies as shown in table 1, and companies can use different elements of multiple strategies simultaneously (Collis, 2014).

Table 1. International strategies (Bartlett & Goshal, 1989).

	International Strategy	Multidomestic Strategy	Global Strategy	Transnational Strategy
Main Idea	Centralized production & Minimal local changes	Tailored to each local market & Decentralized operations	Standardized products & Centralized operations	Balances global efficiency and adaptation & Both centralized and localized functions
International Advantage	Local cost & Easy to manage	High local responsiveness & Strong customer fit	Economies of scale & Strong global brand	Flexible & Competitive in diverse environments
Suitability	Companies starting internationalization & Strong home advantage	Consumer goods & Culturally diverse markets	Technology products & Homogeneous markets	Large multinationals & Complex global industries

The concept of **international strategy** is defined as the approach where companies take advantage of their home-based knowledge and core competencies in foreign markets with minimal local changes (see Barlett & Goshal, 1989; Harzing, 2000). Most decision-making remains centralized at headquarters in the home market and foreign subsidiaries play mainly an implementational role in this strategy (Andersen, 2008), and it is suitable for companies that have many similiarities in their markets and have a low need for local resposiveness (Leong & Tan, 1993). It differs from multidomestic, global and transnational strategies in terms of the local adaptations and information flow (see Barlett & Goshal, 1989; Harzing, 2000).

The key features of the **multinational strategy** are the use of existing competitive advantage in domestic market and replicating it in different geographical areas and the granting of autonomy to foreign subsidiaries according to the needs of the local market (Collis, 2014). It is only suitable for company that can make a difference to their competitors in terms of products (Nguyen, 2018). The strategy is based on transferring the company's capabilities to foreign markets through product offerings and market positioning. A multinational company consists of separate country units that form a portfolio, and investment decisions are made on the terms of each country. Relationships between geographical units are limited, so that each country's investment is assessed on its own merits, separately from the other units (Collis, 2014).

Global strategy emphasizes the supply of standardized products across countries, creating a combination of simplicity and standardization to promote efficiency and economies of scale, making the opposite tradeoff from the multidomestic strategy. Companies using global strategy see the world as a one market (see Collis, 2014; Nguyen 2018). In implementing a global strategy, countries are not independent but interdependent, which requires that the whole global company is taken into account in decision making. In order to achieve economic interdependence, the supply of products must be relatively standardized worldwide. The implementation of this strategy requires the selection of a limited number of locations that have the optimal factor costs for the performance of that activity. A global strategy based on the single market principle seeks to exploit efficiency and scale on a global scale (Collis, 2014).

The main idea behind the **transnational strategy** is to a company to achieve all goals at the same time (Nguyen, 2018), and build a coordinated global network of markets and activities that exploits both static and dynamic efficiency benefits (Collis, 2014). This network can be locally responsive and globally efficient, optimizing production according to changing costs. Countries of strategic importance will be included in the strategy, regardless of their differences from domestic markets. A transnational company will seek to be present in leading countries and competitors' target countries in order to diversify its activities and exploit arbitrage opportunities (Collis, 2014), while still paying attention to local requirements (Nguyen, 2018). The company aims to turn international differences and uncertainties into advantages. The transnational strategy balances a centralized global set-up with a decentralized network of operations (Collis, 2014).

2.4.2 International Implications of Sustainability Integrations

International companies face the challenge of responding to the needs and expectations of multiple stakeholders, both locally and globally. It is increasingly important to understand that these companies need to respond to the pressures of global integration and local responsiveness in the same way that they respond to product market pressures. International companies have to balance approaches to social responsibility in the different countries in which they operate, while taking into account the needs of local stakeholders (Filatotchev & Stahl, 2015).

In 2015, the United Nations decided the 17 Sustainable Development Goals (SDGs) and declared the global 2030 Agenda for Sustainable Development. By 2030, they will aim to remove poverty in all its forms, including extreme poverty, and achieve a balance between economic, social and environmental sustainability. They also aim to end world hunger, combat inequality, build peaceful societies, protect human rights, promote gender equality and ensure sustainable development. The UN pledge to ensure sustainable economic growth, shared prosperity and decent work, taking into account national differences and capabilities. Their commitment is that no one will be left behind on this journey. This Agenda for Action will be adopted by all countries in the United Nations, taking into account national realities and policies (see Bierman et al., 2017; UN General Assembly, 2015).

It has been discussed if there has been any integrative effect of the SDGs by international companies. The International Labor Organization (ILO) is used as an example of an international company, and in recent years the organization has increasingly highlighted environmental considerations in its activities and has responded to the SDGs. While environmental friendliness is still central, the ILO shows a growing awareness of the interdependence of socio-economic and environmental factors. This has led to increased commitment to multilateral and inter-organisational cooperation. The SDGs have also reduced fragmentation and promoted integrated sustainability governance (Montesano et al., 2023).

2.5 Creating Shared Value in International Strategy

This chapter explores how companies can integrate Creating Shared Value principles into international strategy development and implementation processes. The integration of CSV into international strategy provides companies with structure to address societal challenges while at the same time achieving business objectives across diverse markets.

The internationalization of CSV presents opportunities in different markets, when companies advance with CSV initiatives internationally, they can generate advantages for both foreign and domestic societies while enhancing their competitive position. Collaboration with various companies, whether domestic or international, can increase the positive effects of CSV initiatives within and across national boundaries (Moon et al., 2011). The research by Nandi et al. (2022) confirms that CSV principles have a potential as a theoretical framework for explaining strategic decisions and successes of companies across different markets. Traditional approaches to international management have primarily focused on how companies gradually enter foreign markets. These approaches appear somewhat limited, when compared with CSV, as they mainly emphasize resources and performance metrics rather than considering the societal context for sustainable internationalization success (Nandi et al. 2022).

2.6 CSV as a Strategic Framework for Competitive Advantage

This chapter presents the conceptual theoretical framework for this thesis as shown in figure 2, which combines the integrated CSV framework of Nandi et al. (2022) with Porter and Kramer's (2011) CSV principles to create a comprehensive framework for integrating CSV into company's international strategy to create competitive advantage.

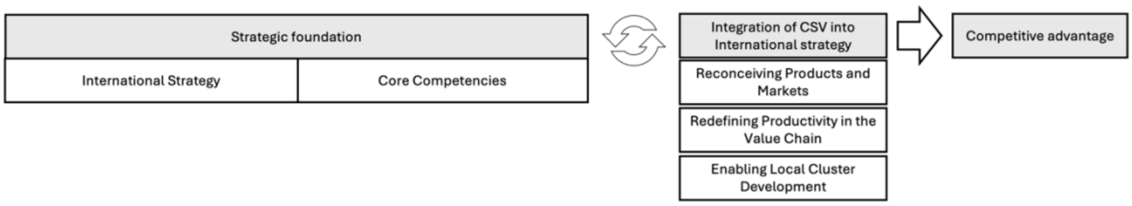

Figure 2. The conceptual theoretical framework.

The conceptual theoretical framework of this thesis focuses on how various theories have shaped corporate sustainability by presenting sustainability as a source of strategic advantage rather than just an ethical responsibility. Porter and Kramer's (2011) concept of Creating Shared Value incorporates the development of social and economic value into a company's strategy and expand the discussion of shared value, it is applied through three principles: redefining productivity in the value chain, reconceiving products and markets, and enabling local cluster development. These variables influence how companies develop their international strategies, finding a balance between local responsiveness and global integration. In the end, incorporating CSV into international strategy increases resilience, growth, and competitive advantage across global markets Porter & Kramer, 2011).

The main element in the framework of Nandi et al. (2022) is defining core competencies, which involves identifying the capabilities and strengths that a company can leverage across markets to address societal needs while maintaining competitive advantage. Once the core competencies are established, they directly influence the two CSV principles, reconceiving products and markets, and redefining productivity in the value chain. Both of these principles have direct impacts on business model success (Nandi et al., 2022).

Reconceiving products and markets require companies to identify and address three critical aspects, which are societal needs, pricing expectations and opportunities for offering improvement in the target market. For international companies, this means adapting product offering to meet local needs while remaining aligned with the company's overall mission and competencies. For example, in emerging markets where affordability is essential, companies need to redesign products to meet lower price points while maintaining functionality that addresses specific local issues (Nandi et al., 2022).

Redefining productivity in the value chain focuses on improving resource use and operational efficiency in ways that create social benefits in target markets. This includes developing relationships with local suppliers, adopting resource-efficient technologies, and creating jobs that address local social challenges, which allow companies to reduce costs and environmental impact while generating positive social outcomes (Nandi et al., 2022).

The CSV principle of enabling local cluster development acts as an additional activity that improves the effectiveness of the previously mentioned CSV principles, reconceiving products and markets and redefining productivity in the value chain (Nandi et al., 2022). In addition, fostering supportive ecosystems of suppliers, educational institutions, and communities, companies can strengthen their position in foreign markets while contributing to development of local economic. This approach reflects in mutual relationships with government entities and local communities, creating sustainable platforms for long-term growth (Moon et al., 2011).

2.6.1 Implementation of CSV in International Markets

Nandi et al. (2020) propose a theoretical framework for applying CSV principles to meet expectations between a company and a society, which eventually leads into a company's sustainability in foreign markets. In this framework, redefining productivity in the value chain, reconceiving products and markets, and defining core competencies are categorized as process-oriented goals of the business model. They are further strengthened by local cluster development, and an additional factor, regulatory fit, which functions as performance-oriented goals of the business model. Together, these five principles influence the outcome of the company's business model in international markets. Empirical research confirms that these three process-oriented CVS strategies directly influence business model success. The enabling local cluster development increases the direct influence of the other three strategies (Nandi et al., 2020).

The integration of CSV into international strategy offers several practical implications to managers of international companies, as it helps managers to apply CSV as a tool to address societal problems and market needs at the same time. Secondly, the CSV framework provides guidance for exploring cultural difficulties related with conducting business in foreign markets, especially in emerging markets. Third, it helps managers to justify the acquisition of resources, the pursuit of innovation, and the development of social and environmental scalability to customers, as it becomes strategic business decision and not just a social responsibility initiative. Fourth, it enables managers to establish higher legal and ethical standards by incorporating physical, environmental, and social aspects into their business strategy. Companies can gain competitive advantage through superior standards, which can serve as market leverage in certain countries. The CSV framework can lead to successful business model, when applied in an integrated manner that understands societal needs and incorporates all the supported strategies. However, managers must carefully evaluate both transaction costs and opportunity costs associated with implementing the following framework (Nandi et al., 2022).

3 Research Methodology

This chapter introduces the research methodology of this thesis. The research philosophy chapter explains the methodological choices and the research design chapter presents the qualitative method used in the thesis and introduces the case company. The data source chapter provides a more detailed introduction of the chosen methods used to collect the data. After that, the interview and data analysis processes are reviewed, and the trustworthiness of this thesis is assessed.

3.1 Research Philosophy

The methodological choices of this thesis are based on critical realism, which assumes that underlying reality exists independently of the researcher, but can only be observed through individuals' interpretations, and social practices (see Kringelum & Brix, 2020; Rao et al., 2025; Stutchbury, 2021). It has become increasingly important to know how company and management is studied (Ackroyd & Fleetwood, 2005). The critical realism approach has several methodological implications, particularly for data analysis, as its aim is to describe trends rather than determine causal relationships. This is because it is not possible to understand everything that exists in reality at an empirical level. In qualitative research, trends can be observed using coding methods, while identifying generative mechanisms and their interactions can help explain these trends (Fletcher, 2017).

Ontologically, this thesis assumes that international strategy and sustainability practices have a real structural basis, but their role and significance are experienced through how people understand them (see Kringelum & Brix, 2020; Stutchbury, 2021).

Epistemologically, this thesis recognizes that understanding international strategy cannot be based solely on objective measurements, but requires access to subjective practices. Semi-structured interviews are therefore not only a methodological choice, but also an epistemological one, in which knowledge is generated through the interviewees' experiences of how they act and interpret sustainability and partnership dynamics in their own context (see McIntosh & Morse, 2015; Mojtahed et al., 2014).

These philosophical stances justify the use of qualitative case study, as it allows for in-depth examination of the research in its natural environment. The critical realist approach is suitable in this case because the research question aims to understand how shared value can be integrated into a company's international strategy, which requires a focus on management practices rather than measurable results (Rao et al. 2025). The choice of a semi-structured interview format is therefore consistent with the view that knowledge is contextual, experiential, and linked to the perceptions of the company’s actors (see McIntosh & Morse, 2015; Stutchbury, 2021). In this way, the research philosophy, research design, and data collection are methodologically consistent.

3.2 Research Design

This thesis is conducted by using qualitative research methods. In business research, qualitative techniques are broadly used (see Cassell & Bishop 2019; Gioia et al., 2013). While qualitative and quantitative research have different strengths, advantages, and areas of utilization, qualitative research provides a way to examine the complex nature of social phenomena, because it emphasises on context (Lim, 2025). Qualitative research starts with moderately broad research question that usually is revised repeatedly as the research goes further out to narrow the research aim and purpose (see Denny & Weckesser, 2022; McGrath et al., 2019; Moser & Korstjens, 2017). The aim of this research is to discover how a company can integrate shared value into its international strategy and gain competitive advantage.

The case company for this thesis is a Finnish IT consulting company that provides and designs customized digital services by analyzing and implementing business challenges through agile methods. The company was founded in 2003, and it currently has 100 employees in three different locations in Europe. The company's core competencies include customer identity and access management, application development, and providing expert consults for various projects. The company emphasizes people first culture, supported by values of empathy, professionalism, trust, and respect. They have long-term partnerships with clients, such as Telia Finland and Mitsubishi Logisnext Europe, which reflects the company's commitment to delivering complex digital solutions internationally. The case company has recently established a new international partnership with a large Eastern European company.

3.3 Data Source

The research data is collected through interviews. One of the main methods used in qualitative research is interviewing (see Denny & Weckesser, 2022; Moser & Korstjens 2017). Through qualitative interviews, researchers can look deeply into topics specific to the interviewees' experiences and gain understanding of how different things of interest are experienced and interpreted (McGrath et al., 2019).

A structured interview includes pre-set questions presented in the same way to all participants. An unstructured or semi-structured interview often includes only a few pre-set questions, which allows the interviewees to bring up issues that can be further examined by the interviewer (McGrath et al., 2019). Unlike structured interviews, unstructured interviews do not include pre-set questions. They are often more conversational between the interviewer and the interviewee (Blackman, 2002) and focus on a few issues more in-depth, rather than covering multiple different topics (Denny & Weckesser, 2022).

Semi-structured interviews are generally used in qualitative research (DeJonckheere & Vaughn, 2019) and it is the chosen data collection method when the researcher's goal is to understand the interviewee's perspective rather than a generalized understanding of a phenomenon (McGrath et al., 2019). Key characteristics of semi-structured interviews are that they are flexible in structure, can include groups or individual participants, they are scheduled in advance, they offer an insight into the participant's perspective and a deep exploration of the participant thoughts and experiences, and are often the sole data source for qualitative study (see Adeoye-Olatunde & Olenik, 2021; DeJonckheere & Vaughn, 2019). In semi-structured interviews, pre-set, open-ended questions are asked with possibility for more questions from the discussion, which can enhance understanding of the case company being assessed (see Adeoye-Olatunde & Olenik, 2021; Denny & Weckesser, 2022; Galletta & Cross, 2014). The interviews conducted for this thesis are semi-structured as it is the most suitable method for understanding the current state of internationalization and sustainability of the case company.

This thesis' interviews consist of interviewing the case company's head of sales, sales representative, principal consultant team members, and their team manager. As Adeoye-Olatunde and Olenik (2021) note, research interviewees' knowledge of the subject matter plays an important role to the validity of research findings. Therefore, the selected interviewees have direct knowledge and decision-making responsibilities in areas relevant to sustainability, strategy, and international operations. In qualitative research, the goal is to receive in-depth understandings rather than statistical generalization (see Patton, 2015; Yin, 2018). The diversity of interviewees roles ensured that perspectives on both strategic and operational scopes of CSV integration are captured.

The interview questions are developed based on the theoretical framework and the research question. The interview questions consist of three main themes; international strategy, sustainability operations and competitive advantage. These themes are selected based on the research question to ensure that all aspects of the study topic are equally discussed in the interviews. The themes are presented to the interviewees before the interviews, so they know the topics of the interview beforehand. Open ended questions are created of each theme in order to receive detailed answers while allowing additional questions and interviewees to add relevant issues.

The interviews are conducted in October 2025. The length of each interview is approximately one hour. The interviews are carried out in person at the case company's premises. All interviews are conducted in English and, with the interviewees consent, recorded to enable accurate transcription.

The selection criteria for the employees selected for the interviews is that they must be in a position where they have either been directly involved in sustainable development activities or have been involved in creating them. In addition, they have to be aware of the company's international strategy and objectives. The interview questions are presented to all participants in order to obtain perspectives from different areas based on their different job roles. For example, the head of sales and sales representative are more likely to be aware of their sustainable operations in international strategy, while the principal consultant team are more likely to be aware of the IT in their sustainability operations. The demographic data of the interviewees can be found in table 2.

Table 2. The interviewees of the study.

Interviewee	Duration of the interview	Field of expertise
Head of Sales	1h 10 min	Market entry, value proposition & growth strategy
Sales representative	45 min	Client needs, relationship building & sustainable solutions
Team manager	1h	Internal practices, talent development & work culture
Principal consultant, A	1h	Service architecture, digital ethics & green IT
Principal consultant, B	50 min	Service architecture, digital ethics & green IT

3.4 Analytical Approach

The interview data is analysed using thematic analysis, which is a suitable method for identifying meaningful patterns from qualitative data (see Fryer, 2022; Braun & Clarke, 2006; Naem et al., 2023; Lochmiller, 2021). The aim of using thematic analysis in this study is to move from individual interview statements towards broader themes that explain how shared value is understood and how it can be integrated into a company's international strategy.

In this thesis, Braun and Clarke's (2006) six step thematic analysis framework is used. The first step of the framework is to familiarize with the interview data, and it involves selecting quotes and understanding the interviewees' responses. In the second step, codes are created from the interview data and keywords are selected based on words or concepts that are often repeated in the interviews. The purpose of the keywords is to summarize the participants' views and opinions, collected directly from the interview transcripts. The third step is coding, meaning that different keywords are divided into interview data segments in order to identify the core message of the interviews and how the interviewees feel about topics in relation to the research question. Keywords play a key role in coding because they form the basis of the analysis and help to transform the interview data into insightful, manageable units. In the fourth step, the codes are grouped into broader categories and themes with the aim of identifying relationships that would help solve the research problem. These codes reflect connections between the research topics. The fifth step is conceptualizing the themes, which creates the basis of the framework from the research findings. The last step of the thematic analysis is to develop a conceptual model that combines existing theories and research findings. This step is the conclusion of the analysis, setting all the findings derived previously (see Fryer, 2022; Braun & Clarke, 2006; Naeem et al., 2023; Lochmiller, 2021)

3.5 Trustworthiness

Trustworthiness is important to acknowledge in any research and it is an essential part of conducting qualitative research (Adler, 2022). Qualitative researchers seek to design and implement methodological strategies that ensure the trustworthiness of research findings. This contrasts with quantitative researchers, who apply statistical methods to ensure the validity and reliability of research findings (Noble & Smith, 2015).

In this qualitative research, the following steps are made to make the research findings trustworthy. The first step is to show that the theoretical framework and theoretically derived concepts are transparent. This means being aware and responsible about how the different theories are presented in this study, as an issue with qualitative research can be that theoretical framework and theoretically derived concepts get mixed up (Adler, 2022). The second step is to be transparent about qualitative research methods and to present the specific procedures used in qualitative research and justify their selection so that the trustworthiness of the research can be assessed (Adler, 2022). The qualitative research methods used in this study, semi-structured interview and thematic analysis, are presented in the research methodology chapter and their selection is justified. In addition, all the interviews are conducted in October to ensure that there were not any organizational changes, in sustainability operations or in international operations.

4 Research Findings

The research findings of this study are presented in this chapter, drawn from semi-structured interviews conducted with the case company. The purpose of the empirical research is to find out how a company can integrate CSV into its international strategy. Findings are based on the interviews with the case company, a Finnish SME operating in the IT industry. The interviews focused on three main themes and the research findings are presented through these themes.

4.1 The International Strategy

To understand how to integrate CSV into international strategy, it is important to acknowledge first the base of the case company's international strategy and how they implement it abroad. The interviewees were first asked about the international strategy of the case company. Goal of these questions was to understand how the company currently structures and prioritizes its international operations and to explore how stakeholder engagement was managed across the markets.

The case company's internationalization approach is focused on highly selective partnership model rather than traditional market entry strategies. It was found out from the interviews that the company defines its international strategy through a newly established strategic partnership that allow scaling, capability expansion and market expansion to the company. The sales representative described the newly established partnership as follows:

> *"Our current international strategy is partnership-driven and highly selective, centered around generating mutual value with key strategic partners. At the core of this is the strategic partnership with one of the biggest European tech companies based in Eastern Europe."*

The partnership-based international approach is the main enabler for the case company's international growth. The case company defines its first priority in international strategy as leveraging their partner's large near-shore capacity in Eastern Europe, allowing them to execute larger and more complex projects in Finland. This allows the case company to scale project size and offer competitive pricing without compromising high standard of Nordic quality and customer interaction. The international strategy is defined by two primary strategies: enablement of near-shore capacity and strategic market access.

The case company's second priority is strategic market access, which is executed through international expansion utilizing the partner company's established presence in key European markets, such as Germany and United Kingdom. The case company positions itself as the Nordic domain experts and customer facing hub of this partnership, leveraging local trust and expertise to lead customer relationships while the partner company provides the necessary scale and geographical reach.

A key finding from the interviews is the strategic use of partnership to fill capability gaps, meaning that the company acknowledges that its previously limited size restricted entry into different technology implementations and large-scale projects. These limitations have been mitigated through the partnership. The team manager explained how partnership has developed their strategic capability as follows:

> *"Our partnership immediately filled critical skill gaps in our offering, specifically embedded systems and salesforce implementation. Leveraging partner company's 1,700 developers with this expertise allows us to pursue comprehensive projects and enter markets that were previously inaccessible to our 100-person firm."*

The case company's vision of maintaining specialization rather than pursuing diversification aligns with the partnership-driven approach, and allows it to focus on expanding to areas in where it already holds a strong domain expertise. The integration of external capabilities strengthens the company’s value proposition and its ability to serve both existing Nordic and new international customers.

When asked about the key reasons behind international expansion, the interviewees emphasized that benefits from partnership are the key reason, not a standalone market pursuit. Market growth and customer demand are seen in the company as outcomes of partnership synergy rather than initial motivators. The head of sales explained the key reasons as follows:

> *“The clear priority is partnerships, which act as the catalyst for market growth. Highest priority is to create synergy with the partner company, and with this collaboration is also the most critical driver. It provides a low-risk, high-return pathway for internationalization by creating a two-way sales channel:*
> *Our Value: We can sell partner’s near-shore services to our demanding Nordic clients.*
> *Their Value: They can offer our specialized, high-value Nordic expertise to their global client base.”*

This synergy allows the case company to create connections between Nordic customers and the partner company’s international operations, creating joint business flow. The interviewee mentioned that is important that client demand is now enabled and magnified by their partnership. They can now confidently serve their existing clients international needs.

During the interviews, it was revealed that the company’s decision to adopt a partnership-based model was also a direct response to external pressures, such as competition, customer expectations and regulation and compliance. The head of sales described how the partnership mitigates size-related disadvantages and enhances credibility in demanding market. The team manager explained reasons behind the partnership as follows:

"External pressures heavily informed our decision to pursue strategic partnership, as it offers a robust solution to overcoming size limitations and competitive forces."

Table 3. Case company's external pressure and influence.

External pressure	Influence on strategic choice via partnership
Competition	Case company can now compete effectively with large global System Integrators by offering a blended cost model, premium consulting from Helsinki combined with cost-competitive development from Eastern Europe.
Customer expectations	Nordic clients demand robust risk management and scalability. Partnering with a larger, established near-shore player validates case company's delivery model and assures clients of their capacity and stability.
Regulation and compliance	The partner company, as a large, EU-based near-shore provider, already operates under standardized GDPR and EU regulatory frameworks. This immediately simplifies case company's compliance burden and is a key selling point to their clients.

Table 3 was created based on the interview data, and it shows three categories for external pressure and influence that was discussed multiple times in the interviews.

4.2 The Sustainability Operations

This subchapter unfolds the next theme of the questions related to sustainability and focused on understanding how the interviewees see the sustainability and shared value creation in the case company, as the goal is to integrate CSV into the company's international strategy. This theme was started with the question focused to all level of employees of the company to understand completely how is sustainability currently addressed in the company's operations and strategy.

Sustainability within the case company is defined through the lens of digital responsibility, which according to the interviewees, is a concept that reflects the company's service-based business model rather than traditional environmental factors. During the interviews, it was noticed that the company focuses on minimizing its operational footprint by supporting clients' sustainability through technology, and maintaining strong social responsibility internally. The principal consultant A explained their perspective of sustainability strategy as follows:

> *"As a 100-person service-based IT consultancy, our sustainability strategy is centered on digital responsibility and social impact, rather than traditional heavy industrial factors."*

In the interviews, three key sustainability factors in company's operations were discovered. First one was operational sustainability, which means that the company focuses on digital-first operations, minimizing travel and paper use and encouraging remote work. Second is strategic sustainability, meaning that the company positions their expertise, such as cloud optimization and data analytics, to help their clients become more sustainable themselves. One interviewee mentioned that for example designing energy-efficient cloud architectures for clients is a core part of their service offerings. Last one is social responsibility, meaning that the company prioritize environmental, social and governance (ESG) factors, such as employee well-being, diversity and inclusion, as these are fundamental for attracting and retaining the best talent in Nordics, according to the interviewee. The principal consultant A described the relationship as follows:

> "The relationship is moving from cost avoidance to revenue generation and talent attraction. "

The respondents agreed that the relationship between sustainability and business value creation in the IT industry has strengthened in the recent years, and especially in Finland, it has become an assumption that it is the starting point of the work. Also, interviewees mentioned that they have noticed three key points that enhance the relationship between sustainability and business value creation.

The first point being talent value, as ESG values are non-negotiable for Finnish IT professionals, and demonstrating these values is a prerequisite for recruiting and retaining talent, which in turn directly reduces recruitment costs and improves the case company’s productivity. Second is revenue value, as there is a growing demand from large customers, especially in the public sector and enterprise segment, for “green IT” solutions. Offering services that improve client sustainability, such as reducing their cloud service costs via efficiency, this creates new profitable service lines for the case company. Finally, investment value, where a strong ESG profile increases the case company’s valuation and attractiveness to international partners, mitigating future regulatory or reputational risks for the potential buyer.

The interviews revealed that there have been multiple cases where sustainability initiatives have simultaneously supported business growth. In the case of the company in question, it happened through their service innovation and client acquisition with projects involving migration to cloud services and optimization are often examined from the perspective of energy efficiency. As a result, the case company has been able to simultaneously reduce its cloud service invoices, which brings economic benefit, and their carbon footprint, which in turn brings environmental benefit by reducing a client's necessary computing power and storage. According to one respondent, this creates a unique selling point and secures projects against competitors who only focus on cost. In addition, in Finland, sustainability criteria are increasingly built into public sector tenders. The case company’s focus on ISO certifications and ethical governance allows them to qualify for and win high-value public sector contracts, directly supporting business growth.

Table 4 shows the differences in stakeholder expectations regarding sustainability between Finland and foreign markets, emphasizing how ESG levels of maturity influence strategic positioning.

Table 4. Differences in stakeholder expectations in sustainability.

Market	Stakeholder Expectation	Implication for Strategy
Finland (incl. Nordics)	High maturity. Focus is on social responsibility (D&I, equality) and deep environmental impact (e.g., Scope 3 emissions, ethical sourcing).	Sustainability is a differentiator and hygiene Factor. The case company must demonstrate measurable impact and ethical standards.
Foreign markets (Central & Eastern Europe)	Growing, but often focused on basic compliance (e.g., minimum legal requirements, energy consumption).	Sustainability as a competitive advantage, company's strong Nordic standards exported as a premium offering, helping partner company's clients meet stricter Nordic standards.

Respondents agreed on that in Nordic context, sustainability has evolved into both a differentiator and a hygiene factor, which is nowadays an expectation embedded in every business. Stakeholders demand measurable environmental and social impact, focusing on areas such as diversity and inclusion (D&I), equality, and comprehensive environmental accountability, such as Scope 3 emissions and ethical sourcing. According to the interviewee, scope 3 emissions are indirect greenhouse gas emissions that occur in a company’s value chain and cover both upstream and downstream activities that are not owned and controlled by a company. The principal consultant B described the current state of sustainability in the Nordics, as follows:

> *“In this context, sustainability is no longer an optional feature, but a fundamental prerequisite for market access.”*

Foreign markets, particularly in Central and Eastern Europe, are described as being in an earlier stage of sustainability integration than Nordics, which the case company employees found out through their partnership with the Eastern European partner company. Their focus is primarily on regulatory compliance, meaning meeting minimum legal and environmental standards rather than pursuing sustainability as a source of innovation or value creation.

From a strategic viewpoint, this difference has created an opportunity for the case company with its high Nordic sustainability standards can serve as a competitive advantage in market expansion, especially in countries with low ESG practices, effectively transforming sustainability into a value proposition. Exporting Nordic ESG practices and transparency expectations to international operations, the company not only supports its partners in meeting more strict Nordic standards but also strengthens its own brand image among international clients.

As discovered in the interviews, the partner company’s sustainability integration is at an earlier stage, and because of that, there has been challenges integrating sustainability into the case company’s international strategy. The primary challenges have revolved around standardization and cultural alignment with the partner company.

Aligning Nordic metrics with the different set of global ESG practices and reporting standards of the larger international partner has created challenges for the case company with ensuring that the transparency, work-life balance, and gender equality valued in the Nordics are effectively maintained and communicated when leveraging near-shore resources in a different cultural context. The team manager explained how they will benefit from the partnership, as follows:

> *“As we utilize the partner's resources, we face the challenge of having less direct control over the end-to-end sustainability practices, for example energy sources and hardware recycling in the partner's offices.”*

In order to integrate shared value into an international strategy, it is important to understand the company's starting point in terms of sustainability. The next question asked in the interviews from all of the interviewees was what internal resources at the moment support the company’s sustainability efforts.

Respondents agreed unanimously that in more specialized company, sustainability monitoring is primarily based on the expertise of management, rather than on a large dedicated team. The CEO and the management team control the ESG strategy and integrate it into business planning and quarterly goals. The case company’s cloud and data architecture teams are their primary technical resource, ensuring that sustainability goals, such as reducing cloud footprint are incorporated into their client delivery frameworks. The principal consultant B described internal sustainability operations as follows:

> *“The management are crucial for driving the social aspect of ESG, focusing on employee well-being, D&I training, and internal reporting.”*

Table 5. External conditions that ease or delay sustainable practices.

Condition	Impact on Sustainability
Government Policies (Ease)	**EU Green Deal and CSRD:** these regulations create a unified playing field and push all major clients and partners toward higher reporting standards, which eases the case company's integration efforts.
Industry Networks (Ease)	**Nordic Tech Ecosystems:** Membership in local networks and adherence to local industry best practices provide a clear framework and shared knowledge for sustainable operations.
Regulatory Ambiguity (Delay)	**Varying Tax/Incentive Structures:** Differences in national tax incentives or subsidies for green technology make it challenging to apply a single sustainable procurement strategy across borders.

In the table 5 is presented the external conditions that either ease or delay sustainable practices abroad with the case company and its partners.

4.3 The Competitive Advantage

This chapter examines the final set of interview answers, which focus on competitive advantage. It is important to understand strengths and weaknesses of the case company after assessing its international strategy and sustainability, in order to create a competitive advantage framework while integrating international strategy and CSV.

The management identified that the case company's core strengths are those that appeal to a demanding Nordic enterprise and are highly valuable to an international partner seeking a foothold in Nordics. According to another interviewee, they have deep technical niche experience and excel in high-demand complex IT domain, such as advanced cloud transformation, specific data platforms, high-stakes security. The sales representative told how they implement Finnish values, as follows:

> *"We embody the Finnish values of transparency, adherence to deadlines, and pragmatic quality. This level of trust is critical for dealing with large Nordic enterprise and public sector clients."*

The case company's employees from all levels who participated in the interviews mentioned that the partnership with the Eastern European company fills critical skill gaps in their offering, particularly in embedded systems and Salesforce implementation. The partnership enables the partner company's 1,700 developers with specialized expertise to implement comprehensive projects and enter markets, for example IoT-sector, that were previously inaccessible due to the case company's limited-size. Therefore, the newly accomplished partnership is seen as great strength for the case company.

The case company differentiates in the eyes of customers with their local experts with global power. They offer personal relationships and deep understanding of the 100-person Nordic company, now backed by the large capacity and cost-efficiency of a major international near-shore player. In the eyes of potential employees, the case company differentiates by offering challenging, cutting-edge projects and international career opportunities, all while maintaining the Finnish standard of work-life balance and ethical governance. The sales representative explained what is the case company's key selling point as follows:

> *"Our primary selling points are summarized by our Nordic Quality and Global Scale propositions while emphasizing the partnership."*

The interview also provided information on how sustainable development contribute to the case company's international growth opportunities by acting as a key enabler and market differentiator for international expansion, especially through the strategic partnership. The company's focus on sustainability, particularly in cloud services and data optimization, which are reducing energy consumption and costs, can be marketed as a premium service offering to European client base, particularly in markets like Western Europe where demand for verifiable sustainability is high.

Most interviewees agreed that compliance with strict Finnish and EU ESG standards, GDPR and EU's SDGs gives them a competitive advantage that allows them to enter new markets as the compliant and highly ethical provider, securing contracts that competitors with lower ESG maturity cannot. The head of sales explained about the case company's value proposition as follows:

> *"Demonstrating a mature and proactive ESG strategy strengthens our value proposition to the partner, making the company a more attractive and lower-risk acquisition that is positioned for long-term, compliant international growth."*

Based on the interviews, the respondents see the sustainability as strengthening the company's resilience risk, such as market volatility, regulatory changes and reputational issues. Respondents' answers are summarized and combined in table 6. The principal consultant A described the role of sustainability as follows:

"Sustainability is fundamentally a strategy for proactive risk mitigation, making the company significantly more resilient."

Table 6. How sustainability provides resilience in different risk areas.

Risk Area	How Sustainability Provides Resilience
Market Volatility	Resilience is achieved through service diversification. We create new demand by selling "Green IT" services, insulating our revenue streams from reliance solely on traditional IT projects.
Regulatory Changes	Proactively complying to high Finnish and EU standards, such as CSRD, which minimizes the risk of future non-compliance fines and ensures the company is always eligible for high-value tenders.
Reputational Issues	A strong focus on the Social and Governance aspects of ESG, including D&I, protects the company's brand, making it more robust against negative public sentiment or social media crises.
Talent Risk	Prioritizing employee well-being and D&I leads to higher employee satisfaction and lower voluntary turnover, strengthening resilience against skill shortages and knowledge loss.

Additionally, the interviewees were asked what metrics or indicators, if any, does the company use to assess the business impact on sustainability initiatives. Many interviewees agreed that the company uses metrics, but the answers varied between departments. In total three metrics were identified, first one being revenue from green services. Tracking the percentage of total revenue generated specifically from projects where sustainability efficiency is a stated as a client objective. This measures the effectiveness of sustainability as a revenue driver. Second one was talent and social capital metrics that the company monitor the employee Net Promoter Score (eNPS) and the voluntary turnover rate. These indicators directly reflect the success of their social and governance initiatives in attracting and retaining top talent, which is a primary cost driver in consulting. Third one was carbon efficiency ratio, measuring the company's total operational carbon footprint relative to annual revenue. This assesses their ability to scale business and revenue without proportionally increasing their environmental footprint.

5 Discussion

The goal of this thesis is to create a framework for competitive advantage by integrating Creating Shared Value into a company's international strategy. This is done by interviewing the case company's representatives and the discussion is based on both previous literature and the case study's findings.

Figure 3 presents the framework for integrating shared value into an international strategy to create competitive advantage for the company. The framework is based on previous literature and the case study results.

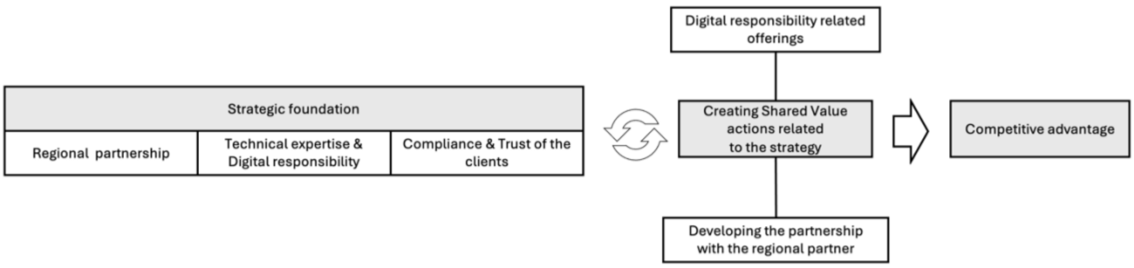

Figure 3. Creating Shared Value integration framework.

The framework begins with a strategic foundation, thus, reviewing a company's current starting point and its enabling resources. For the case company, its core competencies are regional partnership, digital responsibility, and compliance and trust of the clients.

5.1 Achieving Competitive Advantage

The objective is to understand how a company can integrate CSV into its international strategy and gain competitive advantage. Based on the previous literature and the interview findings, a company can gain competitive advantage from CSV principles if the company operationalizes sustainability through the three CSV principles, which are reconceiving products and markets, redefining productivity in the value chain and enabling local cluster development. According to Dembek et al. (2014) these three principles can help companies contribute to the environmental and social well-being without sacrificing competitiveness.

The first example of the competitive advantage that CSV principles can create is market access and revenue growth. As the interviews revealed, when a company has products or services that can simultaneously for example reduce clients' costs and emissions, it is then already applying CSV in its operations. According to Porter and Kramer (2011), this is the central logic behind the CSV. In other words, new green services and products can open up new and increased revenue sources.

The second example of how CSV can create competitive advantage is through speciality and productivity of employee talent. As the interview data revealed, sustainability strengthens the employer brand, especially in the Nordic countries, as employees value it more and more every year, and it is seen as an important aspect in companies. As Coelho et al. (2025), Hartikainen et al. (2010), and Paskov (2025) mention, the Nordic countries report a higher quality work. Thus, when Finland and the Nordics have high quality work conditions and outcome of work, they more likely improve sustainable operations. If an industry that a company operates in has the potential to reduce greenhouse emissions and contribute to sustainable development it will bring more clients to the industry. When a company supports sustainable development, it also attracts more employees and helps retain employees. As the main idea of redefining productivity in the value chain, solving social problems within the value chain can increase efficiency and competitiveness (Porter & Kramer, 2011).

The third example on how a company can gain competitive advantage from CSV is risk mitigation and resilience. As mentioned in the interviews, compliance with EU's sustainability framework, such as GDPR regulations through partnership and adherence of EU's SDGs reduces the regulatory and reputational risks. For the case company, the diverse and broader IT-services that the company can offer through the partnership reduce exposure to distributions in individual markets. In addition, the company can leverage the high and strict Nordic ESG standards to the partner company's region. This initiative could make the partner company a more attractive place of work for local people.

Furthermore, the research findings show that if a company has already demonstrated elements of shared value in its internationalization strategy, they must implement CSV as a core part of their strategy, meaning that the sustainability is transformed from supporting principle into a strategic driver to achieve competitive advantage. As Li et al. (2023) mention, creating a shared value strategy can strengthen competitiveness by meeting social and environmental obligations.

5.2 Strategic Foundation

The CSV principles must be applied to the company's current strategy to create an actual, realistic path for integration and value creation. Firstly, integration requires embedding sustainability into a company's core services and products, in this case the principle of reconceiving products and markets can be applied. The next step is incorporating sustainable development into client delivery framework processes. This follows the logic behind redefining productivity in the value chain principle. The last part is leveraging partnerships to scale and transfer sustainability standards and operations across markets, which follows the enabling local cluster development principle. When these measures are implemented in appropriate manner, they create competitive advantage. For the case company, these are achieved through the regional partnership, technical expertise and digital responsibility, and compliance and trust of the clients.

5.2.1 Regional Partnership

The strategic foundation is built on the company's international partnership that fills critical skill gaps in their offering and offers the company their main strategy for internationalization. Strategically it is important to have a partnership in a foreign market to be able to access the market and enable cluster development through the partnership. The partnership can be, for example, a local company or a local public institution. For the case company, the partnership enables the partner company’s large group of developers with specialized expertise to implement comprehensive projects and enter markets, for example IoT-sector, that were previously inaccessible to the case company due to its limited-size. Therefore, the newly accomplished partnership strengthens strategic foundation for the case company both regarding its offerings and internationalization opportunities.

5.2.2 Technical Expertise & Digital Responsibility

Technical expertise and digital responsibility is seen as another core competency and is a part of the strategic foundation that set the company apart from the competitors. It is important for a company to know its area of expertise and focus on those strong competencies when applying CSV principles to the strategy. For a company that operates digitally, digital responsibility should also be a key part of the strategy, as it is the core of all the operations and offerings. For the case company, its in-depth technical expertise lies in IT services, such as cloud service optimization and data architecture.

5.2.3 Compliance & Trust of the Clients

The third part of the strategic foundation is the trust of the clients and compliance with the EU's high ESG standards. Compliance as a strategic foundation ensures that all the company’s operations are monitored regularly and updated according to new sustainability standards, which enables the clients to trust the company. Trust of the clients is built through transparent communication and high-quality offerings, which ensures long lasting relationship that help to gain competitive advantage. The case company, as well as the partner company, operate under standardized GDPR and EU regulatory frameworks. This simplifies case company's compliance liability and is a key selling point to their clients.

5.3 Integration of CSV into International Strategy

After the strategic foundation is identified, the next step is to integrate relevant CSV actions into the international strategy. These actions include strengthening the offerings related to digital responsibility and further developing the partnership with the regional partner or establishing a new partnership in a target market.

Reconceiving products and markets is one of the Porter and Kramer’s (2011) CSV principles, and it can be enhanced further, for instance, sustainable development acts as a key enabler for a company’s international growth opportunities and market differentiator for international expansion, especially through a strategic partnership.

The second CSV principle by Porter and Kramer (2011) is redefining productivity in the value chain, which aligns with the findings from the interviews, as through a partnership, the company could compete effectively with large global operators by offering a blended cost model, premium consulting from home market combined with cost competitive development from partner’s region. In addition, as the interviewees mentioned, the company can connect internal department expertise to the integration of sustainable development into client deliveries.

These findings align with Porter and Kramer’s (2011) CSV concept in practice and the principles can be integrated into a company’s international strategy creating a framework and leading company’s sustainability initiatives in foreign markets, as also Nandi et al. (2020) suggest.

5.3.1 Strengthening the Offerings related to the Digital Responsibility

Following the framework, the next step is to redesign the company's products and serviced as green IT services and emphasize the idea of digital responsibility. As revealed in the interviews, the company offers services that can already be linked to sustainable development, such as the cloud optimization projects that reduce both client costs and environmental impact. However, these initiatives are mainly defined as efficiency improvements rather than a separate strategic market offering. According to the integrated CSV framework by Nandi et al. (2022), in this step, the company needs to identify and address three critical aspects: societal needs, pricing expectations, and opportunities for offering improvements in the target market.

To address these three aspects, the company can redefine and expand their product and service offering into green IT service line in its international portfolio to match all the aspects in the target market, which is also in line with the strategic foundation of digital responsibility. This would mean developing standardized solution models, such as auditing energy-efficient data architectures and developing software models that take carbon footprints into account. These could be marketed specifically as solutions that save costs for both the company and the customer and promote sustainable development.

The company can also further leverage its partnerships to address the aspects of societal needs and offering improvement internationally. In the mature Nordic markets, green IT services can be a differentiator that meets advanced ESG standards, especially in the public sector and enterprise segment, as mentioned in the interviews. In emerging European markets, green IT services can be marketed as a compliance enabler that helps clients meet EU-level sustainability reporting requirements or carbon efficiency requirements. Thus, formalizing sustainability-oriented products, the case company not only increases environmental value, but also secures new, defensible market segments where cost leadership and differentiation go hand in hand, which corresponds Porter and Kramer's (2011) definition of CSV, and Sigalas and Economou (2013) definition of competitive advantage.

In addition, the interviewees mentioned that the case company already applies sustainable development principles to some extent in its operations and in the workplace. The employees mentioned the following actions that they believe promote sustainability: remote working culture, minimizing travel, and efficient use of internal cloud services, but these actions are still informal and mainly focused on internal operations. The international partnership-based model can add complexity, as companies' ESG standards and expectation vary greatly between different countries, as for example Coelho et al. (2025) mention.

5.3.2 Developing the Partnership with the Regional Partner

In addition to green IT offerings, developing the partnership with the current partner company is a key CSV related action for the company. The company has already established the partnership, so collaborating with the partner company provides access to near-shore capacity and new markets.

These strategic actions for the case company can include for example joint innovation projects, in which both of the companies work together to develop open-source sustainability tools, such as carbon calculators for digital projects and responsible data architectures to strengthen the legitimacy and social contribution of both companies. In addition, companies can collaborate with local universities and technology associations in Nordic or Central European countries, for example, to create a data-sharing platform around digital responsibility and ethical software, which is seen as the main idea of local cluster development to support businesses, infrastructure, suppliers, service providers and local institutions (Gionfriddo & Piccaluga, 2025).

The case company can also develop relationships with local suppliers, adopt resource-efficient technologies, or create employment opportunities that address local social challenges in the partner company's country. This can be achieved by creating a joint ESG governance structure with the partner company and integrating sustainability into the partner's governance to align sustainability metrics and operating standards across countries while developing relationship with local suppliers. Developing the skills of the partner company's employees is also an option, offering Nordic training in digital ethics, inclusiveness, and responsible artificial intelligence to improve the productivity and coordination of the joint value chain, which can create new employment opportunities, and strengthen the base of digital responsibility of the company. This extends Porter and Kramer's (2011) CSV concept while improving productivity through social and environmental innovation, leading past internal limitations to a joint delivery network with the partner company.

Incorporating these processes will transform sustainability compliance from a requirement into a driver of operational efficiency, generating noticeable shared value in an expanded international value chain, as also Nandi et al. (2022) supports and argues it brings positive social outcomes. These findings support the six factors that have been found to contribute to ways for companies to implement CSV by redefining productivity in the value chain, which are energy use and logistics, resource use, procurement, distribution, employee productivity, and location (Gionfriddo & Piccaluga, 2025).

6 Conclusion

The goal of this thesis was to study how creating shared value can be integrated into a company's international strategy to gain competitive advantage. In the recent years, sustainability awareness has increased and companies have started to increasingly implement sustainable development practices in their strategy. Clients also demand that public sectors and companies take greater responsibility for creating and preserving shared social values. However, previous literature has mainly focused on either how companies can implement sustainability in its operations or how companies can gain competitive advantage. This study approached the topic by combining the research question of how can a company integrate Creating Shared Value into its international strategy to gain competitive advantage and added an international point of view to the economic and environmental conversation, which is a topic that has not been previously studies extensively.

6.1 Knowledge Contributions

This study makes several contributions to literature related to shared value and how it can be used to gain competitive advantage. Using the concept of Creating Shared Value by Porter and Kramer (2011) as well as the integrated CSV framework of Nandi et al. (2022) this study creates a framework for companies to gain competitive advantage by integrating Creating Shared Value into their international strategy.

This thesis expands the framework of Nandi et al. (2022) by studying the interaction of international strategy and Creating Shared Value actions as a driver of competitive advantage. The findings of this thesis suggest that CSV can be embedded into a company's international strategy, and used as a driver in competitive advantage in international operations. In addition, based on the finding of strategic foundation as a requirement for CSV integration, this study provides empirical evidence to support the integrated CSV framework of Nandi et al. (2022), which suggest that the main concern for a company is to define core competencies before considering a Creating Shared Value route.

6.2 Managerial Contributions

This thesis provides several managerial contributions for companies interested in gaining competitive advantage by implementing Creating Shared Value in their international strategy. The case company for this thesis is a company that is already offering services that include Creating Shared Value practices, but they are not acknowledged strategically. The findings of this research show that in order for a company to gain competitive advantage from integrating Creating Shared Value into its international strategy, the company needs to see it as an essential part of the strategy itself, and not only as a supporting activity. Therefore, the company needs to identify its core competencies and have them as a foundation for CSV activities.

For the case company, this means strengthening the offerings related to green IT and digital responsibility and developing the partnership with their regional partner. The interviews show, that integrating Creating Shared Value into the case company's international strategy could be both achievable and strategically advantageous. Table 7 shows the recommendations on implementing the Creating Shared Value actions to gain competitive advantage for the case company.

Table 7. Implementing the Creating Shared Value actions for competitive advantage.

CSV actions related to the strategy	**Implementation**	**Influence on competitiveness**
Strengthening the offerings related to green IT and digital responsibility	Creating IT solutions that combine sustainability, efficiency, and compliance, and communicating those to the clients.	Winning market share by providing clients high-quality offerings with EU-level sustainability standards.
Further developing the partnership with the regional partner	Joint innovation projects that combine the specialized expertise of both companies.	Entering new markets and achieving scalability cost-efficiently.

6.3 Limitations & Future Research Opportunities

There are multiple limitations that are needed to be taken into account in this research. The study is conducted using qualitative research methods, which means that the number of participants is limited to 5 employees from different departments from the case company. Therefore, the results reflect the opinions of individual interviewees and cannot be generalized necessarily to apply all the employees from the company. The case company is located in Finland and the partner company is located in Eastern Europe and both operates in Europe. This means that the results are tied to European context and cannot necessarily be applied in different countries outside the Europe.

The case study provides practical implications for integrating Creating Shared Value into a company' international strategy as well as a framework for competitive advantage. The framework is applied in this study only to the case company, which is located in Finland but in future research it can be applied to other companies, inside and outside of Europe. Future research could also include other industries besides IT industry.

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Appendices

Appendix 1. The Interview Questions

The International Strategy

- How does your company currently define and prioritize its international strategy?
- What are the key reasons for international expansion? Do you see priority in market growth, client demand or partnerships?
- How do external pressures, for example competition regulation and customer expectations influence your strategic choices abroad?
- Who are the most important stakeholders in your international operations (e.g. clients, employees, regulators, local communities)?
- How does the company engage stakeholders when developing or adapting its strategy internationally?

Creating Shared Value

- How is sustainability currently addressed in the company's strategy?
- How do you see the relationship between sustainability and business value creation in your industry?
- Are there examples where sustainability initiatives have simultaneously supported business growth in your company or your industry?
- Have you seen differences in stakeholder expectations regarding sustainability between Finland and foreign markets?
- Are there challenges in integrating sustainability into your company's international strategy?
- What internal resources at the moment support the company's sustainability efforts?
- Are there external conditions (e.g. government policies, partnerships, industry networks) that either ease or delay sustainable practices abroad?

Competitive Advantage

- What are your current strengths?
- How do you differentiate in the eyes of customers or potential employees, what is your selling point?
- In your view, how can sustainability contribute to international growth opportunities for the company?
- Do you see sustainability as strengthening the company's resilience against risks such as market volatility, regulatory changes, or reputational issues?
- What metrics or indicators, if any, does the company use to assess the business impact of sustainability initiatives?