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The Business of International Enterprise

Abstract: this article aims at theorizing about a business of international enterprise. With the vanishing frontiers of entities like enterprises, each and every enterprise is international by default. With the use of intellectual modelling (reflexivity), the article develops propositions and conclusions. It is claimed that enterprise is nudged to concentrate its activities on administrative issues and that successful enterprises focus on core activities refusing administrative ones. There further comes the idea of the spaces of core activities (business, money, competencies, markets and future), followed by the issue of three simple questions (what, why and how) used for each of the spaces. It is concluded that if the business of an international enterprise is nothing but business, its strategy can be built with 75 answers to simple questions.

Keywords: enterprise, spaces of core activities, simple questions.

Introduction: Today, 2016

This article is an attempt to build an analytical construction based on three pillars of simple questions. The content relates to a notion of international enterprise. International enterprise, as it is today, in the middle of 2016, loses its edge as international, enhancing instead its edge as enterprises. With the vanishing dominant position of international, multinational, and global corporations – just enterprises assume their position as the grounds for innovations and human face (Martin, Osberg, 2015, p. 86–94). This is contrary to an extensive analysis that concentrates on differences within the class of international enterprises. Those analysis point mainly to differences in location (Preece, Isa, Mat, Saman, Ibrahim, 2016, p. 36–257), cultural characteristics (Fong, Lee, Du, 2014, p. 62–76; see also: Stark, 2015, p. 535–558), stage of development (Fernandez, Freund, Pierola, 2016, p. 121–137), entry mode (Ang, Benishke, Doh, 2015, p. 1536–1553), or gender considerations (Welsh, Kaciak, Thongpapani, 2016, p. 4933–4940). In doing so they put a nature of the

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enterprise and its main purposes in a rear seat, and only taking for granted that an enterprise actually is there behind international operations, however without spending much effort in dealing with the core of an enterprise.

**Aim and Method: Inquiry**

An attempt expressed in this article is to deliver a piece of theorizing (Weick, 1995, p. 385–390; see also: Weick, 2002, p. 893–898) about an international enterprise. The aim of the article is to point to common features of international enterprises as long as they are business entities. This article attempts to reverse this understanding: a set of repeatable and consciously analyzed and operated common features of an entity are at the roots of internationality.

**Table 1. Inquiry**

<table>
<thead>
<tr>
<th>Landscape</th>
<th>Reflexivity</th>
<th>Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>If…</td>
<td>…then</td>
<td>Proposition</td>
</tr>
<tr>
<td>Model</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>Money</td>
<td>Competencies</td>
</tr>
<tr>
<td>Future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simple questions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What</td>
<td>Why</td>
<td>How</td>
</tr>
</tbody>
</table>

**Source:** own work.

In doing so, the method taken for this article is a sequence of steps consisting in sensemaking and sensegiving for enterprise analysis (Czarniawska, 2006, p. 1661–1674), an intellectual modelling way. The first step consists in picturing there is a collection of facts that create a reality of a contemporary environmental landscape in which the enterprises function, not having a chance to influence any element of the landscape. The second step is a reflexivity upon the landscape leading to formulation of abducted statements, where reflexivity improves theory, is not
a theory itself (Weick, 2002, p. 893–898). The third step, a model, consisting in a collection of planes that constitute and propel the behavior of an enterprise, brings a description of a generalized framework in which quality excelling, the entities – enterprises – function, and compete. The fourth step – a simple questions being a reflection of the idea of simple rules (Bingham, Eisenhardt, 2011, p. 1437–1464) – brings a framework for building a core of the enterprise activities that can be taken operationally or strategically – depending on the future perspective adopted. Finally, the content of the fifth step, conclusions, points to a common features of an enterprise that determines it behavior.

**Landscape: Frontiers**

Globalization has touched technological, economic, and socio – psychological dimensions. At the forefront of technology is the one related to information processing: ever developing technology in computers and telecommunications backed up by the means of physical relocation. The computers, once a triumph of the Western world technology, for a long time squeezed into the regime of political embargo – are now produced in those earlier excluded countries like China’s Lenovo, only to be spread across the world. Traditional transportation means like cars, aircrafts, and sailing vessels make their everyday routine routes reaching any points of the globe, regardless of any boundaries. They even expanded into happenings like a journey under the North Pole, or a promise of a trip around the moon scheduled for 2017, just for fun. All of those reveals that with the available technology, physical, and geographical frontiers have dissolved. If not entirely, there is always and everywhere a bridge of communication technology over whatever boundary has left. Internet and tools and techniques filling the space are everywhere – connecting, enabling, building, teaching… Let’s just see, as an example a surgical procedures conducted in remote places of the world supervised by a world class specialist, or the way how machines inform engineers about weak early signals of a collapse, actually weeks before it would take place. The final result is that there are no frontiers for intellectual work results being spread from any point to any point of the globe.

Applications of various facets of technology influence patterns of global, and national economies, bringing the emergence of so called new economy. More often than not, goods are perceived as only the vehicles of services (Normann, Ramirez, 1993, p. 72), not having much value in themselves (Norman, 2001; see also: Vargo, Lusch, 2008, p. 254–259). On the other hand, the ever present in business cost calculations have
physically pushed production to remote and poor geographical locations, only to make those economies thrive because of the implementation of an economic development machines – exemplary Malaysia and India ride these waves. The big and the rich consume almost without producing anything, creating economies of a luxury for masses (Silverstein, Fiske, 2003, p. 48–57; Stark, 2015, p. 535–558). The trends go with globalization of consumption patterns, production techniques, money flow, and markets in general (Yeoman, McMahon-Beattie, 2014, p. 12–22; see also: Pinho, Prange, 2016, p. 391–403). With the use of technology, and economic opportunity, the rich and affluent combine their efforts into economic unions, and their single currency, Europe leading the suit, despite the problems. However, when knowledge and information propel economic development, there appears to be an overflowing abundance of capital in its traditional money form, coupled with an abundance of operating channels in a form of social media tools and activities – networks, in essence (Franken, Thomsett, 2013, p. 107–133), also in the areas as natural as benchmarking (Kyro, 2003, p. 210–225). Banking system, as a result, is suffering a diminished role within business operations – economic entities do well without a financial support from the banks, satisfied with just their services in making the money flow and safeguarded that support operations like crowd founding with exemplary Indiegogo as a role model.

That massive use of technology, and emerging economic patterns, including luxury for masses, do change behavior in a mass scale. Generation Y, Millennials and generation following them have lived their entire lives as digitally natives, in a progressing world of economics and welfare, filled with digital technology, and new economy reality (Ellin, 2014, p. 56–62). Those have shaped their perception – the ways they see, understand, and interpret the world around them (Johnson, 2015, p. 4–7). In fact they expect communication, and more general exchange of messages to be combining sound, color, and shape, dressed in visual images, at the same time refraining from face to face relations (Weisbord, Janoff, 2010). In accord with these goes a demand for concise and clear messages, especially in business – no matter what distance they were to travel to reach a destination (Berinato, 2016, p. 92–100). On top of that there is a mass scale personal attempt to be multitasking, which in reality is represented by a series of short lasting focus, and short periods of concentration (Harper, 2014, p. 26–31). It has to be combined with an observation that the new generations – free of stress and feeling of subordination, do populate businesses (Rickheim, 2016, p. 76–76). The feeling of freedom invites them to resign of a formal employment or contractual
employment, instead they carry with them a bias, courage, and temptation towards entrepreneurship. One more frontier disappeared – the young entrepreneurs enter business younger than their older brothers and sisters; now an everyday happening with early entrants like Mark Zuckerberg, or Steve Jobs and Michael Dell – the former becoming entrepreneurs instead of getting a college education.

The frontiers, in multiple dimensions, do disappear. The new forms of business take shape: intellectual endeavors, with dispersed activities, innovative by default, propelling the unwinding spiral of development: technology + economic patterns + socio-psychological attitudes. There is more than the vanishing frontiers – some institution, like these of education, their roles and functions – cease to exist. Knowledge based societies get their knowledge basically from the experience of others channeled (and rooted) in the Internet wisdom distributed through social media networks. In this sense, education becomes a commodity, one of luxury for masses item.

**Reflexivity: defaults and implications**

An observation that leads to a proposition #1 related to a global landscape. It goes along a reflexivity that if globalization is global, then there is no other choice for an enterprise but to be framed in a global landscape. This is, however a straight implication that an enterprise is international in its operations.

**Proposition #1: each and every enterprise is international, by default.**

An enterprise is constituted by a set of resources and a set relationships, internal and external. Such system of relationships neglects boundaries that in time become more fuzzy or permeable, enlarging a territory of the entity’s activities – making core shrinking, and peripheries expanded (Gulati, Kletter, 2005, p. 77–104; see also: Bills, 2005, pp. 1–19). The entity is still achieving its steady states, dynamic equilibrium and homeostasis, and other characteristics of an open system, because it is still an open system. Only the global landscape makes an enterprise being placed into sets of other entities and relations among them – globally (Buzan, Lawson, 2014, p. 71–91). It is a stretched simplification to say that an enterprise is an international entity to a degree that it sells internationally, as some scholars define it. It would be even more so to say that it sells across national frontiers – they have vanished for a selling purposes. For one thing, selling is an operative function among others not less significant, like for example gathering required financial capital or building social capital. It goes further because the enterprise functions
encompass different ways of application of ideas, material inputs, people’s education, experiences, and attitudes—among others. It would be an error to claim that an enterprise is disconnected from a global flow of money, people, or ideas. An enterprise may however undertake a conscious effort to withdraw from internationality, forcing itself to become and stay, a local entity or some other form of a closed system. On the one hand, such an effort is not worth of its results—the cost of such behavior would outrun an income gained from operations. On the other hand, such a claim would rather be of a proclaimed, not a real life nature. It would be equivalent to a declaration that an enterprise has built a closed system of its relationships. This would further be a statement contradictory to a grounded systems theory (Hayden, 2016, p. 399). On top of that, there is a real life complexity that brings uncertainty that is only possible to be dealt with commonly (internationally, globally) accessible knowledge, and techniques. Consciously or not (on the part of management) an enterprise participates in shaping a state of complexity both on the side of giving and taking by being involved in wicked problems definitions and solutions; working for its position in a network independently acting participants—a network of trust (Franken, Thomsett, op. cit., p. 108).

Having in view that each enterprise is international, there comes another legitimate reflexivity. The world is global but it is not unique. Therefore: if there are specific issues to be raised in specific areas of activity (not reduced to geographical areas or locations), then the plethora of problems, questions and answers forces enterprise to broadly widen the limits and scopes of its interest and activities. Here is, however, a straight implication that (overwhelming).

Proposition #2: enterprise is nudged to concentrate its activities on administrative issues, by default.

Task environment brings obstacles to a smooth functioning of an enterprise. In a globally weaved world, there are still issues of politics, represented by the national governments and other political institutions. The result is specificity of currency, taxation, financial issues in general, including compensation system. They create separate planes, not that much differentiated by boundaries, as by the nature of their building material—unique for each one of them. The building materials extend to individual interests and tastes of people and their groups, which results in specificity of products and services provided to the markets, including adjustment to legal and other requirements; there are, finally, human and personnel issues arising from culture and education of people involved into enterprise activities. Those result in specificity of culture and skills, including policies of hiring and firing. Among the three the first one, government issues use to be regulated, formalized and thus relatively routine, and thus
relatively easy to follow. Solving this type of obstacles requires employing qualified personnel or another, specialized enterprise. Exemplary Big Four are this type of enterprises: rendering services adjusted to a specific (many specific) specialized tax and financial systems. The same amount of service can be found for the other, non-regulated areas. In fact, the enterprise has to follow a point of bifurcation – follow a make or buy decision. Dealing with all the above on a basis of make, drifts an enterprise towards creating an elaborate structure: specialized departments, a need to manage and control them – in essence going further into administrative activities, incurring cost, and effort and, at the same time, drifting the enterprise further from core activities. A rescue from a trap of administrative muddle goes along a switch towards rendering services as a core activity, or towards outsourcing services and staying with (whatever are) core activities. In fact, there is a choice between working with the core issues and thus outsourcing other questions (using international business services) or working with solving problems brought by diversity (rendering services of internationality).

In effect, a third reflexivity comes, related to enterprise activities and operations. An enterprise cannot be simultaneously administratively (rendering services), and operatively oriented. In fact, if administrative issues prevail then operative activities suffer. Therefore there comes the third proposition:

**Proposition #3: successful enterprises focus on core activities, by default.**

Enterprise constitutes a system, an entity the elements of which has been separated from the environment. They do not exhibit however any physical characteristics of a boundary, they are planes of the point of interested – what is not interested is beyond a boundary. Boundaries are therefore outlined to indicate a niche differentiated from the environment in order to name and to manage the building materials of the enterprise. Thus an enterprise is, on the one hand, a collection of resources (Lockett, Wild, Penrosean, 2013, p. 790–817; see also: Penrose, 1959) that are accessibly for the management of an enterprise.

On the other hand the contents of collection has been chosen and defined by the management of the enterprise within the frames of their bounded rationality freedom (Andrews, 1971). In the statement here, there is a claim that the elements of the collection have been chosen based on the premises that they can be measured (in a sense their actions be controlled), and influenced.
Table 2. Cascade of the planes of resources

<table>
<thead>
<tr>
<th>business</th>
<th>living, thriving and growth space</th>
</tr>
</thead>
<tbody>
<tr>
<td>money</td>
<td>operations and activities space</td>
</tr>
<tr>
<td>competences</td>
<td>organizational abilities space</td>
</tr>
<tr>
<td>markets</td>
<td>exchange of resources space</td>
</tr>
<tr>
<td>future</td>
<td>time and development space</td>
</tr>
</tbody>
</table>

Source: own work.

The resources of an enterprise may have a form of tangible or intangible elements; a distinction among them within a collection may have an intellectual form, as much as the boundaries of the so created niches. In fact they are spaces that are forming a cascade of different groups or collections of resources. Although a collection is individual for each enterprise, cascade may be taken as a framework, filled with unique collections. Each of the collections are specific, they do not repeat or are similar in any respect. The collections are later subsequently defined by the questions asked about their content. The cascade begins, in fact fundamental, space that business is in. Business is like a niche itself, a business definition tells about a space an enterprise will be living in, thriving and growing. The second space in the collection is money. This resource is specific for a business system where, unlike in natural systems, money is a universal mean of measuring value of resources, and it always cascades down from business. The elements of business space determine the scale of money involved according to the scale of operations to produce a value added outcome. The third space in a cascading collection is competence (Hamel, Prahalad, 1990, p. 79–91). In fact these are sums of competencies of organization members enhanced with capabilities, an organization level specific abilities added to the other resources possessed or controlled, or managed (Yang, 2015, p. 173–189). The next space of resource collections are markets. They are enterprise resources in that way that constitute a space for exchange of resources with the external or within an internal environment. There is finally the last space, future. It is not neither controlled nor managed by the enterprise. Future
is, nevertheless, a space for time (Prigogine, 2004, p. 5–12); a space for
development (Hamel, Prahalad, 1994); a space inviting to stretch the use
of the other resources in the cascade (Wilyerd, Mistick, 2016, p. 112–117).

Cascade: simple questions

In any theorizing or theory building consideration there is a tradeoff,
a choice taken among three possible characteristics – generality, accu-
rracy, and simplicity (Weick, 1999, p. 797–806), possible to analyze and
describe (Weick, 2002, p. 893–898). There is no way to fulfil all the three
characteristics of a consideration simultaneously (Weick, 1999, p. 798).
As long as an enterprise is in view, there is little choice as to the gener-
ality and accuracy – this use to be a tradeoff, an either or situation. Gen-
erality means that each and every enterprise may be analyzed according
to a proposed model or way of thinking. Accuracy claims that a consid-
eration will be taking into account a concrete, precise situation of this
enterprise in this particular situation and time. The cascade framework
leads to generality, not accuracy. Each and every enterprise shapes and
uses resources, and all five collections of them. Within the proposed
framework, an issue of accuracy can be solved by naming the real re-
sources of an enterprise. When following such a path, a general frame-
work brings accurate, consistent picture of the actual resources – an ac-
curacy off a result of theorizing, not an outcome of theorizing itself. The
result however may come with a simplicity of theorizing model. In this
article, proposed simplicity encompasses three simple questions: what, why
and how.

These three questions are asked to every plane in the collection in the
same way. A reply to what comes with the action oriented words, in fact
demanding from the analyst a promise to actually do something. A reply
why comes with a construction that enables to put forward criteria for an
action. Finally, a reply to how comes with measures – ways how to assess
whether a criterion has been met. In effect, this means that the rows of
table 3 (and the results on the work with the matrix thereafter) can be
followed in a sequence, bringing a solid, yet accurate description of an
enterprise. The same is true for the columns of table 3: each collection is
related to the one above, and to the one below.
Table 3. Simple questions

<table>
<thead>
<tr>
<th></th>
<th>what (action)</th>
<th>why (criteria)</th>
<th>how (measure)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>what do we do for living</td>
<td>why do we enter and stay in particular business areas</td>
<td>how do we decide about businesses viability</td>
</tr>
<tr>
<td>Money</td>
<td>what makes the use of our cash and income</td>
<td>why do we reinvest (or not)</td>
<td>how do we read an effectiveness of the use of money</td>
</tr>
<tr>
<td>Competence</td>
<td>what skills, attitudes and knowledge we instill</td>
<td>why do we shape capabilities the way we do</td>
<td>how do we know that capabilities are complex and yet simple</td>
</tr>
<tr>
<td>Markets</td>
<td>what goods and services we trade</td>
<td>why do we make or why do we buy</td>
<td>how do we determine the offer(s) we propose</td>
</tr>
<tr>
<td>Future</td>
<td>what actions make future being scrutinized</td>
<td>why do we develop our businesses</td>
<td>how do we assess the value of outcome of analysis</td>
</tr>
</tbody>
</table>

Source: own work.

Conclusions

The business of an international enterprise is nothing but business. With the global landscape in a background, as much as in front, an enterprise, any enterprise, is international. This is not a matter of choice, at all. When it is assumed, for the purpose of further argumentation, that the government structures and their tax policies do not exist (Miller, 1988, p. 99–120), this is only meant to say that every entity in the market is being treated equally by the government actions. The same applies to international enterprise: the landscape treats all the enterprises in the same way – nudging them to be international. As much as in the Miller – Modigliani theorem, here appears a conclusion: each and every enterprise is in the hands of management that is expected to use disciplined reflexivity, and to theorize about the core activities of the enterprise (Rai-ble, Teti, Brinker, 2015, p. 14–17). This is not a question of better or worse analytical tool. The question is whether the tool is simple enough to be comprehended in the same or at least similar way – by all the constituencies of an enterprise. In fact, the proposed model asserts that within the framework of 15 simple questions an enterprise may construct a consistent basis for operational or strategic core activity. The framework may be further extended to a matrix of 5x5 squares of which each contains three simple questions, as depicted in table 4. Such a move
would bring an increased complexity of the analysis (75 replies instead of 15), however with the likewise increased level of accuracy, at least for an instant.

Table 4. Complexity

<table>
<thead>
<tr>
<th>Business</th>
<th>Money</th>
<th>Competencies</th>
<th>Markets</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competencies</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Markets</td>
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<td></td>
</tr>
<tr>
<td>Future</td>
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</tr>
</tbody>
</table>

Source: own work.

The point here is that an enterprise is a complex dynamic system in a complex dynamic environment (Calvard, 2016, p. 65–82) where simplicity is a key to read patterns beyond chaos and dissipative behaviors that it brings (o the degree that only analytical simplicity leads to its understanding (Davis, Eisenhardt, Bingham, 2009, p. 413–452). The fact is that organizations cope with dynamic environment with less structure (Eisenhardt, Martin, 2000, p. 1105–1121). The proposed simple questions addressed to simple planes are meant to be the beginning of an order out of chaos (Prigogine, 2000, p. 35–37). With all the methodological weaknesses and deficiencies, this article proposes a tool consisting of two main elements: the cascade of planes, and a matrix of simple questions.

LITERATURE


Artykuł zawiera wynik rozważań teoretycznych nad przedsiębiorstwem międzynarodowym. W świecie, w którym granice przedsiębiorstw zanikają, każde przedsiębiorstwo jest z założenia międzynarodowe. W artykule przeprowadzono postępowanie teoretyzujące z zastosowaniem modelowania intelektualnego (refleksywności), których rezultatem są tezy i wnioski. Artykuł zawiera tezę, że otoczenie przedsiębiorstwa skłania je do koncentracji aktywności na zagadnieniach administracyjnych kosztem biznesowych. Przedsiębiorstwa, które odnoszą sukcesy opierają się tym naciskom i koncentrują swoją aktywność na zagadnieniach biznesowych. W artykule przedstawiono przestrzenie aktywności podstawowej (business, pieniądze, kompetencje, rynki oraz przyszłość). W ślad za tym idzie propozycja trzech prostych pytań (co, jak, dlaczego), które można odnieść do każdej z przestrzeni. Przedstawione rozumowanie prowadzi do wniosku, że kiedy biznesem przedsiębiorstwa jest biznes i nic ponadto, jego strategia składa się ze zbioru 75 odpowiedzi na proste pytania.

Słowa kluczowe: przedsiębiorstwo, przestrzeń aktywności podstawowej, proste pytania.