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In-Company Project: Internationalisation of the company Arquiconsult for the United States of America

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Master in Management

Supervisor

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BUSINESS
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Department of Marketing, Operation and Management

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A master's degree is a long journey that becomes particularly demanding when you've already entered the job market. However, I can't help but recognize the satisfaction I feel now that it's finished.

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Abstract

The aim of this In-Company Project is to analyse and draw conclusions about the viability of the internationalization project for the USA of Arquiconsult, a Portuguese SME operating in the IT services and consultancy sector, identifying the best internationalization and project implementation strategy.

The methodology used is In-Company Project, as the aim is to develop the project within the company, based on its strategic vision.

Data external to the company was researched and analysed, such as the political, economic, social, technological, environmental and legal environment of the USA, thus taking into account the economic and cultural reality of the North American market, and internal data to understand the company's strengths and weaknesses, identifying opportunities and recognizing threats.

The results obtained indicate that Arquiconsult's internationalization project is viable, given its strengths, such as its area of specialization and competitive prices, although there are risks that must be considered, such as the human capital available. It was also concluded that the appropriate internationalization strategy is Direct Investment with the creation/acquisition of a Subsidiary with a Local Partner, although the profile of the Local Partner could pose a threat to the success of the project.

However, it was also clear that for the internationalization project to succeed, it is necessary to determine long-term goals and objectives, adopt strategic actions and allocate the necessary resources, as well as outline a plan that includes financial, investment and risk analyses.

In conclusion, this study provides empirical evidence of the viability of Arquiconsult's internationalization to the USA.

JEL Classification System: F23, M16

Keywords: Internationalisation Strategy; Mode of Entry; Direct Investment Abroad, Local Partner; Investment Plan, Financial Analysis.

Resumo

O objetivo deste In-Company Project é analisar e retirar conclusões acerca da viabilidade do projeto de internacionalização para os EUA da Arquiconsult, uma PME portuguesa que opera no sector dos serviços e consultoria em TI, identificando a melhor estratégia de internacionalização e de implementação do projeto.

A metodologia utilizada é Projeto In-Company, visto ser objetivo desenvolver o projeto dentro da empresa, partindo da visão estratégica da mesma.

Foram pesquisados e analisados dados externos à empresa, como a envolvente política, económica, social, tecnológica, ambiental e legal dos EUA, tendo assim em conta a realidade económica e cultural do mercado norte-americano, e dados internos para compreender os pontos fortes e fracos da empresa, identificando oportunidades e reconhecendo ameaças.

Os resultados obtidos indicam que o projeto de internacionalização da Arquiconsult tem viabilidade, atendendo aos seus pontos fortes, como a sua área de especialização e preços competitivos, embora existam riscos que devem ser considerados, como o capital humano disponível. Concluiu-se também que a estratégia de internacionalização adequada é o Investimento Direto com a criação/aquisição de uma Subsidiária com um Parceiro Local, embora o perfil do parceiro local possa constituir uma ameaça ao sucesso do projeto.

No entanto, ficou também claro que para o sucesso do projeto de internacionalização é necessário determinar metas e objetivos de longo prazo, adotar ações estratégicas e alocar os recursos necessários, bem como delinear um plano que contemple análises financeiras, de investimento e de risco.

Concluindo, este estudo fornece evidência empírica da viabilidade da internacionalização da Arquiconsult para os EUA.

Classificação JEL: F23, M16

Palavras-chave: Estratégia de internacionalização, Modo de Entrada; Investimento Direto, Parceiro Local; Plano de Investimento; Análise Financeira.

Contents

ACKNOWLEDGEMENTS	I
ABSTRACT	III
RESUMO	V
TABLE OF CONTENTS AND FIGURES	IX
GLOSSARY	XI
CHAPTER 1 – INTRODUCTION	1
CHAPTER 2 – LITERATURE REVIEW	5
2.1. INTERNATIONALISATION CONCEPT: VIEWS FROM DIFFERENT AUTHORS	5
2.2. TABLE 1. – DEFINITIONS OF INTERNATIONALISATION BY SEVERAL AUTHORS	5
2.3. INTERNATIONALISATION MODELS AND THEORIES	7
2.3.1. <i>Theorem of Absolute Advantage</i>	7
2.3.2. <i>Theorem of Competitive Advantage</i>	8
2.3.3- <i>Product Cycle Theory</i>	8
2.3.4- <i>Uppsala Model</i>	9
2.3.5.- <i>Eclectic Paradigm or OLI Model</i>	9
2.3.6.- <i>Transaction Cost Theory</i>	9
2.3.7.- <i>Network Theory</i>	9
2.3.8.- <i>Institutional Theory</i>	10
2.4.- INTERNATIONALISATION STRATEGIES	10
2.4.1. <i>Ansoff's Product-Market Matrix</i>	11
2.4.2. <i>Global Integration and Responsiveness Framework</i>	11
2.5. ENTRY MODE.....	12
2.5.1.- <i>Export</i>	14
2.5.2.- <i>Contracting</i>	14
2.5.2.1.-Licencing and Technology Transfer	14
2.5.2.2.-Franchising.....	15
2.5.2.3.-Management Contracts or International Subcontracting	16
2.5.3.- <i>Direct Investment Abroad</i>	16
2.5.3.1.-Joint Ventures	16
2.5.3.2.-Consortium	17
2.5.3.3.-Subsidiaries	17
2.6.- INTERNATIONALISATION ADVANTAGES AND REASONS	18
CHAPTER 3 - METHODOLOGY	19
3.1. IN-COMPANY PROJECT METHODOLOGY.....	19
3.2. QUALITATIVE METHODOLOGY - SEMI-STRUCTURED INTERVIEW	20
3.3-PESTEL ANALYSIS.....	22
CHAPTER 4 –INFORMATION PRESENTATION AND ANALYSIS – STUDIED DATA	23
4.1.- PESTEL ANALYSIS OF THE NORTH AMERICAN	23
4.1.1. <i>Political</i>	23
4.1.1.1. Protectionist Measures in Public Procurement.....	24
4.1.1.2.US Strategic Priorities	24
4.1.2. <i>Economic</i>	24
4.1.2.1. Macroeconomic Context.....	24
4.1.2.2. Table 2-US Growth Indicators	26
4.1.2.3. Table 3. -Business Environment	26
4.1.2.4. Key Economic Sectors	27
4.1.2.5. Exports	28
4.1.2.6. Imports	28

4.1.2.7. Trade Balance.....	28
4.1.2.8. Trade Balance with Portugal	29
4.1.3. <i>Social</i>	29
4.1.3.1. Profile of the American Consumer.....	29
4.1.3.2. Social Inequalities	30
4.1.4. <i>Technological</i>	30
4.1.5. <i>Environmental</i>	30
4.1.6. <i>Legal</i>	31
4.1.6.1. Trade Relations with the EU.....	31
4.1.6.2. Customs Duties and Obstacles	31
4.1.6.3. Foreign Investment Regime	32
4.1.6.4. Bilateral Agreements with Portugal	32
4.2 ARQUICONCONSULT	32
4.3. ANALYSIS OF THE POLITICAL, ECONOMIC, SOCIAL, TECHNOLOGICAL, ENVIRONMENTAL AND LEGAL FACTORS OF THE USA MARKET WITHIN THE SCOPE OF ARQUICONCONSULT'S INTERNATIONALISATION PROJECT/BUSINESS.....	35
CHAPTER 5- IMPLEMENTATION.....	37
5.1. TABLE 4 -IMPLEMENTATION SCHEDULE FOR ARQUICONCONSULT'S INTERNATIONALISATION TO THE USA PROJECT.....	37
5.2. STAGES OF THE PROJECT TO IMPLEMENT ARQUICONCONSULT'S INTERNATIONALISATION TO THE USA.	38
5.2.1. <i>Project Feasibility Analysis</i>	38
5.2.2. <i>Selecting the Input Mode</i>	39
5.2.3. <i>Local Partner Selection</i>	39
5.2.4. <i>Strategic Plan</i>	40
5.2.4.1. Financial Forecast	40
5.2.4.2. Forecasted P&L Statements and Balance Sheets	41
5.2.4.3. Market size and market share estimation.....	42
5.2.4.4. Operational Risks Analysis	42
5.2.5. <i>Marketing Strategy</i>	43
5.2.5.1. Segmentation.....	44
5.2.5.2. Targeting	45
5.2.5.3. Value Proposition and Positioning Statement.....	45
5.2.5.4. Marketing Mix.....	46
CHAPTER 6-CONCLUSION	47
6.1. RESULTS OF THE STUDY CARRIED OUT	47
6.2. CONTRIBUTIONS	49
6.3. STUDY LIMITATIONS	50
6.4. RECOMMENDATIONS FOR FUTURE RESEARCH	50
BIBLIOGRAPHICAL REFERENCES.....	1
ANNEX A-FIGURE 1. US IMPORT AND EXPORT.....	1
ANNEX B -FIGURE 2. TRADE BALANCE PORTUGAL-US.....	2
ANNEX C-TABLE 5- INDICATORS OF THE US POLITICAL CLIMATE.....	3
ANNEX D-TABLE 6- BREAKDOWN OF ECONOMIC ACTIVITY BY SECTOR	3
ANNEX E-TABLE 7-MAIN DISTRIBUTION CHANNELS	3
ANNEX F-TABLE 8- ANALYSIS OF THE POLITICAL, ECONOMIC, SOCIAL, TECHNOLOGICAL, ENVIRONMENTAL AND LEGAL FACTORS OF THE NORTH AMERICAN MARKET WITHIN THE SCOPE OF ARQUICONCONSULT'S INTERNATIONALISATION PROJECT/BUSINESS FOR THE USA.....	4
ANNEX G - INTERVIEW SCRIPT	7
ANNEX H-INTERVIEW TRANSCRIPT	13
ANNEX I- CONTENT ANALYSIS OF THE INTERVIEW	23

Table of contents and figures

Table 1. Definitions of internationalisation by several authors.....	5
Table 2. US Growth Indicators.....	26
Table 3. Business Environment.....	26
Table 4. Implementation Schedule for Arquiconsult's Internationalisation to the USA Project.....	37
Table 5. Indicators of the US Political Climate (Annex C)	3
Table 6. Breakdown of Economic Activity by Sector (Annex D)	3
Table 7. Main Distribution Channels (Annex E)	3
Table 8. Analysis of the political, economic, social, technological, environmental and legal factors of the North American market within the scope of Arquiconsult's internationalisation project/business for the USA (Annex F)	4
Figure 1-US Import and Export (Annex A)	1
Figure2- Trade Balance Portugal-US (Annex B).....	2

Glossary

AICEP- Agency for Investment and Foreign Trade of Portugal
COVID- SARS-COV2
CRM -Management Software
CSR-Corporate Social Responsibility
DNA-AND
EIU-Economist Intelligence Unit
ERP Management Software
EU- European Union
EUR-Euro
EUA – Estados Unidos da América
FATCA- Foreign Account Tax Compliance
GDP- Gross Domestic Product
IMF-International Monetary Fund
INE- Instituto Nacional de Estatística
IT- Information Technology
JV- Joint Venture
KPIS- Key Performance Indicator
KSA- Saudi Arabia
MNF-the Most Favoured Nation
PESTEL - tool used to identify the macro (external) forces facing an organisation:
Political, Economic, Social, Technological, Environmental and Legal
P&L-Profit and Loss Statement
R&D- Research and Development
SA- Strategic Alliance
SME- Small Medium Enterprise
UFLPA-Uyghur Forced Labour Prevention Act
US- United States
USD-United States Dollar

UTAD- University Trás-os-Montes e Alto Douro

WTO-World Trade Organization

Chapter 1 – Introduction

The issue of the imbalance in the balance of trade and the consequent need to re-evaluate the national production strategy as well as that of Portuguese companies has driven the political and economic debate in various sectors of Portuguese society on internationalisation, thus encouraging companies to invest in internationalisation and look for cross-border markets and opportunities abroad.

A company's internationalisation process translates into gradual participation in international operations, on the assumption that this participation involves progress (Mathews (2002)). Thus, internationalisation is considered one of several growth strategies for companies (Welford and Prescott, 1994). However, it is necessary to consider the economic and cultural reality of the markets, so that companies can adapt their operations to international environments (Calof and Beamish (1995)).

According to Freire (1997), the process of internationalisation must take place through the total or partial replication of the company's market strategies and value chain in other countries, within the context of the organisation's competences and competitive advantages, already experienced in the domestic market.

The literature reveals the existence of various theories and models explaining the internationalisation process of companies, such as Johanson and Vahlne's Uppsala Model, Dunning's Eclectic Model or OLI theory and Network Theory. In the Uppsala model, companies consider two factors in their internationalisation: "psychic distance" and the size of the potential market, and internationalisation is seen as a gradual and incremental process, with companies gradually expanding their operations abroad (Johanson and Vahlne, 1977). The Eclectic Paradigm, or OLI model, suggests that companies internationalize when they have unique ownership advantages (such as technology or brand reputation) that give them a competitive advantage in foreign markets (Dunning, 1988). Network Theory emphasizes the importance of social relationships and networks in the internationalisation process. However, as Porter (1990) mentions in Competitive Advantage Theory, human resources, infrastructure, natural resources and other factors of production are factor conditions and critical to the creation of competitive advantage.

There is a consensus among different authors that defining an internationalisation strategy suited to the company's objectives is fundamental to the success of the internationalisation process. To this end, various authors have developed tools and frameworks

to help companies with their internationalisation strategy, such as Ansoff's Product-Market Matrix, a matrix for developing growth tools and strategies that allows companies to identify growth opportunities in both domestic and international markets, and the Global integration and responsiveness framework, which focuses on the two dimensions of management analysis in foreign companies: global integration (GI) and local responsiveness (LR), thus helping the company to understand the strategy to follow.

Onkelinx and Sleuwaegen (2010) specify in several studies on the subject that "SMEs must carefully consider the entry mode, timing, scope, and pace at which they deploy their international activities."

According Spinola (2022), each different entry mode has risks and gains that have to be analysed by the company. In literature, "control" is a key indicator of risks and gains that each entry mode presented. Hollensen (2011; 2010 apud Ulrich et. al., 2012), cited by Spinola (2022) classified an entry mode as high control, intermediate or low. To Spinola (2022), a high control mode increases profitability at the expense of risk and cost, while a low control mode diminishes costs and risk at the expense of profitability (Agarawal and Ramaswami, 1992; Ekeledo and Sivakumar, 2004; Chen and Messner, 2009 apud Ulrich et. al., 2012).

There are several modes of entry that a company can use in its internationalisation strategy: exporting; contracting (licencing and technology transfer; franchising, management contracts or international subcontracting), or direct investment abroad (joint-venture; subsidiary-full or partial ownership or consortium) which can be used individually or in combination. According Cerqueira (2018) the most appropriate entry method depends on the type of company, product/service, location and capabilities, and the company needs to analyse which entry method is most appropriate for its reality. When a company creates a subsidiary in a foreign country the organisation can benefit from localization economies, as well as gain international experience. However, there are negative factors such as the high costs and risks associated with this option (Hill, 2007).

New business opportunities and risk diversification through presence in a greater number of strategically chosen markets can be achieved by companies through an appropriate internationalisation strategy.

The aim of this In-company Project is to build an internationalisation project for a Portuguese company in the USA, Arquiconsult S. A. To carry out this project, a literature review will be carried out on the strategy and process of internationalisation of companies, as well as an analysis of the market to which the company intends to internationalise, which will

be cross-referenced with knowledge of the company's DNA and its strategic performance in the national and international markets in the geographies where it already operates.

Arquiconsult SA, a small medium-sized Portuguese company, is an information systems consultancy based on Microsoft Business Solutions technologies, made up mainly of a team of consultants with the most experience in these products in Portugal.

This In-Company Project was initially conceived as part of a professional internship that the author of this project was carrying out at the aforementioned company, the aim of which was to promote the development and implementation of a strategic internationalisation plan within the organisation. Based on this methodology, it was intended to ensure that the project was aimed at the company's goals and objectives and that the analyses and observations considered the organisation's reality. However, due to the emergence of a new job opportunity that was an investment in the professional career of the author of this work, In-Company Project is currently being carried out outside the organisation, but always in collaboration with it.

At the same time, this In-Company Project uses PESTEL analysis to analyse the North American market to which Arquiconsult intends to internationalise, as well as qualitative methodology using semi-structured interviews to find out about the company's vision and strategic actions, guaranteeing the reliability of the research process. Primary and secondary data will be used in the qualitative study.

Based on an analytical procedure, the aim is to derive an internationalisation plan, in the hope that the result of this project will be useful and applicable to the company.

In order to perform this project, the following research question was formulated: what is the best internationalisation strategy for Arquiconsult in the US market? To answer this question, an internationalisation project was drawn up for Arquiconsult with the different phases and respective tasks necessary for the successful implementation of the project. In the first phase, the feasibility of the project must be assessed, since this depends, among other factors, on the availability of financial, human, and logistical resources for the company to implement its project. This feasibility must be proven through external and internal analyses, such as the Pestel analysis of the American market and the SWOT analysis of Arquiconsult's internationalisation potential for a new geography. Next, the mode of entry must be selected, considering the specific nature of the internationalisation process in question, as well as the analyses performed. The selection of the Local Partner is also a decisive stage for the success of the project, as the local partner will be responsible for the local management of the business. After these three initial phases, we enter a more critical phase of defining the Strategic Plan

with the necessary analysis of the financial forecasts and the investment and financial plans, as well as the operational risks. Finally, a Marketing Strategy must be drawn up, which is a key stage in leveraging the promotion and growth of the business in a new geography.

The structure of the In-Company Project includes, in addition to the introduction chapter, five additional chapters: Literature Review applied to the sector's object of research; Methodology; Information presentation and analysis - studied data; Implementation and Conclusion. In the Literature Review chapter, the relevant literature on the subject is presented, followed by the Research Methodology chapter, which describes the methodology and research methods used to carry out the research. In the chapter Information presentation and analysis - studied data, the results obtained are analysed and discussed. The Implementation chapter describes the stages and phases of implementing the In-Company Project. Finally, the Conclusion chapter sets out the main conclusions, as well as the contributions and limitations of the research carried out.

Chapter 2 – Literature Review

2.1. Internationalisation Concept: Views from Different Authors

In both macroeconomic and microeconomic terms, some authors characterize the concept of internationalisation as being the focus of various theories and some theoretical developments. Simões (1997) in Cerqueira (2018) defends the existence of different definitions of internationalisation, given the micro-macro opposition, which compares the perspective of the company with that of the national economy, and the inward-outward polarization, which confronts "outside-in" operations, such as imports, acquisitions of foreign technology and foreign investment with "inside-out" operations (exports, licencing abroad, investment abroad). Among the many definitions of internationalisation, it is important to highlight the positions of the various authors over time.

2.2. Table 1. – Definitions of Internationalisation by Several Authors

Author	Definitions of Internationalisation
Buckley and Casson (1976) Rugman (1979)	<i>the encounter between the inoperability of some markets with the effectiveness and efficiency of others.</i>
Johanson and Mattson (1986)	<i>“a cumulative process in which the relations are built, developed, and maintained continually in order to achieve the objectives of the company” (Laghzaoui (2007))</i>
Welch and Luostarinen (1988)	<i>“internationalisation is “the process of expanding involvement in worldwide activities.” (Dunning, J., Sarianna, L. (2008)).</i>
Johanson and Vahlne (1990)	<i>the process of developing business networks in other countries through extension, penetration and integration (Campos (2014)).</i>
Welford and Prescott (1994)	<i>internationalisation is one of several growth strategies for a company</i>

Calof and Beamish (1995)	<i>the process of adapting firms operations (strategy, structure, resources, etc.) to international contexts.</i>
Meyer (1996)	<i>is an addition of value in their activities outside the local country.</i>
Freire (1997)	<i>" consists, first of all, in the extension of its product-market integration strategies to other countries, which results in a total or partial replication of its operational chain."</i>
Abrantes (1999)	<i>"an action in several countries that leads to movements of production factors such as the transfer of capital, the development of projects in collaboration with foreign partners, or even the marketing of its goods in other countries."</i>
Chetty and Campbell-Hunt (2001)	<i>it is not only a process that shows progression, since there may be changes, withdrawals and setbacks, and it is not mandatory to be present in a new market.</i>
Viana and Hortinha (2005)	<i>a process that is rational to the exploitation or solution and an approach to foreign markets.</i>
Teixeira and Diz (2005)	<i>that it is the search for resources and the search for more favorable conditions.</i>
Lu & Beamish (2001),	<i>"is a multidimensional construct. Two of the most prominent avenues of internationalisation are export and foreign direct investment."</i>
Zain & Ngv (2006)	<i>"the internationalisation process of SMEs from the perspective of social exchange in social networks seems to be a more useful concept".</i>
Johanson and Vahlne (1990)	<i>"involves the integration of a firm's domestic operations with its international operations to create a seamless global business".</i>
Hitt et al., (2007)	<i>"is the process of expanding a firm's operations beyond its domestic borders to establish a global presence".</i>
Morgan et al., 2019	<i>is often seen as a strategic response to global market opportunities, technology and regulatory changes</i>

Source: Prepared by the author within the scope of this In-Company Project

All the authors mentioned above have contributed to the definition of the concept of internationalisation, each one analysing this concept from a different perspective, which has contributed to the construction of a more comprehensive definition of internationalisation.

However, according to Bota (2013), despite the different perspectives of the concept of internationalisation, all the definitions share a common position, which is related to the desire of companies to promote their growth, achieve greater gains and respond effectively to competition, thus ensuring their survival. For Cerqueira (2018), however, another important perspective added to the concept of internationalisation is that of Chetty and Campbell-Hunt (2001) because, unlike many researchers who only consider internationalisation as a process of continuous growth, these authors consider that internationalisation is a phenomenon with setbacks, since companies may choose to stop marketing a product or reduce investment.

Bota (2013) also points out another important aspect, the fact that the concept is constantly being redefined, given the prevailing mentality and culture established at any given time.

Finally, it is important, as Cerqueira (2018) states, not to confuse the concept of internationalisation with that of globalisation, as these are two distinct phenomena. Although internationalisation can be considered as the process in which an organisation's products and services become internationally standardised, this process does not necessarily imply that there is a homogeneous culture at a global level, which is characteristic of the globalisation phenomenon. However, according to Cerqueira (2018), and given that the disparities between markets are tending to blur, globalization can be considered as an incentive to internationalisation, thus companies develop global strategies that allow them to benefit from economies of scale (Chesnais, 1995).

2.3. Internationalisation Models and Theories

There are numerous theories that can explain internationalisation. The following are some of the theories of internationalisation.

2.3.1. Theorem of Absolute Advantage

Adam Smith proposed the Theorem of Absolute Advantage, according to which each country specializes in the product that it produces with the lowest absolute cost. This theorem allows countries' production to be greater than the sum of production in closed economies. David

Ricardo showed that a country could benefit from international trade by producing goods with fewer hours of labour, rather than having an absolute advantage in production. In other words, mutual trade benefited two countries because each had a comparative advantage in the production of a good.

2.3.2. Theorem of Competitive Advantage

In relation to Comparative Advantage, Porter (1990) developed the Competitive Advantage Theory, in which he proposed that countries develop capabilities and competencies that distinguish them and enable them to gain a competitive advantage over other countries. According to Porter, an economy will benefit immensely if firms succeed in the marketplace, which can be achieved through innovation. Porter considered that competitive advantage would be provided by factor conditions, demand conditions, related and supporting sectors and business strategy, structure and rivalry. In fact, human resources, infrastructure, natural resources and other factors of production that are critical to the creation of competitive advantage are referred to as factor conditions. As stated by Porter, the above conditions are important for competitiveness because a sophisticated domestic market is more likely to sell higher quality products. However, it is necessary to understand consumer needs and have effective communication. The related and supporting sectors concern the presence in the economy of internationally competitive suppliers, distributors and other related industries. Finally, in terms of business strategy, structure and rivalry, Porter refers to the economic conditions in which businesses are formed and therefore managed. At the same time, according to Lemaire (1997), "some practical and empirical answers have increasingly been found at the firm level, through theory and research on multinationalisation, associating, in recent days, different microeconomic reasoning that supports internationalisation decisions at the level of the firms themselves".

2.3.3-Product Cycle Theory

Vernon (1966) developed the Product Cycle Theory, which holds that trade and production location strategy in a foreign market are explained by the product life cycle. Brito, Oliva, and Grisi (2007) classify the product cycle as having three phases: introduction, growth and maturity.

2.3.4.-Uppsala Model

The Uppsala Model (Johanson & Wiedersheim-Paul, 1975), known as the internationalisation process model, aims to be a theory that can validate the various phases of international expansion. According to this theory, companies begin by gaining confidence in their domestic market before effectively attempting to enter a foreign market. When determining to enter a foreign country, individuals choose countries with similar characteristics and then move on to countries with different characteristics. "(...) the internationalisation process is seen as a learning process in which the firm invests resources in a given market gradually from the progressive acquisition of knowledge", (Joo et al (2010)).

2.3.5.- Eclectic Paradigm or OLI Model

The Eclectic Paradigm, or OLI Model, combines ownership, location and internalisation advantages to explain the internationalisation process (Dunning, 1988). This model suggests that firms internationalise when they have unique ownership advantages that give them a competitive advantage in foreign markets, when foreign markets offer location-specific advantages and when internalising activities in foreign markets is more efficient than outsourcing them to local partners.

2.3.6.-Transaction Cost Theory

Transaction Cost Theory suggests that firms engage in internationalisation to reduce transaction costs associated with market imperfections. This theory argues that the choice of entry mode depends on the cost and complexity of transactions between the firm and its foreign partners.

2.3.7.-Network Theory

Network Theory suggests that firms can take advantage of relationships with other firms, suppliers and customers to access foreign markets, obtain resources and learn about new technologies.

2.3.8.- Institutional Theory

Institutional Theory suggests that firms internationalise in response to institutional pressures such as regulatory frameworks, norms and cultural expectations. This theory argues that firms must adapt their strategies and operations to the institutional environments of foreign markets to be successful.

2.4.- Internationalisation Strategies

Numerous reasons have been pointed out for firms to internationalise their operations. Simões and Crespo (apud Crespo and Tomás, 2017) distinguished between reactive and proactive internationalisation motivations. Some examples of reactive motivations are overproduction, decline or saturation of domestic markets, and relocation of essential customers. Some examples of proactive motivations include profit advantage, macroeconomic benefits, and access to raw materials. Whatever the reason or motivation for internationalisation, the company must define its internationalisation strategy.

As mentioned by Spinola (2022), the concept of strategy is hundreds of years old, though there has been no agreement about its definition. In fact, organisational strategy has been one of the most complex topics of research (Beard and Dess, 1981; Mintzberg, 2000).

According to Spinola (2022), Chandler (1962) stated that it as “the determination of the basic long-term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out the goals”. Likewise, Andrews (1971) defined that it was a “pattern of objectives, purposes, or goals and major policies and plans for achieving these goals”. These definitions looked at a strategy as the outlining of what an organisation aspired to achieve and how intended to do to get there. Overall, strategy is viewed as an action plan of how a firm will deliver the required results. According to Freire (1997), strategy can be defined as the formation of a plan that incorporates objectives, policies, and actions in order to achieve success. Ohmae (1982), cited by Freire (1997), defines strategy as "the most efficient way to achieve a sustainable advantage over competition. "As stated by Sleuwaegen (2008), "to be successful in international markets, firms must develop a strategy that fits their ambitions, proficiencies, and limitations." As per Acs and Terjesen (2007), "deciding to internationalise is a strategic decision about how to maximise value in a globalising world." For George, Wiklund, and Zahra (2005), SMEs should take into account the measurements and applicability of internationalisation. "The selection of priority markets for

internationalisation must obey strategic criteria, with a view to maximising the joint competitiveness of activities in the country of origin and abroad," writes Freire (1997). According to Onkelinx and Sleuwaegen (2010), "especially for SMEs, a global approach is often not an option," adding that "SMEs are more likely to gradually move from a successful domestic launch towards entering more advanced countries and, later, less developed economies." The choice that companies will make for their entry into markets is calculated by the strategy outlined and the will of the entrepreneurs, as well as any barriers, regulations, and structures that may exist in each country, which will end up conditioning the decisions that would be taken.

2.4.1. Ansoff's Product-Market Matrix

Ansoff (1965 apud Daszkiewicz and Wach, 2012) invented a matrix to develop tools and strategies for growth that allowed firms to identify growth opportunities in both domestic and international markets, often called Ansoff's Matrix. This matrix helps business to develop opportunities to expand either through existing products and markets or moving into new areas and enhancing/creating new products.

As mentioned by Spinola (2022), Ansoff in the matrix distinguished the following four strategies: market penetration (a strategy consisting of offering existing products in current markets), market development (a strategy consisting of developing and/or finding a new market for an existing product or products), product development (a strategy consisting of developing or modifying products and offering them in existing markets), and diversification (a strategy consisting of developing new products in new markets). The same researchers have studied the relationship between strategy and the structure of a firm (Hamel and Prahalad, 1994; Pugh, 1997). The process of evaluating and selecting the structure of an organisation is defined by various activities conducted to achieve the objectives of the company.

2.4.2. Global Integration and Responsiveness Framework

According to Spinola (2022), Prahalad (1975 apud Venaik, 1999) proposed, in the context of global strategy, the use of the integration-responsiveness (IR) framework which was applied by several other authors.

For Spinola (2022), there are two dimensions to analyse managerial demands in foreign companies: global integration (GI) and local responsiveness (LR). The assessment of these two

pressures would allow the company to understand whether it should apply the marketing mix program supplied internally abroad or adapt it to foreign markets. The choice between standardization and adaptation has been a long-debated issue. On the one hand, standardization offers a reduction in the complexity of managing overseas operations and expenses due to economies of scale and cost savings in the marketing mix (Yip and Bink, 2007). On the other hand, adaptation offers more customer orientation (Douglas and Wind, 1987), resulting in profit maximization, as revenues from marketing mix modifications tend to be greater than adaptation costs (Terpstra and Sarathy, 1999). According to Venaik (1999), international firms operate in an environment with low GI and LR pressures. These companies export goods from their domestic production site to different countries with minor modifications. Multidomestic companies operate in an environment with low GI and high LR pressures. Each of its subsidiaries is treated as an independent entity with local operational and strategic activities and little coordination with headquarters. Global companies operate in an environment with high GI and low LR pressures, so they require a high level of global coordination to reduce costs from economies of scale. Finally, TNCs operating in an environment with high GI and LR pressures seek to achieve both global efficiency and local responsiveness.

2.5. Entry Mode

There are several internationalisation strategies that firms can adopt to enter foreign markets. Exporting is the most basic strategy, followed by licencing, franchising, joint ventures, and wholly owned subsidiaries (Hitt et al., 2018). Acquisitions and mergers are also popular strategies for internationalisation (Meyer et al., 2018).

According to Spinola (2022), cited Ulrich et. al. (2012, p. 13) an entry mode is “an institutional arrangement for organising and conducting international business transactions by which all future decisions are influenced”.

Hollensen (2011; 2010 apud Ulrich et. al., 2012), cited by Spinola (2022) classified an entry mode as high control, intermediate or low. High control entry modes permit full control of foreign activities in form of wholly owned subsidiaries. Vernon (1966) defended that through direct operation firms could become competitive abroad, for instance by creating differentiated products. Intermediate entry modes are achieved through partnerships with other organisations in which the parties involved agree to share resources, technology, and income for a contractual period. This type of entry mode can be made in form of strategic alliances (SA) or joint ventures (JV). The main difference between SA and JV is that the former does not involve the

incorporation of a new enterprise. Low control modes consist of exports, which represent the lowest degree of control. Through exporting, firms either export their goods through the intermediaries (indirect export) or sell directly through an agent, distributor, or importer located in a foreign market area (direct export). In short, the choice between high, intermediate, and low control entry modes depends on the firm's assessment of the advantages and disadvantages that each of these have.

In addition, the company's strategy may involve using different entry modes alone or together, as Cerqueira (2018) mentions.

Lorga (2003), referred to by Cerqueira (2018), defines three entry modes: export, contracting, such as licencing and technology transfer; franchising, management contracts or international subcontracting, or direct investment abroad, through joint-venture; full or partial ownership or consortium. Martín and Lopez (2007) divide the export entry mode, considering the way it is done: direct or indirect (Cerqueira, 2018).

Cerqueira (2018) argues that the selected entry mode should take into account the degree of involvement in foreign markets, measurable by the amount of resources and investment spent, and the degree of domination over international operations. The organisation's freedom of action may vary, and it is even possible to delegate functions to third parties (Leersnyder, 1986).

As mentioned by Leersnyder (1986), referred by Cerqueira (2018), the degree of international involvement can be done with or without investment. When there is investment, the organisation can invest and delegate, in the case of a joint venture or consortium, or invest and control through the creation of a subsidiary or branch. When there is no investment, the company can delegate through licencing and technology transfer, franchising, contracting, production or indirect export, or it can control the market, through direct export; distributor; agent, commercial franchising or service or management contract.

According to Cerqueira(2018), Abrantes (1999) divided the modes of entry into the foreign market into three groups, transactions related to commercialization (goods, services, brands and patents); Direct investment relating to the creation of joint ventures or subsidiaries; and specific projects such as Build-Operate-Transfer (occur when an entity, usually public, is assigned for a certain period to a company that can finance, create and apply a business idea for that entity).

Cerqueira (2018), quoting Root (1982), states that the internationalisation strategy can lead the company to produce abroad, which implies greater long-term involvement in the target

market, the systematic selection of target markets and forms of entry, adaptation of products, greater allocation of resources and greater control over distribution channels. In this way, the modes of entry can be divided based on the place of production, which may be in the country of destination or in the country of origin and consequently exported (Sarathy & Terpstra, 1991).

2.5.1.-Export

According to Cerqueira (2018), export is the most used and simplest input mode (Salomon and Shaver, 2005). Simões (1997) considers that a company is exporting when it sells products outside the country where they are produced. This entry mode is suitable for companies that want to benefit from localization economies, gain experience or avoid costs related to production units in the destination country (Hill, 2011). Exporting can be advantageous due to; less financial involvement, less risk and greater operational ease. According to some authors, starting the process of internationalisation through exports is a good strategy because it allows the company to learn what is necessary for other forms of internationalisation with greater risk (AICEP, 2013, p.77). However, there are some disadvantages such as higher production costs in the country of origin than in the destination country, high transport costs and trade barriers to entry from foreign markets, such as customs tariffs, which make the product less competitive (Hill, 2001). In this way, export is a way of entry for small companies which do not have the capacity to support production abroad and when production abroad is not recommended for political and economic reasons or high levels of uncertainty (Martín and Lopez, 2007).

2.5.2.-Contracting

Cerqueira (2018) considers that hiring is a very comprehensive way of internationalizing, involving companies that are predisposed to internationalize and economic agents in the destination countries. These contracts can be divided into licencing and technology transfer, franchising, management contracts and international subcontracting (Lorga, 2003).

2.5.2.1.-Licencing and Technology Transfer

Licencing and technology transfer are contracts entered into between a licensor, who assigns rights over an intangible asset, and a licensee, to whom the rights are assigned. The time period is decided by the parties. During the term of the contract, the licensee pays royalties to the licensor (Hill, 2011). In this form of internationalisation, the licensee has access to formulas,

patents, products, brands or parts of the licencing company (Martins, 2011). It proves to be advantageous for both parties, as the licensor penetrates new markets easily and the licensee acquires all the know-how of the product or service that he will sell (Ilhéu, 2009). While in licencing there is only a transfer of patented rights, in technology transfer there is also an exchange of non-patented technological know-how (Lorga, 2003). In addition to the time period, licences are granted to certain territories and may be exclusive. Furthermore, it often contains export restrictions, limitations on manufacturing competing products. (Simões, 1997). This contractual mode has advantages: reduced costs development; low risks with regard to the process developed abroad, (Hill, 2011); weak requirement regarding human resources; and a possibility to obtain (some) information about the foreign market (Martín and López, 2007). These contracts increase long-term revenues, without the company having to invest (Daniels et al., 2006). However, they have some disadvantages: lack of control over the production process, marketing and strategy, impossibility of acquiring international experience and take advantage of location economies (Martín and López, 2007), so the company is unable to concentrate and coordinate its operations with a global strategy (Hill, 2011).

2.5.2.2.-Franchising

Franchising is a specific type of licencing, through which the franchisee obtains from the franchisor the right to exploit a product, service, brand or technology within a given area (Lorga, 2003). It is a long-term contract, where the franchisee is forced to follow strict rules regarding business management (Hill, 2011). Franchising is a better defined business concept than licencing (Simões, 1997). In addition to the franchisor granting the right to the franchisee to market its product or service, the former also provides support services in business management and training (Lafontaine, 1992). It has the following advantages: reduction of development costs and risk related to opening a business in a foreign market, possibility of building notoriety in a new market more quickly (Hill, 2011); gains arising from a standardized marketing method and a distinctive image, possibility of high remuneration for the franchisee's motivation; acquisition of know-how, when the franchisee has good knowledge of the local market, (Simões, 1997). However, there are some disadvantages: difficulty in controlling quality and compliance with all contract parameters (Masum et al. 2008), impossibility of creating a single, global strategy that incorporates all businesses present in different countries (Hill, 2011); need for continued support and possible difficulties in adapting to new cultural

contexts (Simões, 1997); transaction expenses and costs of the need to certify that contracts are properly fulfilled (Martín and López, 2007).

2.5.2.3.-Management Contracts or International Subcontracting

In management contracts, the organisation is responsible for creating a business unit in a foreign market, and its management will be taken care of by another company based locally (Lorga, 2003). In this case, it is assumed that a contract is signed in which the client has access to a project ready to be executed, during a certain period (Field and Keller, 1998). This type of contract is suitable when foreign direct investment is restricted, namely in countries with unstable political and economic contexts. As a counterpart, the possibility of creating competitors can be identified, since in this context there may be the transfer of knowledge and technologies that could be competitive advantages for the company, and therefore, it will represent a risk (Hill, 2011).

International Subcontracting is a form of contractual mode that arises when a company intends to sell products that another company already established in a foreign market also produces (Teixeira & Diz, 2005). The company in the destination country places orders for products from the company in the country of origin, with pre-established conditions (Lorga, 2003).

2.5.3.-Direct Investment Abroad

In foreign direct investment, we can identify two main forms of internationalisation: joint ventures and subsidiaries. The company that wants to internationalize has to assess whether it intends to carry out part or all of the activities in the chain of operations, as well as choose whether it prefers to monopolize or share the responsibilities for them (Freire, 1997). The organisation must carry out a comparative study of the different strategies, their advantages and disadvantages, taking into account all the factors that best define the situation of the market and the company (Martín and López, 2007).

2.5.3.1.-Joint Ventures

Joint Ventures are agreements between different companies that aim to share risks and create or take advantage of competitive advantages by creating a new company in a given country (Hill, 2011). It is a joint participation of several companies in the capital of an economic unit,

with the aim of creating a commercial or productive activity, allowing the sharing of results achieved, business risk, costs and respective assets (Lorga, 2003).

According to Freire (1997), there are two types of joint ventures: distribution and marketing, with the company located abroad having only commercial functions, and the integrated joint venture, in which all operational functions can be performed by the new company. This entry mode has the advantages of sharing the risks and development costs, as well as acquiring knowledge of the target market through direct contact with the local company. The joint venture, in some cases, is the only option for internationalisation, as some countries require foreign companies to form partnerships with local ones in order to enter their market (Hill, 2011). Like licencing and franchising, the joint venture also has the risk of losing a competitive advantage, by sharing knowledge, processes, technology, which can later be used independently by the other company, becoming its competitor. The risk of a joint venture is also the fact that it does not allow the construction of a global strategy nor the total control of processes in all the markets where the company operates. There is also the risk of companies interests not being aligned, which can lead to conflict situations (Hill, 2011). “The main problem of a joint venture is identifying a suitable partner. It is necessary to be reliable, motivated and with skills complementary to those of the company that seeks to establish itself in the new market. Therefore, the search must be thorough and detailed and, once the appropriate partner has been identified, a contract must be drawn up that specifies the contribution, control and future sharing of results generated by the joint venture.” (AICEP, 2013, p.129).

2.5.3.2.-Consortium

A consortium is an agreement between companies characterized by the combination of efforts and competences between these companies, to achieve a common objective, maintaining their legal and strategic autonomy (Teixeira and Diz, 2005).

2.5.3.3.-Subsidiaries

A subsidiary is a company created by an organisation in a foreign country. This company will be developed only with capital from the parent company, which will have to choose whether the subsidiary will carry out all the functions of the operational chain, or just commercial

operations (Freire, 1997). The commercial branches promote and sell the company's products in the destination country and have associated a greater number of responsibilities such as packaging and distribution of the final product, while the industrial branches have the task of producing (Simões, 1997). Leersnyder (1986) characterized four types of subsidiaries: branch; commercial branch; industrial branch and integrated branch. Branches do not have their own legal personality, being an extension of the company they represent. Subsidiaries are companies with their own legal personality, independent of the companies that constitute their society. It is a commercial subsidiary when its activity in a foreign country is based on developing distribution channels and establishing points of sale. The industrial branches have a productive function in a foreign market and the integrated ones have both functions: commercial and industrial, the latter being the one that involves the highest degree of commitment and control. Contrary to franchising and joint ventures, this form of entry has the advantages of protecting the technologies associated with the company and the business, as well as the development of a global strategy that coordinates all the company's representations in different countries.

2.6.- Internationalisation Advantages and Reasons

A well-structured Internationalisation strategy can certainly lead to competitive advantage regarding a SME scenario. In fact, there are several advantages on performing an Internationalisation. These advantages are the access to new and different markets; a better corporate risk management; the potential launch of new products and features; development of new skills and “know-how”; capital gains from the entry upon foreign markets; creation of bonds with other companies which could lead to agreements and collaboration in R&D projects. Effectively, several authors state that internationalisation allows for greater sales. This can result in increased utilisation of production capacity and thus benefit from economies of scale. By increasing profit margins, SMEs can invest in innovation, which will translate into improvements in production procedures as well as the design of new and better products, allowing them to explore new business opportunities and diversify the risk by means of being present in a greater number of strategically chosen markets.

Chapter 3 - Methodology

3.1. In-company Project Methodology

It is a methodology used in companies to development and implementation of projects within an organisation. This methodology is intended to ensure that the project has the company's goals and objectives in mind and is completed within the defined schedule and budget.

The In-Company Project methodology has several advantages for companies, as it ensures that projects are completed within the defined schedule and budget and meet the company's goals and objectives (Kerzner, 2018). It also allows for a structured approach to project management, helping to identify and mitigate risks, monitor progress, and communicate effectively with stakeholders (Pinto & Slevin, 2018). The methodology also promotes collaboration and teamwork, allowing for better results, effective use of resources and greater customer satisfaction.

According to Pinto & Slevin (2018), the In-Company Project methodology involves several phases that include project initiation, planning, execution, monitoring and control and closure of the project, as well as the team that will be responsible for the project. The planning phase involves developing a detailed project plan that outlines the project schedule, budget, resources, and risks (Kerzner, 2018). The execution phase involves the actual implementation of the project plan. The Monitoring and Controlling phase involve tracking the progress of the project, identifying issues or risks, and making necessary adjustments to ensure the project is completed successfully. The final phase is the closure of the project, with the documentation of the conclusions and the release of the resources allocated to it.

According to Kerzner (2018), the methodology In-Company Project requires the use of several tools for project management and control. Project management software is often used to manage the project schedule, budget and resources and keep project team members informed and up to date on the progress of the project. Communication tools such as e-mail and videoconferencing are also used. Finally, risk management tools are also used, such as risk assessment matrices, that allow identifying and mitigating risks throughout the project life cycle (Pinto & Slevin, 2018).

The methodology of this work is based on an In-Company Project, consisting of the development of a strategic plan for the internationalisation of Arquiconsult to the United States, outlined during the author's internship at Arquiconsult. Thus allowing him to gain a better knowledge and vision of the company in question. Based on an analytical procedure, the aim

is to derive an internationalisation plan, in the hope that the result of this project will be useful and applicable to the company. In this way, all the analyses and observations take into account the reality of the company, its applicability, working methods and real objectives. The qualitative study uses primary and secondary data.

The research consists of three phases: diagnosis, implementation and solution. After the first phase of collecting the necessary and sufficient information, a second phase of the project follows, with the application of theoretical approaches to the reality of the company and the market, starting with the development of Arquiconsult's strategic internationalisation plan for the USA, and then hoping to see its implementation.

The In-Company Project initially describes the problem, defined in collaboration with the company, the objectives and goals, as well as the methods implemented. In the report, the description, definition of the problem and explanation of the underlying theories and methods implemented, based on all the literature, are analysed.

Meetings with the CEO and members of the board of directors, the information they provide and research into facts and events already created by the company allow us to get to know the company. At the same time, it is essential to have a real understanding of the needs and requirements of the American market. This strategic internationalisation planning must be supported not only by an in-depth knowledge of the company and the market in question, but also by an exhaustive literature review, in order to understand the main theoretical approaches, current concepts, models and strategies that can be used in the development and structuring of this study, so that the resulting strategic internationalisation plan is as viable as possible. After considering all the necessary information and ensuring that it is sufficient and real, the theoretical approaches are applied to the reality of the company and the market, starting the development of a strategic internationalisation plan for Arquiconsult in the United States.

3.2. Qualitative Methodology - Semi-structured Interview

To Resende (2016), qualitative research is, according to Sparkes and Smith (2014), a form of social enquiry that focuses on how people interpret reality. In this way, this method is linked to the theory of interpretivism, since it gives importance to the whole, focusing on the subjective experience of individuals, as well as to social constructivism, since it seeks to understand the world of individuals and their experiences and the meanings they attribute to these experiences.

According to Resende (2016), and Gratton & Jones (2004), the predominant research questions in this methodology are 'why' and 'how'. However, although this methodology is

qualitative, given that it works with linguistic content, it has a quantitative perspective for analysing data.

As part of the In-Company Project on the internationalisation of Arquiconsut to the USA, a qualitative investigation was carried out through a semi-structured interview with the member of the company's Board of Directors responsible for Arquiconsult's internationalisation process. The qualitative research carried out as part of this project begins with the formulation of the research question and objectives, i.e. how the question will be answered. This is followed by carrying out the interview in three stages: preparation, execution and the end of the interview. The preparation of the interview is based on drawing up a prior script, orientating the interviewer towards the research objectives. The type of interview used in the research is the semi-structured interview which, despite having a prior script that structures the content to be covered, allows for the flexibility needed to explore the interviewee's world through a conversational relationship. The interview is followed by the transcription phase and content analysis through the process of categorisation. The categorisation stage consists of transforming the raw data in the text in order to achieve a representation of its content, through coding (distribution of the units of meaning across the various categories) and conceptual maps (Resende, 2016).

According to Resende (2016), the phase of interpreting the content of the interview is fundamental, as it is at this stage that the researcher extracts the content emerging from the interview and transforms it into scientific knowledge.

Validating the categorisation is therefore essential to ensure that its configuration and the way it has been interpreted correlate with the research question.

Once the data has been collected and processed, the report is drawn up to present and discuss the results and conclusions. Although qualitative research is not characterised by deduction (formulating a priori hypotheses to be tested by data collection), the report still has a quantitative approach. While recognising the subjectivity inherent in qualitative research, the aim is to ensure that it is valid, and this procedure can be defined as ensuring that the aims and objectives are matched without distorting the facts, as stated by Ghiglione & Matalon (2001), cited by Resende (2016).

3.3-Pestel Analysis

PESTEL is the acronym for a tool used to take a macro view of the market by analysing changes outside the company, namely Political, Economic, Social, Technological, Environmental and Legal factors in the business context. The use of the PESTEL matrix is fundamental to having a broad view of the business area and the company's external environment, helping the organisation to detect opportunities and threats that are relevant to the business.

Regarding Political Factors, the analysis focuses on political trends and current legislation that influence the sector in which the company operates. The stability of the government and government policies, the laws and regulations of the sector and the international trade agreements in force are some of the points that should be considered.

With regard to Economic Factors, the analysis focuses on macroeconomic and microeconomic factors. Macroeconomic factors include general supply and demand conditions, and microeconomic factors include consumer characteristics. Thus, when analysing economic factors, should be taken into account incentives and funding available; similar products/services/businesses; taxes and compulsory levies; current unemployment rate and respective employment policies; level of economic confidence in the country.

Considering Social Factors, it is important to analyse social trends. In fact, for a good marketing strategy, it is essential to identify consumer characteristics that may interfere with the business area, namely lifestyle in the company's area and geographical distribution; social roles and education levels; birth rate and average life expectancy; consumer habits.

Technological Factors should be analysed since companies are affected by the digital transformation. Therefore, an assessment should be made of the impact of existing technological innovations on a given product or service and the technically qualified professionals for the business area.

Ecological Factors are increasingly relevant for today's companies, as customers expect environmental responsibility. Therefore, the various environmental aspects and how they can impact the company's operation must be carefully analysed, such as environmental and ecological regulations; reduction of the carbon footprint and waste management; sustainability policies; use of renewable energy.

Knowing the legislation and aspects related to it is fundamental to avoiding legal problems. Legal Factors should be analysed, such as pending legislation or changes in taxation; labour legislation; consumer law; deadlines for adjusting to legislative changes.

Chapter 4 –Information Presentation and Analysis – Studied Data

This In-Company Project has as its problem or research question the definition of an internationalisation strategy for Arquiconsult in the USA, taking into account the characteristics of the company and the US market. In order to achieve the objectives set, a PESTEL analysis of the American market was carried out and a qualitative semi-structured interview methodology was used, from which a content analysis was carried out to gain a better understanding of Arquiconsult's position in relation to the project to continue its internationalisation, this time to the USA.

4.1.- PESTEL Analysis of the North American

The following is a PESTEL Analysis of the North American market in order to understand the framework and macroeconomic factors that could affect Arquiconsult in its process of entering the North American market.

4.1.1. Political

Elected in 2021 with the support of the Democratic Party, a progressive party, favouring government intervention in the economy, Joe Biden is the current US President. The next face-to-face election will be in late 2024. USA have a good position in indicators such press freedom and political freedom (table 5-Indicators of the US Political Climate-Annex C).

The US political context was marked in 2022 and 2023 by Russia's invasion of Ukrain. US provided humanitarian and military aid to Ukraine. The United States together with Western partners and NATO imposed sanctions against Russia. At the end of 2022, the US gave a new aid package of 1.58 billion dollars to Ukraine.

Foreign relations were marked by tensions with China mainly on issues related to trade and intellectual property protection. Intensifying human rights violations in Iran further reduced the likelihood of a nuclear deal. Domestically, in June this year, the US experienced political tension with possible economic repercussions. The crisis stemmed from a lack of understanding between Republicans and Democrats on raising the debt ceiling, as Democrats wanted to raise the public debt ceiling to meet budget needs and Republicans wanted to cut spending.

4.1.1.1. Protectionist Measures in Public Procurement

The US favours the acquisition of American goods/services over the acquisition of foreign goods/services: Buy American Act & Buy America Act. Over the years there has been a strengthening of protectionist policy, highlighting, in the Biden Administration, recent changes, such as, in the context of federal public procurement (Buy American Act), the increase in the percentage of incorporation for the product to be considered American from 55% to 60% since 2022 and with subsequent increases to 65% and 75% from 2024 and 2029, respectively (Buy American Act - Final Rule: What Has Changed?, March 2022, Blank Rome LLP). Under the Buy America Act, all federal agencies administering federal financial assistance programs for infrastructure have had to implement a Buy America preference policy since 2022.

4.1.1.2. US Strategic Priorities

Politically, the US has strategic priorities to develop space commerce; stimulate investment and innovation; and strengthen intellectual property.

4.1.2. Economic

The United States of America (USA) is considered the world's largest economy, ahead of China, as well as the leading importer and the second largest exporter. The American economy is one of the most developed, sophisticated, and demanding in the world, with a highly diversified and competitive goods and services industry, with many of its companies assuming top positions for their capacity for innovation, dynamism and turnover.

4.1.2.1. Macroeconomic Context

In 2022 they had a population of approximately 338 million and a GDP per capita of around USD 75 274. After a 2.8% contraction in gross domestic product (GDP) in 2020, caused by the covid-19 pandemic, 2021 saw a 5.9% recovery driven mainly by private consumption, which still accounts for almost 70% of GDP, and investments and the support provided by highly flexible fiscal and monetary policies.

Macroeconomic data for 2022 show a 2.8% increase in private consumption, a 0.6% decrease in public consumption and a 0.2% decrease in gross fixed capital formation. In the current year (2023), according to projections by the Economist Intelligence Unit (EIU), growth

is expected to be around 0.7%, a noticeable slowdown compared to the growth recorded in 2022 (2.1%). This deceleration is mainly due to the war in Ukraine and its implications, particularly in terms of higher energy and other commodity prices, as well as rising inflation and interest rates. Although more optimistic in its projections, the IMF considers that GDP growth in 2023 should be at 1% in 2023 and in 2024 at 1.2% in 2024, accentuating its deceleration trend.

Regarding public finances, according to IMF data they showed a deficit of -9.5% of GDP in 2021 (IMF) due to the fiscal measures implemented to contain the effects of the COVID-19 crisis. In 2022, despite some additional spending foreseen in the new infrastructure law, the deficit fell to -4%, thanks to the phasing out of pandemic-related measures and the recovery of economic activity.

According to IMF projections, monetary policy tightening should contain the growth of the general government fiscal deficit to -5.3% of GDP in 2023 and -6% of GDP in 2024.

The public debt-to-GDP ratio, already on an upward trajectory in recent years, has consistently increased to finance the spending provided to support households and businesses, reaching 134.5% in 2020 (IMF). Fiscal tightening helped lower the debt burden to 122.1% of GDP in 2022, and the IMF forecasts it to rise to 122.9% of GDP in 2023 and 126% of GDP in 2024. The US, however, has unrivalled financing flexibility as the issuer of the US dollar, the world's main reserve currency.

IMF data show that inflation has accelerated to 8.1% in 2022, due to high energy prices, persistent supply chain disruptions and labour shortages. The war in Ukraine has largely contributed to higher energy and food prices. The IMF expects inflation to return to the EDF target of 2% (3.5% in 2023 and 2.2% in 2024), by easing supply chain constraints and adjusting global energy prices. The 2023 budget focuses on deficit reduction, health, manufacturing on climate initiatives and allocates \$44.9 billion for aid to Ukraine.

As for the unemployment rate, in 2020 it stood at 8.1%, according to IMF data. However, this figure fell rapidly to 3.7% at the end of 2022. Due to the slowdown in the economy, the IMF forecasts an increase in the unemployment rate to 4.6% in 2023 and 5.4% in 2024.

As for the US debt, it stands at over \$31 billion. However, the economy is recognized for its stability, which is visible in the highest AAA rating assigned by the financial rating agencies Fitch and Moody's to US debt. Recently, however, in June this year, the US Federal Government faced an unprecedented crisis with serious global consequences and the risk of "default", i.e. running out of money to pay its public debt.

The crisis stemmed from a lack of understanding between Republicans and Democrats on raising the debt ceiling, as Democrats wanted to raise the public debt ceiling to meet budget needs and Republicans wanted to cut spending. This lack of understanding led the financial rating agency Fitch to withdraw its "stable" assessment of the outlook for the quality of US sovereign debt, moving it to negative watch and a rating cut could follow. Moody's, which maintained the US outlook as "stable", revised upwards, from 5% to 10%, the probability of a payment interruption (so-called breach), which occurs when the federal government fails to make a payment on time. Following the interruption on the severity scale is default, which implies failure to repay the debt.

At the economic policy level, the US is also characterized by protectionist policies of its national strategic industries with the imposition of tariffs.

4.1.2.2. Table 2-US Growth Indicators

Growth indicators	2020	2021	2022 (E)	2023 (E)	2024 (E)
GDP (USD billion)	21.060,45	23.315,08	25.464,48	26.854,60	27.741,12
GDP (annual growth in %, constant price)	-2,8	5,9	2,1	1,6	1,1
GDP per capita (USD)	63.577	70.160	76.348	80.035	82.132
Balance of payments (% of GDP)	-10,7	-10,7	-5,9	-6,6	-6,7
Public Debt (% of GDP)	133,5	126,4	121,7	122,2	125,8
Inflation index (%)	1,3	4,7	8,0	4,5	2,3
Unemployment rate (% of economically active population)	8,1	5,4	3,6	3,8	4,9
Current account balance (billion USD)	-619,70	-846,35	-925,56	-728,79	-689,93
Current account balance (% of GDP)	-2,9	-3,6	-3,6	-2,7	-2,5

Source: IMF – World Economic Outlook Database, October 2021

4.1.2.3. Table 3. -Business Environment

Regarding the Business environment, the following indicators should be noted:

Indicators Position	Position
Global Ranking	4th/82
Consumption and Imports Ranking	1 st

Competitiveness	2nd/63
Transparency	24th/180
General Risk	AA (AAA-lower risk- D-higher risk)
Economic Risk	A (AAA-lower risk- D-higher risk)
Political Risk	A (AAA-lower risk- D-higher risk)
Ease	25th/176
Economic Freedom	74,8/100

The economist Intelligence Unit (EIU)2023;IMD-World Competitiveness Ranking 2022; Herege- Economic Freedom Index 2023; IT Corruption Perceptions Index 2022. (AICEP)

4.1.2.4. Key Economic Sectors

The USA is a highly industrialized country with high levels of productivity and use of modern technologies. The main sectors of activity are agriculture (corn, soybeans, beef and cotton), machinery manufacturing, chemicals, food, automotive and a growing tertiary market, with a focus on finance, new technologies, insurance, real estate.

The US agricultural sector is undoubtedly one of the largest in the world. California alone produces more than a third of the nation's vegetables and two-thirds of its fresh and dried fruit. Yet agriculture accounts for no more than 1% of US GDP and employs 1% of the working population, according to the latest available data from the World Bank. According to data from the US Department of Agriculture, the primary sector contributed \$1.264 trillion to GDP in 2021, 21.1 million new jobs were absorbed by the agriculture and food sectors - 10.5% of total US employment.

According to World Bank data, the industrial sector accounts for more than 17.9% of GDP and employs 20% of the working population. The US is also a world leader in the aerospace and pharmaceutical industries. The abundance of natural resources has made the US a leader in the production of various minerals. The country is the world's largest producer of liquid natural gas, aluminium, electricity and nuclear power, and the world's third largest producer of oil. Shale gas extraction has been developing on a large scale for several years. The manufacturing sector alone accounts for 12% of the country's value added, according to information from the US Department of Commerce. According to the latest data from the Bureau of Economic Analysis, private goods-producing industries declined by 10.4% in the second quarter of 2022.

However, the US economy is essentially service-based. The tertiary sector accounts for more than three quarters of GDP (77.6%) and employs 79% of the working population (World Bank). A large share of GDP is made up of the finance, insurance, real estate sector (20.1% in Q3 2022) and the professional and business services sector (13.1%). The government sector (such as those at the federal, state and local levels) was made up of 11.6% of the country's GDP; while the share of the education, health and social assistance sector has increased to 8.4%. The top contributors in private service-producing industries were health care and social assistance; professional, scientific and technical services; real estate and rental and leasing; and accommodation and food services. (Table 6-Breakdown of Economic Activity by Sector-Annex D; Table 7-Main Distribution Channels-Annex E).

4.1.2.5. Exports

According to Comtrade, AICEP, exports from the US registered a value of USD 1 753 billion in 2021 (USD 1 430 billion in 2020). The top exported products were Machinery and Equipment (22.5%), Mineral Fuels (13.7%), Vehicles and Other Transport Equipment (12.3%), Chemical Products (12.1%) and Agricultural Products (7.3%). According to Comtrade, cited in AICEP, the top five US customer markets in 2021 were Canada (17.5%), Mexico (15.8%), China (8.6%), Japan (4.3%) and South Korea (3.8%), together accounting for 49.9% of the value of exports.

4.1.2.6. Imports

According to Comtrade, quoted by AICEP, imports from the US registered a value of USD 2 933 billion in 2021 (USD 2 405 billion in 2020). The five main product groups imported were Machinery and Equipment (28.8%), Vehicles and Other Transport Equipment (10.7%), Chemical Products (10.0%), Mineral Fuels (7.6%) and Common Metals (5.8%). According to Comtrade, cited by AICEP, the top five suppliers to the US in 2021 were China (18.5%), Mexico (13.2%), Canada (12.4%), Japan (4.8%) and Germany (4.7%). These countries together accounted for 53.6% of the value of imports.

4.1.2.7. Trade Balance

According to Comtrade, cited in AICEP, the US recorded a deficit of USD 1,180 billion in 2021, an increase of USD 320 billion compared to 2017 and USD 205 billion compared to 2020. The

import-export coverage rate stood at 59.8%, 0.3pp higher than in 2020 (Figure 1- US Import and Export- Annex A).

4.1.2.8. Trade Balance with Portugal

According to INE, the USA was the 4th customer of Portuguese exports of goods in 2021, with a share of 5.6% in total, occupying the 9th position in terms of imports (2.4%). Portugal occupies the 56th position in the US suppliers.

Over the period 2017-2021 there was an average annual growth of 6.9% in exports and 22.5% in imports. The trade balance of goods was favourable to our country, having presented a surplus of 1 545 million euros in 2021. In the structure of exports, Mineral Fuels (20.0%), Machinery and Equipment (9.8%), Chemical Products (8.8%), Plastics and Rubber (8.5%) and Textile Materials (8.5%) stand out. The main product groups imported were Mineral Fuels (64.8%), Agricultural Products (7.3%), Machinery and Apparatus (6.4%), Vehicles and Other Transport Equipment (5.4%) and Chemical Products (3.8%). In 2022, the value of exports was EUR 5 076 million and that of imports EUR 3 505 million, representing a surplus for Portugal of EUR 1 571 million (Figure 2- Trade Balance Portugal-Annex B).

4.1.3. Social

According to AICEP, the USA has a great geographical and cultural diversity. The entrepreneurs have a practical and objective attitude, focused on challenges and solutions.

4.1.3.1. Profile of the American Consumer

According to AICEP, American consumers are receptive to foreign brands, although not very loyal. They appreciate comfort at home; food, cars and are demanding, focusing on the price of the product. AICEP data refers that, in 2017, the average spending per American consumer was 60,000 USD. Generation X, born between 1965 and 1980, spent 72,500 USD per year; Baby Boomers, born between 1945 and 1964, spent 63,100 USD per year and Millennials, born after 1981, spent 51,300 USD per year. By 2030 Baby Boomers will number 56 million and Millennials 7 million. 67% of Millennials shop online. By 2025 this generation will represent 44% of the working population. 96% of Americans shop online once a year and 30% once a week. They value the opinion of other consumers and 7 out of 10 value social media.

4.1.3.2. Social Inequalities

Inequalities are still significant in the US population and are likely to be exacerbated by public health policies. In 2021, the poverty rate was 11.6%, with 37.9 million people in poverty, a similar level to 2020, according to the latest available US Census data.

4.1.4. Technological

The U.S. technology sector has a shortage of skilled technology professionals. According to data from the Bureau of Labor Statistics, more than 7,000 hires were made for the technology sector, but the unemployment rate remains below the national average, around 2.4%. According to the same institute, the available vacancies exceeded 270,000, which is why the US government encourages the migration of qualified foreign professionals. From large technology companies such as Amazon, Google and Microsoft to medium and small startups, they face difficulties in filling their staff. IT, software development and data processing are the areas that need the most cadres.

4.1.5. Environmental

The United States has environmental regulations that aim to protect natural resources, reduce pollution, and promote sustainable practices. Businesses must comply with these regulations, such as emissions standards, waste management protocols and sustainable sourcing requirements. Compliance with environmental regulations ensures business sustainability, corporate sustainability and mitigates legal and reputational risks. The benefits of US environmental regulation have outweighed the costs. As the degree of environmental regulation increases, additional spending on environmental protection will likely have marginal costs offset by the benefits of compliance. The flexibility and market orientation of environmental policy cost savings allows for a positive balance in assessing the costs of implementing an environmental policy.

Climate change and sustainability concerns are driving changes in consumer preferences and influencing market dynamics. Companies are increasingly expected to adopt sustainable practices, reduce greenhouse gas emissions, and minimize their environmental footprint. This trend has led to the emergence of green technologies, renewable energy solutions and environmentally friendly products.

Regarding corporate social responsibility (CSR), consumer expectations have increased in recent years. Consumers prefer companies that demonstrate a commitment to social and environmental causes, such as fair labour practices, philanthropy and ethical behaviour. Integrating CSR initiatives into business strategies can enhance brand reputation, attract loyal customers, and create long-lasting relationships.

4.1.6. Legal

Legislative complexity is also one of the barriers to entry for companies foreign.

4.1.6.1. Trade Relations with the EU

According to AICEP, although there is no trade agreement concluded with the EU, several trade agreements are in force, with the Most Favoured Nation (MNF) treatment in force, according to the World Trade Organization (WTO). However, EU companies do not benefit from exemptions / reductions in customs duty rates when their products enter the US market. The EU-US trade agreement (Ongoing Bilateral and Regional Negotiations), which includes only the elimination of tariffs on industrial goods (excluding agricultural products) and an agreement on conformity assessment, has been under negotiation since 2019.

4.1.6.2. Customs Duties and Obstacles

As stated by AICEP, there are quotas for the import of some goods, namely food products, as well as some constraints on the export of foreign products to the US by complying with demanding standards. According to AICEP, in 2022 the law (UFLPA-Uyghur Forced Labor Prevention Act) came into force, which prohibits the entry into the US of all goods and originating from the Xinjiang Uyghur Autonomous Region in China, or by certain entities identified by the UFLPA Entity List, for using forced labour methods. This law may positively affect Portuguese exports to the US by creating new export opportunities for Portuguese products but may also negatively affect if companies exporting to the US use components/materials from the said Chinese region.

4.1.6.3. Foreign Investment Regime

According to AICEP, the establishment of a company in the USA must comply with specific legislation, regarding types of companies and their procedure, taxes due, as well as labour issues, among others, which are duly defined in the Select USA Program, promoted by the U.S. Department of Commerce, the official U.S. entity responsible for promoting and attracting foreign investment, (Full Investor Guide).

4.1.6.4. Bilateral Agreements with Portugal

The USA maintains with Portugal some legislative agreements for companies, such as Agreement to Strengthen Tax Compliance and Implement Foreign Account Tax Compliance (FATCA); Convention and Protocol for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Respective Protocol and Agreement on Social Security / Administrative Adjustment for the Application of the Agreement.

4.2 Arquiconsult

Arquiconsult is a Portuguese SME with more than 200 employees whose activity sector is IT services and consulting, dedicated to information systems consulting. Having started its activity in 2004, it is dedicated to delivering solutions based on Microsoft Management Software, being its Core Businesses the ERP and CRM systems.

With a team of consultants with the greatest experience in these products in Portugal and Spain, it acts in the most diverse sectors of activity offering Specialised Services adapted to the different activity sectors (Retail, Transport & Logistics, Waste Management, Industry & Warehouse; Textile, Graphics and Printing ,Water & Environment) and complementary management support solutions (human capital & payrolling and purchases management; analytical & reports -business intelligence -electronic invoicing and document management). A strategy of action of Arquiconsult is nearshoring, supporting its partners in hiring a remote team that is geographically and culturally close to the company's headquarters, offering qualified labour according to the need; cheaper labour than the local where the company's headquarters are located and taking into account the nearby time zone to facilitate communication and productivity. The Arquiconsult team works with Microsoft Business Solutions, having implemented some Microsoft Business Solutions, namely in Microsoft

Dynamics NAV. Currently, it has a group of consultants with great knowledge in interconnections with other systems, being frequently referred to international clients for their implementations in our country. It is a Gold Certified Partner.

Arquiconsult currently provides direct local support in Portugal, Spain, Saudi Arabia (KSA) and Angola and a network of partners that allows it to reach more than 70 countries. Arquiconsult also provides support for international roll-outs for its clients in different European countries, such as France; Netherlands; Poland; Hungary, also supporting large multinationals in several countries where they have presence, as for example in Latin America. With almost twenty years of experience in the market, it provides global support to more than 400 clients on different platforms. It has been growing in the Portuguese market, beginning in 2004 to assert itself with 50 implemented projects, creating its centrality. In 2007, it was already considered the partner of the year in the Portuguese market. In 2010 it consolidates its position with the local partnership in Dynamics AX, increasing its exports to markets in different countries. In 2015-2016 it starts a new internationalisation strategy, opening an office in Angola with a turnover of 10M. In 2017 it continues its strategy of consolidation in the national market, opening offices in Lisbon and Porto, and of internationalisation with the opening of an office in Barcelona. It merged with the company Link MS. In 2019, its turnover exceeded 12M€. In 2020, 50% of turnover will come from the international market, to which the merger with Q.APoint in Madrid and Salamanca contributed. The acquisition of the partner company already installed in the local market, QAPoint, specialised in Dynamics 365 FO solutions, together with the one Arquiconsult already owned in Barcelona since 2014, ensured greater coverage of the Iberian market and greater proximity to clients. Additionally, the effective presence, and with delivery capacity in two more regions of Spain, has increased its geographical coverage and proximity to current customers and, above all, has allowed a more structural growth in the Iberian region. Currently, Arquiconsult's growth strategy is essentially based on two factors: the increase of exports, mainly to Europe and the USA, and also the acquisition of companies in new strategic markets or in markets where it intends to reinforce its presence. In the year 2020 Arquiconsult went through a phase of organisational restructuring, with the creation of a solid base that would enable its organic growth in the business area. The new dynamics of the team, with the entry of QAPoint, also allowed Arquiconsult to create an Iberian area of Managed Service.

Arquiconsult closed the first half of 2020 recording a turnover of 6.6 million euros, which corresponds to a growth of 9% compared to the same period of the previous year. At the end of

the year, the company maintained its turnover at 13 million euros, which reflected a very positive balance, given the economic situation. The international market is the one where Arquiconsult intends to achieve greater growth. The goal in 2020 was to reach 60% of invoicing in international projects, since, in the first semester, it already reached 51%, a percentage higher than the previous year. Contributing to these results were, among others, the contracts signed with English, American, Dutch, and Spanish multinationals, to which were added four new projects in national companies. Soon, Arquiconsult intends to reinforce its operations in Spain and Angola, given the evaluation of results and the growth potential of these markets. The creation of a technological hub in 2019 at UTAD, in Vila Real, has also contributed to this growth, being an effective response at the level of training resources. The international bet allowed Arquiconsult to grow to a dimension that would not be possible if it had stayed only in Portugal, whether in terms of knowledge, financially or technologically, allowing it to plan its presence in the USA, a market with a very different scale from the markets where it has been present. The Middle East was another successful strategy for Arquiconsult. Establishing a partnership with a local company to lead the digital transformation business, a need felt in companies of several Middle Eastern countries, Arquiconsult opened an office in the Middle East, benefiting from the incentive support from governments for the digital transformation of local companies. Betting on a new geography, Saudi Arabia became for Arquiconsult the gateway and the base for exploring all the business in the Middle region. The country is in a process of economic transformation, since the Government intends in the medium term to become an economic and financial centre of the Middle East region, replacing Dubai and the role it has as an economic power in the region. Arquiconsult's internationalisation has been made through the exportation of its services, selling to foreign clients from Portugal and opening offices in geographies with great growth potential. The choice of a new geography always depends on these two factors: the market potential and then being able to find the right partner or the right person, to lead the business in that location. "Over 17 years, Arquiconsult has achieved a sustained organic growth, along with a successful strategy of growth by incorporation of companies and businesses, which reinforce and complement the original DNA of the Company, in the path of the internationalisation of the Group. The challenge of evolving into a truly global and multicultural corporate culture has been moving forward at a steady pace. The strong investment in "localized" solutions and the local presence in each market where it operates are based on the primacy of "think global, act local". Its internationalisation strategy allowed Arquiconsult to close the year 2021 with a turnover of 16.6 million euros, or 17% more than the previous year. Arquiconsult is also distinguished for its commitment to social

responsibility in different areas such as environmental, sustainability, business practices and principles, social responsibility, citizenship (volunteer work).

4.3. Analysis of the political, economic, social, technological, environmental and legal factors of the USA market within the scope of Arquiconsult's internationalisation project/business.

This is followed by a fully targeted analysis of the political, economic, social, technological, environmental and legal context of the USA, which determined Arquiconsult's business decision/project to internationalize to the USA.

On a political level, several factors are considered positive points in favour of Arquiconsult's internationalisation to the USA, such as political stability, democratic rule, and strategic priorities; however, some aspects may be unfavourable, such as political choices and protectionist measures. In fact, the stability of the US government provides a favourable environment for businesses to thrive. It allows for coherent policies and regulatory frameworks, enabling companies to plan and invest with more confidence. Bipartisanship ensures some predictability in economic policies. On the other hand, the stimulus to investment and innovation could favour Arquiconsult's internationalisation to the US, either directly, through the creation of a branch with a local partner, or through the services provided. On the other hand, potential obstacles include a progressive party that favours government intervention in the economy, which could be a barrier to foreign investment in the economy, and programs such as the Buy American Act & Buy America Act and the "Buy America preference" that must be taken into account in strategy of setting up a branch in the US with a local partner.

Economically, the US is the world's largest economy. Its economy is stable and solid, according to the ratings of financial rating agencies Fitch and Moody's. Some indicators of the stability and growth of its economy are high GDP: USD 75,274 (2022 data); high turnover; population of approximately 338 million with high GDP per capita (2022 data); Dollar - key measure for the world economic system; dominant position in Research & Development; Forecast of 3.5% in 2023 and 2.2% in 2024, (IMF); flexible and reactive employer market; 2.8% increase in private consumption, 70% of domestic consumption; public debt held mostly by Americans; Tertiary sector accounts for more than three quarters of GDP (77.6%) and employs more than 79% of the working population (World Bank). Since Arquiconsult's business area is linked to the tertiary sector, this is a very important indicator to consider. On a social level, the US had an unemployment rate of 3.7% at the end of 2022; the US

workforce is comparatively highly qualified and is even considered one of the most productive and innovative in the world; consumers are used to having lots of choices and are not brand loyal; entrepreneurs are informal, practical and objective, focused on challenges and solutions. However, there are social inequalities and strong socio-economic disparities.

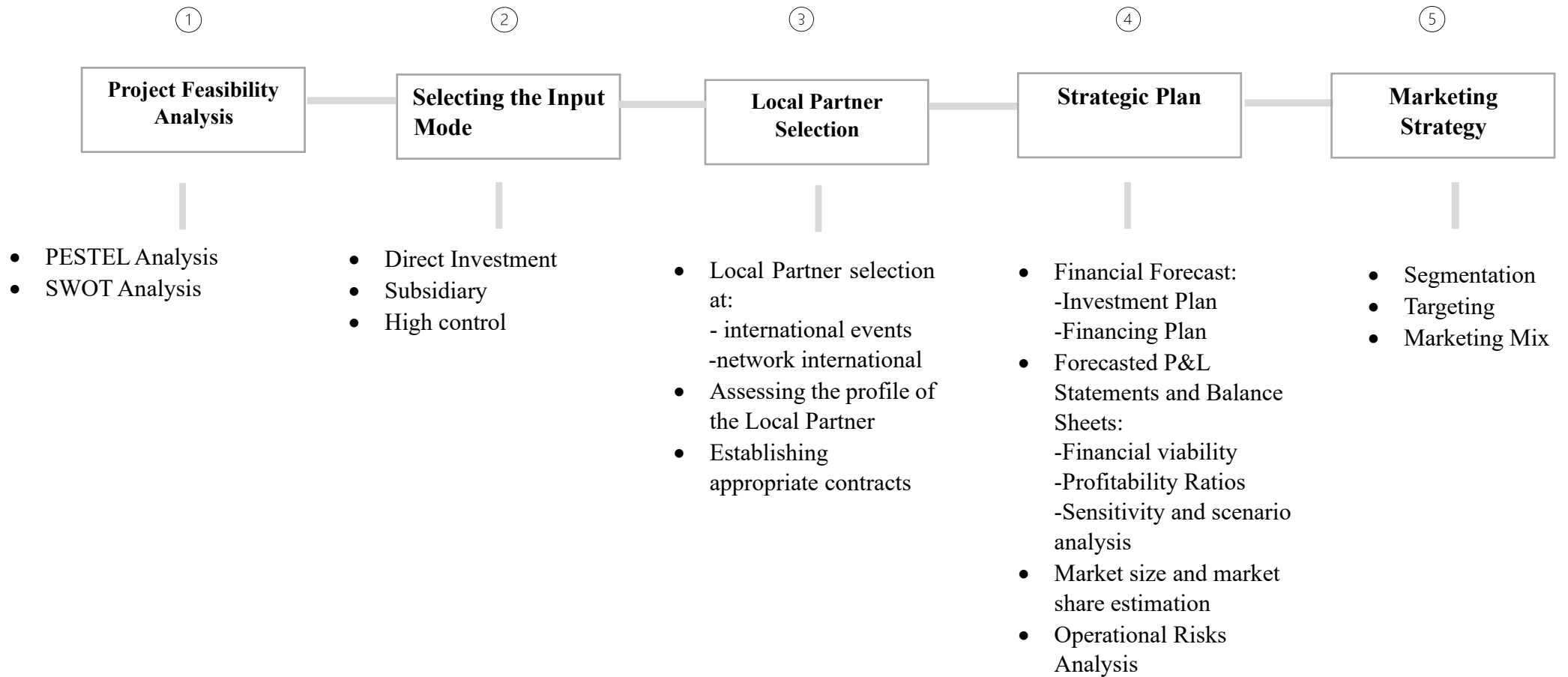
In terms of technology, the North American market is characterized by Business Opportunity. The USA is a promising market in various sectors, particularly in services related to the digitalization of the economy - Arquiconsult's business area. The continuous development of technologies presents both opportunities and challenges for companies. Incorporated technological innovation allows companies to gain a competitive edge, streamline operations and develop new products and services. In addition, the quality of digital infrastructures, including Internet connectivity, mobile networks and data infrastructures has an impact on the digital economy, growth, and development. A reliable and fast digital infrastructure facilitates e-commerce, digital marketing, and the adoption of emerging technologies, allowing companies to reach wider markets and relate to customers more effectively. Arquiconsult's business area is the incorporation of technological innovation, thus operating in one of the most promising sectors of the North American market.

At an environmental level, the USA has an environmental policy strongly marked by environmental regulation; expenditure on environmental protection and cost savings from market-oriented environmental policies. Arquiconsult is an environmentally sensitive company with sustainable practices, incorporating Corporate Social Responsibility into its practices, so it is expected to adapt easily to US environmental regulations. In the US, consumers are demanding and aware of environmental issues and sustainable practices, and favour companies that demonstrate a commitment to social causes, such as fair labour practices, philanthropy and ethical behaviour. Integrating social responsibility initiatives into business strategies can improve brand reputation, attract loyal customers and build long-term relationships. Arquiconsult is a company that demonstrates a commitment to social causes, such as fair labour practices, philanthropy and ethical behaviour, so it is expected to adapt easily to the demands of North American consumers.

Finally, on a legal level, legislative complexity and tax and labour legislation is one of the barriers to entry for companies wishing to internationalize, which can be minimized by the strategy of creating a subsidiary with a local partner. Since Arquiconsult's services would effectively be sold to the client by the partner, based locally and already with the necessary know-how and structures in terms of labour and legal responsibilities, such as civil liability insurance and local taxes themselves, this is no longer a limitation (table 8. Annex F).

Chapter 5- Implementation

5.1. Table 4 -Implementation Schedule for Arquiconsult's Internationalisation to the USA Project



This chapter presents a schedule for the implementation of Arquiconsult's Internationalisation Project with the different stages and respective tasks necessary for the successful implementation of the project. It also provides a theoretically grounded explanation, whenever possible, of all the stages and tasks planned for the successful implementation.

The implementation plan outlined is only theoretical, since at the time it was carried out the author of this Project in Company was no longer a trainee at Arquiconsult and therefore did not have access to relevant financial information from the company that would allow to carry out the calculations needed to demonstrate the viability of Arquiconsult's internationalisation project.

5.2. Stages of the project to implement Arquiconsult's internationalisation to the USA.

5.2.1. Project Feasibility Analysis

The first stage of a successful internationalisation project is to assess the viability of the project. In fact, an internationalisation process involves risks if there is an incorrect assessment of the project's viability. It is therefore necessary that Arquiconsult to take stock of the financial, human, and logistical resources available to the company for implementing its project. Therefore, Arquiconsult must first assess whether it has sufficient economic stability to plan its internationalisation, it has sufficient human resources and skills to develop the business and manage the administrative and legal constraints; has the capacity to increase the volume of its services/products; it can differentiate itself from the local competition and it can list the strategic challenges related to internationalisation.

In order to assess the viability of the internationalisation project, it is important to carry out studies and analyses, such as SWOT analysis and PESTEL analysis, in order to understand the company's capacity to undertake this project, defining strengths, success factors, and opportunities, while also identifying weaknesses and threats as well as the market in the country to which the company intends to internationalize, its evolution and growth prospects. For internationalisation to be successful, Arquiconsult must conduct a PESTEL analysis that allows it to take a macro view of the market, analysing changes outside the company, namely political, economic, social, technological, environmental and legal factors in the business context. It is also important to rigorously assess certain points, such as the growth potential of the destination country; the size of the market; the situation of the local business sector; consumer expectations; the existing offer; the level of competition; consumer habits and culture; the needs of local

companies and potential customers and local resources, as well as obtaining precise information on the legislation and legal, administrative and logistical standards related to your internationalisation project.

5.2.2. Selecting the Input Mode

In its process of internationalisation to different geographies, Arquiconsult has opted for the Direct Investment entry mode through the creation of subsidiaries, either by acquiring a company already established in the target market or by creating a subsidiary from scratch with the support of a local minority partner. The choice of this mode of entry is related to the specialised technological knowledge of its area of activity and the conscious need to have total control of technical support due to Arquiconsult's technical knowledge, which differentiates its products and the way it implements projects. However, the presence of a local partner who knows the product/service market and manages the business locally is crucial to the success of Arquiconsult's internationalisation to the US. In this way, one strategy for leveraging Arquiconsult's internationalisation in the US is to establish a networking with potential partners in the same sector of activity whose contacts could present Arquiconsult with advantages in finding new business opportunities. Several studies show that partnerships and alliances between companies provide several benefits, such as minimizing transaction costs, greater market power, shared risks and better access to key resources, such as technology, know-how, financial capital and information on the dynamics and mode of entry to target markets (Lu W. J. and Beamish W. P., 2001).

Thus, Arquiconsult can opt for a High Control entry mode that is appropriate to the financial resources it has available for the internationalisation project for the USA and that allows it to achieve its development prospects, while at the same time allowing it to respond to the constraints of operating in a new geography through the presence of a local partner in the company.

5.2.3. Local Partner Selection

According to Lu W. J. and Beamish W. P. (2001), a local partner in the country of selection is always a primary source of local knowledge, as they have detailed knowledge of various aspects of the target country's environment. In this sense and given the mode of entry considered appropriate for Arquiconsult's internationalisation to the USA, the appropriate selection of the

partner is crucial in the process of implementing its internationalisation. The partner must know the market very well and share Arquiconsult's DNA, since they will be responsible for managing the business locally. One strategy that could leverage the selection of the right local partner for Arquiconsult's project could be the company's presence at Microsoft Partner Ecosystem events, where it could establish contacts with partners in the American market, as well as using its network of international partners. However, the ability to assess potential partners is essential. The sustainability of the cooperative relationships created depends on the behaviour of the partners, which is why it is important to consider some of the characteristics of potential partners, such as: reputation, reliability, honesty; consistency of behaviour and integrity capable of fostering bonds of trust (Horizonte Internacionalizar: Guia PME (2013)). In this sense, it is essential to carry out an assessment of the local partner, which can be done using various sources of information, from your own network of social and business contacts to companies providing business information services. In addition, to prevent opportunistic behaviour, it is important to establish appropriate contracts.

5.2.4. Strategic Plan

When designing the strategic internationalisation plan for the USA, it is important that Arquiconsult bears in mind that flexibility is essential for the sustained development of its internationalisation process, given that the decision on the most appropriate mode of operation is influenced by the evolution of the business rhythm. To start drawing up its internationalisation strategy, Arquiconsult should design a well-structured action plan with the objectives to be achieved; the KPIs (Key Performance Indicators); the physical and financial means and resources to be implemented; the actions to be implemented to achieve the objectives with different stages and deadlines. In addition, should define the team responsible for the internationalisation process, as it may be necessary to implement a skills development program and establish a network with potential partners, investors, and suppliers.

5.2.4.1. Financial Forecast

At an early stage in the process of implementing internationalisation to the USA, Arquiconsult will need to make a financial forecast for the investment. Given Arquiconsult's experience in previous internationalizations to other geographies, financial calculations and conclusions can be based on past processes that have already been completed. According to the person in charge of Arquiconsult's internationalisation process for the USA, the financial effort required to

ensure the investment of opening a subsidiary in the United States is between 2 and 3,000,000 euros. Although the own investment may be reduced, as well as the risk of having a partner, most of the financial effort will be made by Arquiconsult. Even if Arquiconsult plans to use the company's internal finances exclusively, a Financial Plan should be drawn up, considering the initial liquidation cost needed to hire employees to work locally to speed up the entire expansion process and avoid slowdowns during the implementation period. One of the factors behind the failure of companies to expand is that they don't make a rigorous assessment of the appropriate financing for their Business Plan and the financial effort that this plan implies for the company. The material costs of opening a subsidiary must all be accounted for. In this sense, it is important to make an investment plan, accounting for all intangible and tangible expenses, as well as investments in working capital that could influence Arquiconsult's financial situation. However, it is important to clarify that these assumptions are only relevant for the first period of operations, leaving the decisions up to the local partner who will be responsible for the local management of the subsidiary.

5.2.4.2. Forecasted P&L Statements and Balance Sheets

One of the actions of the Strategic Plan must be the forecast of balance sheets and income statements. Arquiconsult must make a conservative and realistic estimate of Arquiconsult's finances in the first years of activity in USA market. These are hypotheses of income and expenses, as well as accounts receivable from the balance sheet. In estimating profit and loss statements (cost and revenue assumptions), the income statement of Arquiconsut in Portugal can be used as a reference. A profitability study must be carried out to analyse Arquiconsult's potential to generate profits with products and services. Operating costs must also be considered in forecasts. An analysis of financial viability must therefore be carried out, considering Arquiconsult's ability to obtain sufficient income to cover operating costs and, if possible, to allow growth while maintaining service standards. In this analysis, various measures of profitability should be considered to assess the company's potential to generate profits compared to revenues, operating costs, or equity over time. The payback period should be calculated to provide a clearer picture of the financial viability of internationalizing. The profitability ratio indicator should also be considered in the analysis to quantify Arquiconsult's profitability. Calculations should therefore be made of profit margins, such as gross margin, operating margin, pre-tax margin and net profit margin, as well as various levels of costs (operating expenses and taxes). Arquiconsult's net present value is used in capital budgeting

and investment planning to assess the profitability of the investment and the internationalisation project for the USA, so it must be calculated (operating cash flows, investment cash flows and discounted cash flows). To this end, the impairment of accounts receivable can be assumed, following the same structure as Arquiconsult in Portugal. In addition to these ratios, the tax burden, return on assets and return on equity ratios should also be calculated. This analysis can be used to predict whether Arquiconsult's growth in the US is consistent and whether or not it will be able to fully recover the expenses initially incurred. When carrying out financial calculations, scenario and sensitivity analysis must be carried out. It is proposed that several assumptions be considered to analyse the future implications for Arquiconsult's business. In the scenario analysis, in addition to the base scenario, a pessimistic scenario (economic recession, inflation) and an optimistic scenario (economic growth) must be considered. Various assumptions must be considered such as increases and decreases in revenue, increases in payroll costs, among others.

5.2.4.3. Market size and market share estimation

Arquiconsult must also make an estimate of market size and market share. Arquiconsult's potential market share can be calculated by reference to the market share in Portugal, Spain and the United Arab Emirates as these markets seem to fairly reflect the company's strengths.

5.2.4.4. Operational Risks Analysis

An operational risk analysis can help identify and quantify the risks of implementing Arquiconsult's internationalisation in the USA. In this analysis, five key areas of risk that Arquiconsult may encounter can be identified.

The first risk is the human risk, which refers to the possibility that Arquiconsult will not be able to mobilize enough staff with the right skills for Arquiconsult in the USA. According to the person responsible for internationalisation, this is a risk that has already been pointed out, as Arquiconsult does not currently have the staff with the right skills and company DNA to implement Arquiconsult in the USA, with the availability to set up for a period of two or three years in that geography. Arquiconsult Management bases its activity on highly qualified human capital. The skills of its employees are therefore crucial to its success, both in the domestic and international markets. According to Drouin et al 2012, employees' skills are inherent to each of them and are the driving force behind the success of any company anywhere in the world (Drouin et al., 2012). However, Arquiconsult needs to make a comparative analysis of what the

American market offers and what the company has to offer. In this specific case, the offer is human expressed in capital. In addition, it is important to bear in mind that measures of a country's attractiveness are essential to the company's success. It is therefore important to measure the attractiveness of the US market and make a comparison with the market where Arquiconsult operates to understand whether the process of internationalisation to the US presents opportunities for the company to leverage the business or, on the contrary, is less attractive than the country of origin, increasing the threats that the company will face (Ozgen, 2011).

Another risk to consider is process risk, which refers to losses caused by inefficient internal systems. However, given internal culture and internationalisation experience, this is unlikely to occur. Furthermore, Arquiconsult's emphasis on flexibility and process adaptation reduces the impact of this risk to a minimum. System risks refer to problems resulting from system failures, such as IT system failures. However, given Arquiconsult's area of expertise the likelihood of this risk is minimal or non-existent, and the potential costs of this risk are therefore minimized.

The risks of external events must also be considered. These are risks beyond Arquiconsult's control, such as financial attacks and civil unrest. However, as the USA is a highly stable country, the likelihood of these events occurring is minimal. However, if such a risk were to occur, the resulting damage would be severe, as there is little Arquiconsult can do to prevent these risks.

Finally, legal and compliance risks must be considered. The USA has some legislation with protectionist measures that could have an impact on business. It is therefore essential to have a thorough knowledge of US legislation and to be prepared for its impact. The stability of the US and Arquiconsult's internationalisation experience in different markets, however, means that high-impact factors, such as external risk events, have a low probability of occurrence, while at the same time reducing potential risks, such as process and systems risks.

5.2.5. Marketing Strategy

One of the basic principles of marketing is to adapt the company's strategy to the characteristics of the market. It is therefore to be expected that in an internationalisation process the company will define a specific marketing plan for each country in which it is located in terms of positioning, targets, product policies, price, distribution and communication. However, considering that one of the main objectives of internationalisation is to achieve economies of

scale, especially with regard to R&D, production and marketing costs, it is to be expected that the company will seek uniformity in the products sold and in the way they are marketed. In addition, creating a strong brand image and managing marketing activities is less costly and more likely to generate economies of scale the smaller the differences in marketing strategies between the countries where the company is located. Therefore, in an international marketing plan, a balance must be sought between standardization (global) and differentiation (local). Adopting total standardization is contrary to the spirit and definition of the marketing concept, but complete differentiation of marketing strategies in different countries is also contrary to the fundamental objectives of internationalisation. It is therefore necessary to find a balance between what Levitt called global marketing and local marketing. In this sense, Arquiconsult must seek this balance between a global marketing strategy that guarantees the strength of its Brand and a local marketing strategy that responds to the North American market. In this way, Arquiconsult must always bear in mind that the risks and uncertainties of operating in an international market such as the North American market are high, due to the geographical distance and its complexities resulting from the cultural diversity, profusion and fragmentation of markets with different policies, governance systems, economies and financial systems, requiring in-depth knowledge and experience for successful internationalisation. In this context, Arquiconsult must develop an effective international marketing strategy based on an integrated understanding of the similarities and differences that exist in the North American market. It must also consider that the chosen entry method, the creation of a subsidiary, in which there is direct investment with most of the company's capital held, requires a greater degree of control on the part of the company over the marketing plan in the target country. Significant investment should therefore be made in brand promotion through events, advertising campaigns, merchandising, but also in fees from marketing and communications agencies. Investment in digital marketing should be part of its strategy, reinforcing its presence on networks such as LinkedIn. The continued use and dissemination of the Arquinews newsletter in English is an essential tool for publicizing the company and its services both nationally and internationally. Its entry into the North American market must be consolidated by a marketing strategy guided by several steps: segmentation, targeting, Value Proposition and Positioning Statement, Marketing Mix.

5.2.5.1. Segmentation

Market segmentation is the first step in developing a marketing strategy. It serves to divide the overall market into parts, or segments. According to Qualtrics (2021), these segments must be

definable, accessible, viable, profitable and with growth potential. This market division can be based on demographic, psychographic, geographic, and behavioural segmentation.

Given the geographical size of the North American market and the great differences in wealth between the different states, a geographical segmentation would be useful. Given that its core business is operating in the most diverse sectors of activity offering Specialised Services adapted to the different activity sectors (Retail, Transport & Logistics, Waste Management, Industry & Warehouse; Textile, Graphics and Printing ,Water & Environment) and complementary management support solutions (human capital & payrolling and purchases management; analytical & reports -business intelligence -electronic invoicing and document management), it is important to analyse the North American market and recognize which geographical segmentation brings the most clients to Arquiconsult. The person in charge of the internationalisation strategy for the USA recognizes the great geographical diversity of the USA, as well as the attractiveness for Arquiconsult's core business of the two coasts, East and West, starting its presence on the East coast, especially in Florida, and expanding westwards to California, since, according to him, 80% of the business that exists in the United States is on the two coasts and not in the centre.

5.2.5.2. Targeting

After dividing the target audience into segments, Arquiconsult will have to select its target audience, i.e. its potential clients, taking into account the specialised services it offers for the different branches of activity of the target companies.

5.2.5.3. Value Proposition and Positioning Statement

Value propositions and Positioning Statements are important elements in a company's marketing strategy. In this sense, Arquiconsult must describe its products or services, as well as the elements that differentiate it from its competitors, and emphasize its positioning. Thus, must communicate and share the number one reason why its services are the most suitable for a client segment. According to the person responsible for Arquiconsult's internationalisation to the USA, its positioning features price as a competitive advantage, as well as the specialization of the services provided and the competence and training of its employees who, in addition to mastering the English language, know the products that Microsoft sells in Europe and can easily address the American market, where there are currently no partners from the Microsoft ecosystem working. However, it will be essential to always adapt its commercial positioning

to the new target and expectations of the potential consumers of its services, considering cultural differences, consumer habits, needs and supply.

5.2.5.4. Marketing Mix

As stated by Borden (1984), the Marketing Mix contains all the actions used by a company to promote its brand, product or service and is based on four pillars: product, price, place and position. The product is related to policies and procedures concerning the product lines offered, markets to be sold to and product policy (Borden 1984). According to Kotler and Keller (1967), customers choose products based on their perceived value. It is therefore important to bear in mind the five product levels proposed by Kotler and Keller: Core Benefits (relates with the fundamental need or want that consumers satisfy by consuming the product or service); Generic Product (relates with a version of the product containing only those attributes or characteristics necessary for it to function); Expected product (relates with the set of attributes or characteristics that buyers normally expect and agree to when they purchase a product); Augmented product (relates with the inclusion of additional features, benefits, attributes, or related services that serve to differentiate the product from its competitors) and Potential product (includes all the augmentations and transformations a product might undergo in the future). Price is related to the policies and procedures that define the price level to be adopted and should be the most appropriate pricing strategy. About location, it is necessary to discuss the distribution and sales channels for each product. Promotion is related to the branding, communication, and advertising policies that companies follow to effectively increase customer awareness (Borden 1984).

Arquiconsult will have to use its marketing mix to promote its brand and services in the North American market. It is important for Arquiconsult to bear in mind that it will be necessary to allocate a percentage of its revenues to a marketing budget. Investment by SMEs in marketing will always have a positive impact on the company's revenue growth, so Arquiconsult should define a marketing strategy adapted to the market and the products/services it wishes to market.

Chapter 6-Conclusion

6.1. Results of the study carried out

This study was carried out with the aim of analysing and drawing conclusions about the viability of the internationalization project to USA of Arquiconsult, a Portuguese SME operating in the IT services and consultancy sector.

In-Company Project is the methodology used in this project since the aim is to develop the project within the company and based on the company's knowledge and vision.

This In-Company Project aims to assess the feasibility of internationalizing the company in question to the USA and to analyse the best internationalization and project implementation strategy. External data was researched and analysed, such as the political, economic, social, technological, environmental, and legal environment of the USA, thus considering the economic and cultural reality of the North American market. Internal factors were also analysed to understand the company's strengths and weaknesses, identifying opportunities, and recognizing threats.

From this analysis, it was concluded that Arquiconsult's internationalization project is viable, but there are risks that must be considered. The analysis of the geography and the North American market revealed both positive and negative points. On a political level, political stability, the democratic regime, and strategic priorities stand out as favourable factors; however, some aspects may be unfavourable, such as political choices and protectionist measures. On an economic level, positive aspects include the fact that the USA is the largest economy in the world, stable and solid, with high growth and high turnover; a population with a high GDP per capita, the dollar is a key measure for the world economic system; a dominant position in Research & Development; a forecast of 3.5% in 2023; a flexible and reactive employer market; an increase in private consumption; a tertiary sector that accounts for more than three quarters of GDP. Since Arquiconsult's business area is linked to the tertiary sector, this is a very important indicator to consider. On a social level, the US had an unemployment rate of 3.7% at the end of 2022; the US workforce is highly qualified. In technological terms, the North American market is characterized by business opportunity, particularly in services related to the digitalization of the economy - Arquiconsult's business area. Arquiconsult's business area is the incorporation of technological innovation, thus operating in one of the most promising sectors of the North American market. In terms of the environment, the US has an environmental policy strongly marked by environmental regulations. However, Arquiconsult is

an environmentally sensitive company with sustainable practices, incorporating Corporate Social Responsibility into its practices, so it can be expected to adapt easily to US environmental regulations. On a legal level, legislative complexity and tax and labour legislation is one of the barriers to entry for companies wishing to internationalize, which can be minimized by the strategy of creating a subsidiary with a local partner. Analysing all the factors, we conclude that Arquiconsult's strategy for the North American market is viable, but that it must be aware of the negative factors.

The analysis of the data studied also led to the conclusion that an internationalization strategy should be defined, taking into account the determination of long-term goals and objectives, the adoption of actions and the allocation of resources necessary to achieve the goals, and outlining an implementation plan, with a financial analysis that includes: Investment Plan; Financing Plan; Income Statements and Forecast Balance Sheets; Financial Viability; Profitability Ratios; Sensitivity and Scenario Analysis; Estimated Market Size and Market Share; Operational Risk Analysis. The data studied allowed us to anticipate that the human risk must be considered, as Arquiconsult may not be able to mobilize enough staff with the right skills for Arquiconsult in the USA. The skills of its employees are crucial to its success. The literature review allowed us to see that Arquiconsult's internationalization to the USA is feasible because, as different theories and models argue, internationalization, previously in other markets, and now planned for the USA, is a learning process in which the company invests resources in a given market gradually through the progressive acquisition of knowledge (Uppsala Model). Arquiconsult also has competitive advantages (OLI Model) in the US market, such as competitive prices, the degree of specialization of their services and highly specialized human capital. The literature also made it possible to recognize the importance of using tools to define the best internationalization strategy, which allow you to identify growth opportunities, such as Ansoff's Matrix.

One of the determining factors in the internationalization process is the selection of the appropriate entry mode, which depends on the type of company, product/service, location, and capabilities.

The analysis of the data led to the conclusion that the appropriate entry mode for Arquiconsult's project is Direct Investment Abroad, through the purchase of a company already established in the North American market or the creation of a subsidiary with direct investment of most of the financial capital. This mode of entry is characterized by a high degree of control, which increases profitability at the expense of risk and cost. However, the negative factors of this entry mode are also the high costs and risks associated with this option. Considering

Arquiconsult's sector of activity and its competitive advantages, such as the high degree of specialization of its products/services and its human capital, this seems to be the most appropriate mode of entry.

Considering the company's strategic plan and objectives, as well as previous successful internationalization projects in other geographies, it was concluded that the mode of entry by direct investment should be combined with the strategy of a Local Partner. Since Arquiconsult's services will effectively be sold to the client by the partner, who is based locally and already has the necessary know-how and structures in terms of labour and legal responsibilities, the proper selection of the local partner is essential to the success of the internationalization. The partner must know the market very well and share Arquiconsult's DNA, as they will be responsible for managing the business locally.

The local partner in the country of selection is always a privileged source of local knowledge, as they have detailed knowledge of various aspects of the destination country's environment. However, it is essential that the selection of the local partner is done well, so we recommend that Arquiconsult uses its international network as a strategy.

One strategy that could leverage the selection of the right local partner for Arquiconsult's project could be the company's presence at Microsoft Partner Ecosystem events, where it can establish contacts with partners in the American market, as well as using its international partner network. However, to guarantee the success of the operation, it is necessary to assess the profile of the Local Partner and establish appropriate contracts to guarantee the success of the operation.

In summary, the research carried out is relevant due to the results obtained, which show the viability of Arquiconsult's internationalization project to a new geography, the USA, but also recognize the importance of a well-structured strategy to mitigate the risks and negative effects that this process can have on Arquiconsult.

6.2. Contributions

This study contributes to demonstrate that the internationalization of a company is a complex process that must be very well structured to mitigate the risks inherent in this process.

At the same time, it also helps to demonstrate that, although there are various theories and models in the literature that explain the process of internationalization of companies, all of them are valid and contribute to the subject, and it is important that companies wishing to

internationalize take from each theory and/or model the one that best suits their reality, thus ensuring the success of their internationalization project.

In fact, new business opportunities and risk diversification through presence in a greater number of strategically chosen markets can be achieved by companies through an appropriate internationalization strategy.

6.3. Study limitations

Despite the methodological rigour, the research is not without its limitations.

During the course of the research, a limitation arose in carrying out this In-Company Project that may compromise the robustness of the research results, namely the fact that, during the course of the project, the author of this In-Company Project ceased to be a trainee at Arquiconsult and, therefore, did not have access to relevant financial information from the company that would allow him to make the necessary calculations to demonstrate the viability of Arquiconsult's internationalization project.

In this sense, the implementation plan outlined is only theoretical and needs to be complemented with all the company's real and forecast financial analyses to ensure that the results obtained are robust.

6.4. Recommendations for Future Research

There are other lines of research on this subject that could be explored. It is suggested that future research investigate and complement this In-Company Project with all the appropriate and necessary financial calculations to guarantee the robustness of the research result.

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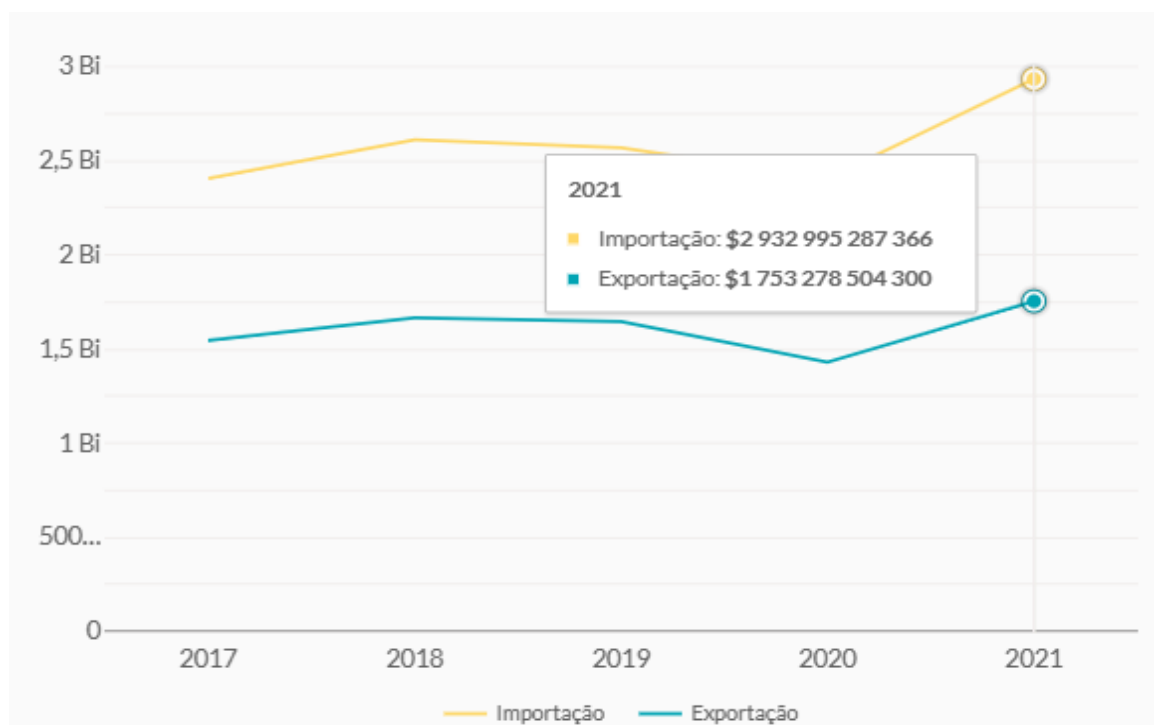
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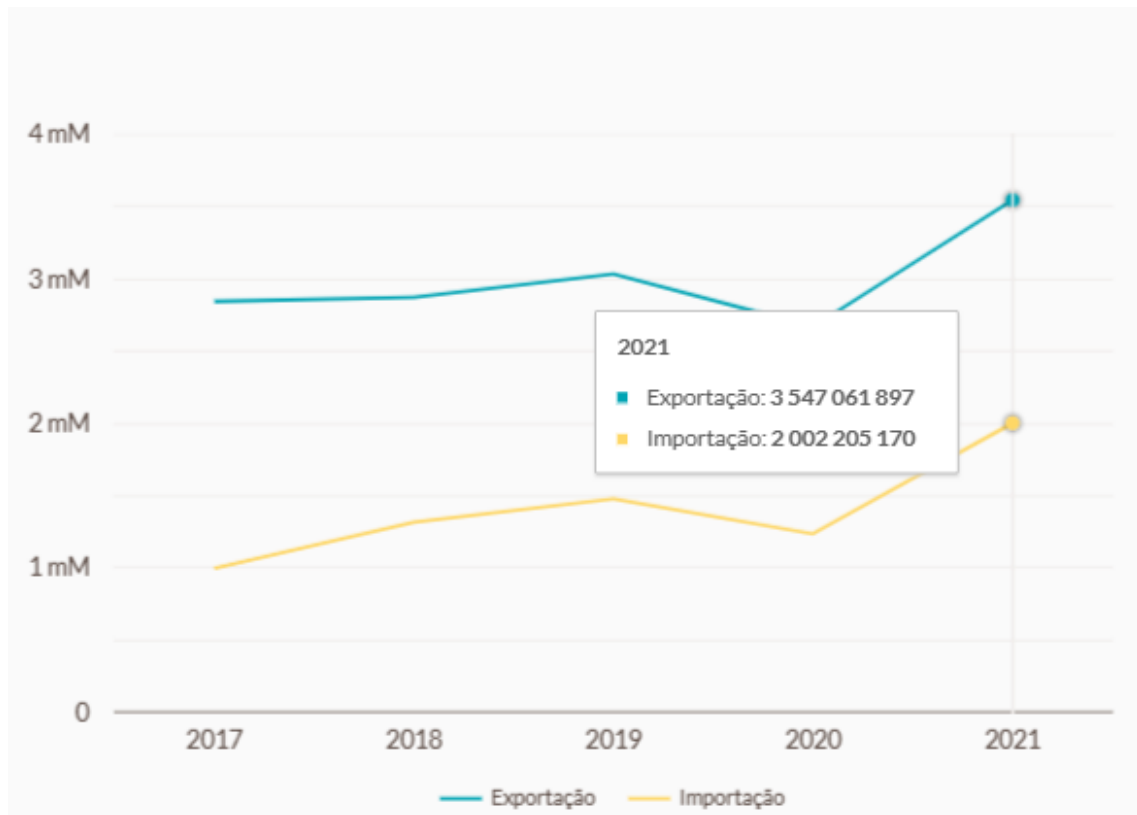
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Annex A-Figure 1. US Import and Export



Source: AICEP

Annex B -Figure 2. Trade Balance Portugal-US



Source: AICEP

Annex C-Table 5- Indicators of the US Political Climate

Indicador	Position
Press freedom	44/180
Political freedom	2/7

Source: World Bank, Latest available data

Annex D-Table 6- Breakdown of Economic Activity by Sector

Breakdown of economic activity by sector	Agriculture	Industry	Services
Employment by sector (as % of total employment)	1,4	19,9	78,7
Value added (as % of GDP)	1,0	17,9	77,6
Value added (annual growth in %)	-19,5	3,3	6,6

Source: World Bank, Latest available data

Annex E-Table 7-Main Distribution Channels

Main Distribution Channels	Value
Retail (except Auto, restaurants, fuels)	3.53 billion USD in sales 2017-4% growth per year
E-commerce (online commerce) products: electronics, toys, fashion, entertainment, DIY	20 4453 mil milhões de USD in 2017

Source: World Bank, Latest available data

Annex F-Table 8- Analysis of the political, economic, social, technological, environmental and legal factors of the North American market within the scope of Arquiconsult's internationalisation project/business for the USA.

FACTORS	POINTS TO CONSIDER	FRAMEWORK
Political	Political Stability	The stability of the U.S. government provides a favorable environment for businesses to thrive. It allows for consistent policy-making and regulatory frameworks, enabling businesses to plan and invest with more confidence.
	Democratic regime	Bipartisanship ensures some predictability in economic policies.
	Policy Options	A progressive party, which favours government intervention in the economy, which may be a barrier to foreign investment in the economy.
	Protectionist measures	Programs such as Buy American Act & Buy America Act and "Buy America preference" should be taken into account in Arquiconsult's strategy of setting up a branch in the US with a local partner.
	Strategic Priorities	Stimulating investment and innovation can favour the internationalisation of Arquiconsult to the USA, either directly by creating a branch with a local partner or by the services provided.
Economic	World's Largest Economy	Stable and solid economy as rated by financial rating agencies Fitch and Moody`s
		High GDP: USD 75 274 (2022 data)
		High turnover
		approximate population of 338 million with high gdp per capita (2022 data)
		dollar - key measure for the world's economic system;
	R & D	dominant position in Research & Development
	Inflation	Forecast 3.5% in 2023 and 2.2% in 2024,(IMF)

	Employment market	Flexible and reactive employer market
	Private consumption	2.8% increase in private consumption, 70% of domestic consumption.
	Public debt	Public debt held mainly by Americans
	Tertiary sector	represents more than three quarters of GDP (77.6%) and employs more than 79% of the active population (World Bank). Arquiconsult's business area is linked to the tertiary sector
Social	Unemployment rate	3,7% at the end of 2022
	Labor	The US workforce is comparatively highly skilled. Considered one of the most productive and innovative in the world
	Consumers	Consumers are used to having many choices and are not brand loyal
	Entrepreneurs	Informal, practical and objective, focused on challenges and solutions.
	Social inequality	Strong socioeconomic disparities;
Technological	Business Opportunity	the US is a promising market in several sectors, namely in services related to the digitalization of the economy - Arquiconsult's business area.
	Continuous development of technologies	The continuous development of technologies presents both opportunities and challenges for businesses. Embracing technological innovation allows companies to gain a competitive edge, streamline operations, and develop new products and services. Arquiconsult's business area.
	Digital Infrastructure	The quality of digital infrastructure, including internet connectivity, mobile networks, and data infrastructure, impacts the digital economy, growth and development. Reliable and fast digital infrastructure facilitates e-commerce, digital marketing, and the adoption of emerging technologies, enabling businesses to reach wider

		markets and engage with customers more effectively- Arquiconsult's business area.
	Regional 'clusters'	the development of regional clusters (companies in the same sector of activity located in a geographical area) is very attractive for foreign investors.
	Skilled workforce	Shortage of qualified professionals in IT and Software Development, Arquiconsult's business area, which can be a barrier for Arquiconsult's internationalisation.
Environmental	Environmental Regulation	Arquiconsult is an environmentally sensitive company with sustainable practices, so it is expected to adapt easily to US environmental regulations.
	Spending on environmental protection	
	Cost savings from market-oriented environmental policies	
	Consumer values	Consumers are demanding and aware of environmental issues and sustainable practices.
	Corporate Social Responsibility	Consumers favor companies that demonstrate a commitment to social causes such as fair labor practices, philanthropy and ethical behavior. Integrating social responsibility initiatives into business strategies can enhance brand reputation, attract loyal customers and build long-term relationships. Arquiconsult is a company that demonstrates a commitment to social causes, such as fair labor practices, philanthropy and ethical behavior, so it is expected to adapt easily to the demands of US consumers.

Legal	Legislative complexity	complexity is one of the barriers to entry for companies wishing to internationalize, which can be minimized by the strategy of creating a subsidiary with a local partner.
	Tax and labor legislation	Since Arquiconsult's services would be effectively sold to the client by the partner, based locally and already with the necessary know-how and structures in terms of labor and legal responsibilities, such as civil liability insurance and local taxes themselves, it is no longer a limitation.

Annex G - Interview Script

Guião da Entrevista

Problema ou questão de investigação: estratégia de Internacionalização da Arquiconsult para os EUA.

Objetivos: proposta de uma estratégia de internacionalização da Arquiconsult para os EUA, atendendo às características da empresa e do mercado dos EUA.

Metodologia qualitativa: entrevista semiestruturada.

Entrevistado: Dr. Sérgio Espírito Santo

Cargo na Arquiconsult: Diretor Comercial

Local da entrevista: Instalações da Arquiconsult- Lisboa

Data da entrevista: 11 de julho 2023

Duração da entrevista: 60m

Categoria	Questão
1. Caracterização da empresa (apresentação geral)	Descrição resumida da empresa (história da empresa, quando e como foi fundada, natureza, evolução, nº de trabalhadores, características do mercado em que se insere, principais concorrentes).
2. Presença internacional 2.1. Instalada: 2.2. Planeada:	<ul style="list-style-type: none"> • Em que países a Arquiconsult está presente? • Em que ano iniciou o seu processo de internacionalização? • A Arquiconsult planeia continuar a sua internacionalização para uma nova geografia? Qual?
3. Processo de internacionalização 3.1. Já realizado: 3.2 Planeado para os EUA:	<ul style="list-style-type: none"> • Quais os fatores motivacionais que levaram a Arquiconsult a internacionalizar? • Quais os motivos que levaram a Arquiconsult a eleger os países para onde se internacionalizou? • A empresa detinha algum conhecimento prévio dos mercados para onde se internacionalizou? • Quais foram os principais critérios usados na seleção das geografias para onde se internacionalizou? • A decisão de internacionalização para os EUA resultou de uma motivação e ou de uma necessidade? • Por que motivo a Arquiconsult elegeu os EUA para continuar o seu processo de internacionalização? • Quais os principais critérios que estiveram na base dessa decisão?

	<ul style="list-style-type: none"> •Quais os fatores / condições que a Arquiconsult considera determinantes para encetar um processo de internacionalização para os EUA? •Tal como no Médio Oriente, a Arábia Saudita foi uma porta de entrada, a Arquiconsult definiu alguma porta de entrada no mercado dos EUA? •Existe alguma preferência ou restrição geográfica nos EUA para a empresa sediar a sua presença? •Qual o timing de entrada definido para os EUA? • O processo de internacionalização está a ser planeado por fases/etapas? Quais? Qual o tempo expectável para a execução de cada fase/etapa? • Os recursos humanos a alocar são os consultores portugueses ou será formada uma equipa com recursos locais? •A avaliação de resultados de internacionalização dos mercados europeu e asiático contribuiu para a decisão de internacionalização para os EUA? •Um país longínquo, com uma cultura e costumes diferentes, uma política e economia distintas. Como se prepara a Arquiconsult para enfrentar esse desafio?
<p>4. Estratégias de internacionalização da Arquiconsult</p>	<ul style="list-style-type: none"> •Miguel Tiago de Almeida (administrador da Arquiconsult) na <i>ArquiNews</i> de setembro de 2022, considera que é possível fazer projetos remotamente, mas não deixa de reconhecer a importância de um modelo híbrido de trabalho, pois existem desafios impostos pela distância como, por exemplo, a dificuldade de contornar diferentes opiniões sobre determinado tema. De que forma este pensamento está alinhado com a estratégia de internacionalização da Arquiconsult? •Foram adotadas estratégias diferentes de internacionalização para os diversos mercados, primeiro a partir de Portugal e seguidamente sediada em novas geografias, como Angola, Barcelona, Madrid e Arábia Saudita? Quais? •As características de cada mercado definiram estratégias diferentes a adotar em cada geografia? • De que forma o potencial do mercado para onde se pretende internacionalizar e conseguir encontrar um parceiro certo para liderar o negócio nesse local são determinantes para a escolha de uma nova geografia para a sua internacionalização?
<p>5. Estratégia de internacionalização da</p>	<ul style="list-style-type: none"> •Através da internacionalização para os EUA a Arquiconsult procura apenas dar apoio aos seus atuais clientes (multinacionais) que têm presença nos EUA através

<p>Arquiconsult para os EUA:</p>	<p>dos seus negócios ou procura alcançar novos clientes? De que modo pretende fazê-lo?</p> <ul style="list-style-type: none"> • A estratégia da Arquiconsult de se internacionalizar para os EUA relaciona-se com o lema da empresa "<i>think global, act local</i>"? Como? • Atendendo ao projeto da Arquiconsult de continuar a sua internacionalização, agora para os EUA, qual a estratégia de internacionalização que a empresa considera mais adequada à sua internacionalização para esse mercado? • Qual o modo de entrada no mercado americano? • A Arquiconsult considera algum das seguintes estratégias de internacionalização para os EUA? <ul style="list-style-type: none"> 1) Direct investment abroad: <ul style="list-style-type: none"> • Joint Ventures • Consortium • Subsidiaries 2) Contracting <ul style="list-style-type: none"> • Licencing and technology transfer • Franchising • Management contracts or international subcontracting 3) outros • A Arquiconsult procura ou encontrou um parceiro certo para liderar o negócio nesse local? Ou esta não é a estratégia a seguir? • Em caso afirmativo, quais os requisitos que deve ter esse parceiro local? Terá de conhecer também a cultura da empresa, o seu ADN, partilhar os mesmos valores e que competência e características deve ter para liderar o negócio nesse país? • Qual a relação desse parceiro com o mercado local? Que características deve ter esse parceiro?
<p>6. Objetivos de internacionalização para os EUA:</p>	<ul style="list-style-type: none"> • Que objetivos foram definidos para o processo de internacionalização para os EUA? • Quais os objetivos que a empresa planeia alcançar com a internacionalização para os EUA?
<p>7. Risco/incerteza / ameaças da internacionalização para os EUA</p>	<ul style="list-style-type: none"> • O risco está sempre presente na decisão de internacionalizar. Como foi avaliado o mesmo na decisão de internacionalizar para os EUA? • Quais os obstáculos previsíveis nesse processo de internacionalização? • Quais as ameaças relevantes para essa internacionalização?

	<ul style="list-style-type: none"> •A Arquiconsult considera que está preparada, quer em termos de conhecimento, quer em termos financeiros, quer tecnologicamente para esse mercado? •O que a leva a fazer essa avaliação?
8. Oportunidades da internacionalização para os EUA	<ul style="list-style-type: none"> • Quais considera serem as principais oportunidades para a Arquiconsult no processo de internacionalização para os EUA?
9. Forças e Fraquezas da Arquiconsult na internacionalização para os EUA:	<ul style="list-style-type: none"> • Considera existirem dificuldades na internacionalização da Arquiconsult para os EUA? Quais são as principais? • Se foram mencionadas dificuldades, como considera que a Arquiconsult irá ultrapassá-las? <p>Quais as forças da Arquiconsult na sua internacionalização para os EUA?</p> <ul style="list-style-type: none"> •Atendendo ao setor onde atua, que vantagens competitivas transporta a Arquiconsult para o mercado dos EUA? • Quais as vantagens para a empresa de se Internacionalizar para os EUA?
10.Conhecimento do mercado dos EUA:	<ul style="list-style-type: none"> • Foi feito algum estudo do potencial de crescimento para a empresa no mercado americano? Em caso afirmativo, o que demonstrou esse estudo? • Foi feito algum estudo de mercado para perceber o potencial do mercado norte americano? Em caso afirmativo, o que demonstrou esse estudo? •Qual a visão que a Arquiconsult tem da área de negócio e do ambiente externo à empresa, no caso do mercado dos EUA?
11.Relação entre os fatores políticos dos EUA e o processo de Internacionalização da Arquiconsult:	<ul style="list-style-type: none"> •Considera que os fatores políticos dos EUA podem interferem no processo de internacionalização da Arquiconsult, nomeadamente as tendências políticas e a legislação vigente que influenciam o setor onde a empresa se insere, a estabilidade do Governo e políticas governamentais, as leis e regulamentação do setor e os acordos de comércio internacional em vigor? • De que forma podem esses fatores políticos contribuir para o negócio de internacionalização?
12. Relação entre os fatores económicos dos EUA e o processo de Internacionalização da Arquiconsult:	<ul style="list-style-type: none"> •Considera que os fatores económicos dos EUA podem interferem no processo de internacionalização da Arquiconsult, nomeadamente os fatores macroeconómicos, as condições gerais de oferta e procura, e os microeconómicos como características dos consumidores? •Considera que os fatores económicos, como incentivos e financiamentos disponíveis; os produtos/serviços/negócios semelhantes; os impostos e taxas

	obrigatórios; a taxa de desemprego atual e respectivas políticas de emprego; o nível de confiança económica do país podem contribuir para o sucesso da estratégia da Arquiconsult? De que forma?
13. Relação entre os fatores sociais dos EUA e o processo de Internacionalização da Arquiconsult:	<ul style="list-style-type: none"> • Considera que os fatores sociais dos EUA podem interferem no processo de internacionalização e na área de negócio da Arquiconsult, nomeadamente estilo de vida na zona da empresa e distribuição geográfica; papéis sociais e níveis de escolaridade; taxa de natalidade e esperança média de vida e hábitos de consumo? • De que forma podem os fatores sociais contribuir para o negócio de internacionalização? • A Arquiconsult está a delinear uma estratégia de Marketing? Em caso afirmativo, qual?
14. Relação entre os fatores tecnológicos dos EUA e o processo de Internacionalização da Arquiconsult:	<ul style="list-style-type: none"> • Atuando a Arquiconsult no setor tecnológico, de que forma os fatores tecnológicos, nomeadamente a transformação digital do mercado, inovações tecnológicas existentes de produtos ou serviços, quer da Arquiconsult quer dos concorrentes e existência ou não de profissionais tecnicamente qualificados para a área de negócio, podem afetar o negócio da Arquiconsult?
15. Relação entre os fatores ambientais dos EUA e o processo de Internacionalização da Arquiconsult:	<ul style="list-style-type: none"> • A Arquiconsult está a ter em conta na sua estratégia de negócio nos EUA os fatores ecológicos ou ambientais, nomeadamente a regulamentação ambiental e ecológica; a redução da pegada de carbono e gestão de resíduos; as políticas de sustentabilidade e a utilização de energia renovável? De que forma? • De que modo a Arquiconsult espera responder às exigências de responsabilidade ambiental do mercado dos EUA?
16. Relação entre os fatores legais dos EUA e o processo de Internacionalização da Arquiconsult:	<ul style="list-style-type: none"> • A Arquiconsult tem em conta os fatores legais do mercado dos EUA, nomeadamente a legislação e aspetos relacionados com a mesma, como legislação pendente ou mudanças de tributação; legislação laboral; lei do consumidor; prazos de ajuste às mudanças legislativas? • De que forma podem esses fatores contribuir para o negócio de internacionalização?
17. Volume de negócios da Arquiconsult:	<ul style="list-style-type: none"> • Em relação ao volume de negócios da empresa, qual o peso do mercado externo? • Qual o valor expectável de volume de negócios da internacionalização para os EUA?
18. Investimento	<ul style="list-style-type: none"> • Em que país foi feito o maior investimento na internacionalização da Arquiconsult? A que se deveu?

	<ul style="list-style-type: none"> • Qual o investimento que a empresa tem disponível/quer investir no processo de internacionalização para os EUA?
19. Desinvestimento	<ul style="list-style-type: none"> • Existe algum caso de internacionalização em que a Arquiconsult tenha desinvestido? • Em caso afirmativo, o que motivou a decisão de desinvestir? • Qual o modo de desinvestimento escolhido? Porquê? • O desinvestimento trouxe benefícios para a empresa? • O processo de desinvestir tornou a empresa mais competitiva? Nesse caso, o desinvestimento foi encarado com sucesso? • Existe alguma situação/ condições em que a Arquiconsult tome a decisão de desinvestir na sua decisão de internacionalização para os EUA?
20. Metas	<ul style="list-style-type: none"> • Em relação ao futuro, quais são as perspetivas da Arquiconsult? • Pretende uma maior expansão do negócio a nível internacional para além de iniciar a sua presença no mercado norte americano? • Quais os objetivos a curto/longo prazo?

Annex H-Interview Transcript

P: Na vossa newsletter, eu pude recolher informação de que o Miguel Tiago de Almeida, Administrador da Arquiconsult, considera que é possível fazer projetos remotamente, mas não deixa de reconhecer a importância de um modelo híbrido de trabalho, pois existem desafios impostos pela distância, como a dificuldade de contornar diferentes opiniões. Sobre este tema a pergunta que eu lhe faço, Sérgio, é de que forma é que este pensamento está alinhado com a estratégia de internacionalização da Arquiconsult ao longo dos anos em que já se tem expandido, quer para Espanha quer para Angola, Arábia Saudita e agora para os Estados Unidos da América?

R: Tal como Miguel referiu, trabalho remoto e a pandemia veio provar exatamente isso, que efetivamente temos condições para trabalhar remotamente e prestar grande parte dos serviços em modelo remoto, no entanto, dentro daquilo que é metodologia de implementação há fases críticas que nós queremos e achamos que faz sentido estar localmente.

Estas atividades críticas passam pela identificação de requisitos. É uma das fases críticas da metodologia que convém estar localmente, é muito mais fácil fazer sessões de brainstorming e de revisão de processos e afins localmente do que remotamente. A mesma coisa relativamente aos UATs, *User Acceptance Testing*, sejam processos testes ou formativos. Temos muito maior eficiência se estivermos localmente.

Como é que isto se encaixa na questão da expansão? A expansão geográfica que nós temos feito, temos sempre localmente alguém que possa assegurar essas funções. Para quê? Para de alguma forma minimizar os custos de viagens afins. É sempre crítico para nós ter uma equipa mínima local, proficiente *qb*, para poder fazer atividades de *customer facing* com o cliente. Portanto, o nosso modelo de internacionalização e de expansão passa sempre por ter alguém, uma equipa mais reduzida. Em Espanha, estamos a falar de uma empresa numa área de negócio ter 20 e tal pessoas, outra que tem mais de 20 e tal pessoas, mas quando estamos por exemplo falar da Arábia Saudita nós temos de ter um core mínimo de 5 ou 6 pessoas localmente que permitam assegurar essas funções. Ainda que 70%, 80% do trabalho seja feito remotamente, há sempre essa necessidade local e até do ponto de vista comercial para dar confiança aos nossos clientes, porque uma coisa é contratar uma empresa europeia para fazer projetos na Arábia Saudita e eles não existirem localmente, outra coisa é estar lá alguém efetivamente a dar a cara pela empresa.

Juntas a questão do híbrido com a questão da expansão, híbrido na medida em que há uma parte significativa dos serviços que podem ser praticados remotamente, mas a obrigatoriedade, ou muito próximo disso, de ter pessoas localmente que nos representam e consigam fazer todas as atividades necessárias de que *customer facing*.

P: Relativamente à estratégia que, na sua opinião, Sérgio, mais se adequa para entrada da Arquiconsult no mercado americano. Por um lado, temos o *direct investment* em que as estratégias mais comuns são *joint venture* ou consórcio, também a aquisição de empresas subsidiárias e por outro lado existe a parte do *contracting* que tem a ver com *licencing*, para além disso *franchising* e depois contratos de gestão, *management contract* ou então *International contracting*. Tendo em conta isto, na sua opinião, qual é a que faz mais sentido no momento de hoje da Arquiconsult?

R: Em termos de, sempre que olhamos para a nova Geografia e a questão dos Estados Unidos é apenas mais uma que tem os seus quês, é um bocadinho diferente daquela em investimos até agora unicamente pela questão da dimensão, portanto para nós é crítico ter alguém local que

investida conosco minoritário, sempre, e que seja a pessoa que irá gerir a subsidiária. foi isso que nós fizemos em qualquer uma das geografias onde estamos agora, portanto este é um ponto crítico. Não iniciamos a atividade noutras geografias sem termos, eu vou chamar, um ponta de lança alguém que conheça o mercado e que esteja disponível para investir na quota-parte que lhe diga respeito e só isso é que nos dá confiança suficiente para poder fazer esse investimento, depois há outros vetores de sucesso que contribuí efetivamente para o sucesso e tem que ser assegurados previamente. O segundo é o financiamento estar adequado àquilo que seja o Business Plan. O segundo maior fator de insucesso das empresas quando fazem expansão é não estarem devidamente financiadas para aquilo que os espera e não terem feito a avaliação a qual será efetivamente o esforço financeiro necessário posso dizer de talhe de foice, para abrir uma subsidiária nos Estados Unidos nunca vamos fazer isso com menos de 2/ 3 000 000 assegurados de investimento . A primeira é o conhecimento do mercado do produto do serviço, de praticas .O terceiro vetor para nós é crítico quando iniciamos uma nova uma nova Geografia e que quem está à frente do negócio, a equipa que esteja à frente do negócio tem que conhecer muito bem o mercado e isso tipicamente é competência do parceiro local do nosso sócio local e da nossa parte nós contribuimos com o conhecimento técnico que temos sobre os produtos sobre a forma de implementar projetos portanto estes são os 3 vectores que nos levam a tomar a decisão de avançar para a subsidiária 2- temos o financiamento necessário 3- termos o conhecimento a sobre a tecnologia e o mercado necessárias para podermos ter sucesso que portanto voltando aqui atrás nós consideramos aqui ao nível das subsidiárias a questão do encontrar a pessoa certa essa pessoa pode já ter iniciado a com uma empresa de dimensão relativamente reduzido e nós adquirimos essa empresa ou ainda não iniciou e vai iniciar conosco então criamos de raiz .

P: A Arquiconsult tem sempre em atenção o potencial do mercado e muito igualmente importante o facto de conseguir encontrar o parceiro certo ou a pessoa certa para liderar este negócio local e a pergunta que eu faço é se vocês já têm alguém para que faça esta parte de ser o parceiro se algum estudo de mercado se há algum contato já se alguma coisa em andamento neste sentido.

R: Já houve contactos, já identificamos 2 pessoas para poder iniciar o processo nos Estados Unidos e depois de uma avaliação um bocadinho mais detalhada identificamos que o que as pessoas tinham, o skill set não era o que nós procurávamos e a situação ficou em banho-maria até encontrarmos a pessoa certa. Como é que nós encontramos a pessoa certa tipicamente a

utilizamos os aa a rede de parceiros que temos Internacional e os eventos locais para tentar angariar AA investidores, quando digo investidores são pessoas que estejam disponíveis para dar esse passo ,última interação que houve foi em abril deste ano ,o Rui esteve uma semana nos Estados Unidos num evento chamado directions EUS que é um tem o ecossistema dos parceiros da Microsoft onde como te disse foram identificadas 2 pessoas .dessas 2 pessoas que foram identificadas que depois viemos a verificar com o skillset não era exatamente aquilo que nós estamos a procura. há um fator adicional que é no caso da Geografia de Portugal nós vamos querer enviar alguém de Portugal para estar e acompanhar um negócio localmente estamos a falar de alguém que tem de sair de Portugal e ir para os Estados Unidos. Este desafio também ainda não foi concluído porque também daquilo que tu conheces Arquiconsult a generalidade da das pessoas com competência e com sucesso para poder fazer isso ainda estão numa fase da vida que não lhes permite fazer movimentação deste tamanho e não vamos recorrer a externos para fazer isto, tem que ser alguém com o DNA da Arquiconsult.

P: Qual é que é a Visão que vocês têm da área de negócio e do ambiente externo à empresa no caso do dos Estados Unidos? na vossa opinião é semelhante a Portugal e ao que já tem enfrentado ou pode se dizer que que algo diferente e que não condiz muito com o cenário e com a realidade da empresa.

R: vamos dividir aqui o Tema em 2 vertentes, uma relativamente às forças externas , aos riscos externos à área de Arqiconsult que existem que são típicos do mercado. O mercado nos Estados Unidos é muito volátil ,grandes oportunidades, mas também tem grandes armadilhas e neste momento o ambiente económico que existe nos Estados Unidos é muito arriscado a economia dos Estados Unidos e muitos suscetível a tudo o que está a acontecer aqui à volta com a guerra Ucrânia com as tensões com a China e afins e em qualquer altura pode facilmente haver um crash e na economia americana oque nos leva a ter algum preceito em fazer investimentos nos Estados Unidos neste momento. Precisamos de uma fase em que haja mais estabilidade económica ou social nos Estados Unidos para podermos dar o passo para fazer esse investimento, no que diz respeito à vertente externa e nesse sentido é um pouco é bastante diferente daquilo que tem sido a geografias onde trabalhamos, onde há uma estabilidade um bocadinho maior. a Europa demora mais tempo a entrar em crise e também demora mais tempo a sair da crise. No caso dos Estados Unidos não é assim é de 1 mês para o outro pode entrar numa crise profunda e também no espaço de 3 a 6 meses saem dessa crise, ISTO é um dos fatores a ter em consideração e que também nos leva a ter algumas cautelas neste investimento.

No que se refere a nossa prestação de serviços e agora olhando para o Tema um bocadinho mais interno não muda há muito o tipo de serviços que nós praticamos, seja na Europa, seja em África, nos Estados Unidos são sensivelmente os mesmos. Evidentemente existem algumas condicionantes algumas formas que os americanos têm de trabalhar ou de olhar para um negócio diferente daquelas que são na Europa, nós somos um bocadinho mais clássicos, um bocadinho mais aqui na Europa um bocadinho mais conservadores nos Estados Unidos, não é exatamente assim, mas por isso é que nós queremos ter DNA local para poder tratar dessas questões. fatores externos há um risco muito alto neste momento no mercado e é americano, o prémio também é alto, para teres noção estamos a falar de redes de áreas que são 3 vezes aquelas que são praticadas em Portugal, portanto o prémio é alto, mas por outro lado existe muita ausência de estabilidade neste momento, daquilo que são as nossas as competências e o trabalho efetivo julgo que estamos preparados para o fazer, seja nessa Geografia seja noutra qualquer.

P: há uma há uma análise muito conhecida que se costuma fazer

R: ainda não fizemos a análise SWOT.

P: Certo Sérgio, na resposta que acabou de dizer explorou e muito bem as ameaças que a Arquiconsult tem, o potencial de enfrentar e pergunto-lhe agora pegando nas outras 3 , quais é que são as maiores oportunidades? já falou um bocadinho que as redes são muito maiores, o prémio é muito maior ,mas pergunto-lhe então quais é que são as forças e as fraquezas que a Arquiconsult tem algo neste desafio se conseguir fazer este diagnóstico ?

R: como disseste muito bem, em termos de oportunidades, as mais que nós estamos a ir na qual nós estamos a posicionar, o preço é efetivamente uma das grandes oportunidades que existe, mas há outras que entram aqui um bocadinho naquilo que são também as forças da Arquiconsult. No processo grande parte do ecossistema Microsoft e daquilo que são chamados os verticais e -dones associados ao ERP, portanto soluções setoriais para determinados sectores de atividade grande parte deles são de têm sido desenvolvidos na Europa nesse tipo de verticais. Há na Europa e nos Estados Unidos tal como nós esses esses parceiros que fazem e que desenvolvem este tipo de soluções. vou dar alguns exemplos que nós falamos de casos concretos ou vertical para a área de transportes e logísticas ou vertical para a área de printing, tudo o que é impressão, grande formato, livros, jornais ,enfim tudo, que é a gestão de resíduos são 3 exemplos de setores verticais que nós dominamos porque temos competências na aqui em

Portugal pessoas formadas que conhecem o mercado ,conhecem o produto e que facilmente são, apesar de não ser IP não ser soluções nossas, são as soluções que nós podemos endereçar o mercado americano e no mercado americano tu neste momento não tens parceiros a trabalhar este mercado de forma efetiva, portanto, esta é também mais uma das oportunidades ou uma das aqui as oportunidades e mais ligado ao mercado, eu cruzo aqui um bocadinho com aquilo que são as competências da Arquiconsult para dizer algumas das vantagens que a consulta pode ter é o nível de especialização que temos determinados sectores de atividade que nos diferencia. Quando estamos a concorrer com qualquer outro parceiro que não tenha este tipo de competências diferenciamos pela positiva, portanto se o caso em termos vantagens da Arquiconsult ou das forças Arquiconsult seria o custo ou seja - nós em Portugal fazendo 70, 80 por cento dos serviços informaticamente conseguimos ter uma Price tag muito abaixo daquilo que é o mercado americano é e por outro lado o nível de especialização que nós temos seja no ERP como um todo seja nestes setores mais verticais.

Relativamente às fraquezas, não deixamos de ser uma empresa portuguesa a dimensão para o mercado americano é um fator a ter em consideração, nós estamos a falar de ter a sermos uma empresa grande em Portugal com 300 pessoas, 300 e tal pessoas que para os Estados Unidos isto é uma empresa estadual.

Quando nos comparamos com os grandes players dos Estados Unidos pela dimensão do país estamos a falar sempre uma empresa equiparada à nossa nos Estados Unidos teria sempre 1500-2000 pessoas, sem problema nenhum, para cobrir a Geografia, portanto, isto é a dimensão, a nossa dimensão atual ainda que grandes para Portugal médios para a Península Ibérica Europa somos muito pequenos para os Estados Unidos.

P: Tenho aqui mais uma pergunta que é em relação se existe alguma preferência ou restrição geográfica nos Estados Unidos para abrirem um escritório se tem alguma preferência de cidade se fazem questão de cobrir ao máximo o território americano, como é?

R: O dinheiro nos Estados Unidos está nas 2 costas: Este e Oeste, portanto a nossa estratégia seria sempre começar pela Costa este e depois expandir para a Costa Oeste. Estaríamos sempre a falar de Flórida e desta zona de cá mais próxima da Europa e depois expandir para a Califórnia porque na realidade 80% do negócio que existe Nos Estados Unidos está nas 2 costas. Não está no centro, portanto seria sempre iniciar pela Costa este e depois mover para a Costa Oeste

P: Uma questão que era sobre o investimento que que tinham disponível, mas também já tinhas acabado por responder a esta pergunta que era cerca de 2 3 000000, é isso, exatamente. E qual é que seria o timing de entrada? Sérgio, disseste que era importante e era benéfico para a Arquiconsult que que os tempos acalmassem um pouco a nível de estabilidade é económica e financeira do país, mas assim a nível de anos concretos tem algum timing?

R: 3 anos 5 anos. Nos próximos 2 anos gostava que acontecesse, no terceiro poderá acontecer até ao quinto. Se nós não conseguirmos abrir no próximo ano também não vamos abrir.

Esperamos que seja feito até ao final. Neste momento a última subsidiária que iniciámos foi da Arábia Saudita, com tantas necessidades ou tantas oportunidades que estamos e que estão a aparecer que aquela subsidiária vai ter que estabilizar antes de nós podermos dar passo a os Estados Unidos porque, decorrente da ausência de parceiros qualificados naquela região, decorrente do grande investimento que aquela região geográfica está a fazer, as oportunidades são múltiplas e nós neste momento estamos com um défice de pessoas para poder acompanhar essas oportunidades portanto. Eu não me vou meter numa nova subsidiária sem que a da Arábia esteja estabilizada.

P: O processo de internacionalização já está a ser planeado? se em caso de estar a ser planeado qual é que é o planeamento, se vai ser feito por fases? e qual é que é o tempo expectável para execução destas fases?

R: Já está a ser planeado, já está planeado há algum tempo atrás, o objetivo é abrir na Costa Oeste estabilizar Costa e são precisos 2 anos para estabilizar qualquer subsidiária, são 2 anos mínimo e no prazo de 3 anos abrir na Costa Oeste, o modelo de expansão passa sempre no caso dos Estados Unidos como disse por ter alguém local para fazer essa essa gestão e acompanhado de uma ou mais pessoas de Portugal que mudam.

P: A nível de recursos humanos, a nível de pessoas de marketing, a nível de trabalhadores e estas áreas mais core da empresa o poder de decisão seria tomado por portugueses ou por pessoas que inevitavelmente poderiam ser de outras nacionalidades mas que estariam a trabalhar convosco? Quem é que ia ser detentor dessas responsabilidades?

R: O nosso parceiro, o nosso sócio local vai sempre agir de forma autónoma e vai ser ele a decidir de acordo com os interesses da empresa. De modo a estabelecer quais são as ações e

decisões táticas que vai ter que tomar de forma a olhar para o mercado, preocupa-se com as decisões estratégicas, quem executa as decisões estratégicas depois são convertidas em ações táticas. Quem decide essas decisões e essas ações táticas localmente vai contratar uma pessoa de logística, e se vai contratar uma pessoa da área financeira, ou vai decidir comprar uma pequena empresa que exista lá que possa fazer sentido. Isso são tudo decisões táticas e é o responsável nosso sócio local que tem de tratar disso. Aquilo que nós aportamos e essas decisões táticas não podem ir contra as decisões estratégicas. O plano estratégico que temos e aquilo que nós entregamos de valor acrescentado, além do recurso e a disponibilidade de recursos que existem.

P: Sérgio e sentes que a decisão de internacionalização para os Estados Unidos resultou mais de uma parte de motivação ou de uma necessidade?

R: Repara, nós quando escolhemos geografias tentamos escolher geografias em que possamos trazer valor acrescentado, essa Geografia mesmo que o único valor acrescentado no limite possa ser é e, portanto, tentamos trabalhar sempre em economias que tenham um valor de mercado superior àquilo que existe em Portugal. Ora bem, os Estados Unidos é provavelmente dentro daquilo que existe um mercado com milhões de consumidores, portanto é provavelmente o maior mercado a par da Europa. É o maior mercado que existe e, portanto, essa decisão e nós temos de estar lá. Se queremos continuar a ganhar dinheiro e a trazer resultados para os acionistas e a criar postos de trabalho e afins nós temos de estar nos melhores mercados, nos mais caros e qual é esse mercado? Exatamente os Estados Unidos. É claro que podemos pensar em norte da Europa e afins, o problema é que o norte da Europa é muito fragmentado e tem uma barreira que é a questão do idioma. Se nós pensássemos em Suécia, Finlândia, Dinamarca e vais ter sempre mais um conjunto de limitações que não tem nos Estados Unidos porque, como sabes, na Arquiconsult tentamos que todos os colaboradores sejam proficientes na língua inglesa, para quê? Exatamente para poder trabalhar neste tipo de geografias portanto é o maior mercado do mundo, tem de redes mais altas do mundo e tem uma dimensão que nos faz sentido estar lá.

P: Como é que a estratégia da Arquiconsult de se internacionalizar se relaciona com o lema de da empresa *“think global act local”* ?

R: Como te descrevi a questão é que nós olhámos para as diferentes geografias. existe um core de pessoas a trabalhar em Portugal que presta serviços às outras subsidiárias, mas temos de atuar localmente. atuar localmente é exatamente, não achamos que devemos ser nós sozinhos a fazer endereçar o mercado e ter alguém local que possa efetivamente ter a agilidade que muitas das vezes é necessária nessa fase quando estás a começar. Uma empresa que conhece o mercado local, portanto vai estar a atuar localmente como se fosse uma empresa americana, porquê? Porque o nosso objetivo não é andar a fazer exportação de portugueses para lá, o nosso objetivo é que essa empresa cresça por si suportada nos nossos consultores em Portugal, mas vai ter que ser localmente.

P: Tendo em conta que a Arquiconsult atua no setor tecnológico, de forma que os fatores tecnológicos, como por exemplo a transformação digital do mercado, as inovações tecnológicas a criação exponencial de novos produtos e novos serviços quer da parte da Arquiconsult, quer da parte dos concorrentes diretos, como é que isto pode afetar o negócio da Arquiconsult

R: Do ponto de vista de afetar como uma ameaça, não vemos isso como uma ameaça, vemos pelo contrário como uma oportunidade o facto de nós estarmos a trabalhar com um grande fabricante como é a Microsoft que é líder ou pelo menos um dos maiores influenciadores nesta vertente de transformação digital permite-nos a nós diferentes investimentos que vamos fazendo na formação das pessoas na capacitação , no estarem sempre em contato com novos produtos, com a nova oferta da Microsoft permitem utilizar os serviços que a Microsoft disponibiliza, os serviços, produtos que Microsoft apresenta para alavancar e endereçar essas oportunidades que vão sendo criadas no mercado, seja pela própria Microsoft, seja o mercado e portanto no fundo permite a expressão cavalgamos aquilo que é a oferta da Microsoft para nos tornarmos especializados nessas áreas e podendo ir ao mercado com essa com essa oferta.

P: ótimo, a última pergunta que eu tenho para fazer é um Tema cada vez mais badalado, prende-se com os fatores tecnológicos e com os fatores os fatores ecológicos e os fatores ambientais, como por exemplo a regulamentação ambiental, a redução da pegada de carbono e as políticas de sustentabilidade e utilização de energia renovável tendo em conta é a internacionalização e o facto de atuarem numa numa nova Geografia, acham que isto pode ser um assunto um problema ou a Arquiconsult não se vê ameaçada com estas questões .

R: Não somos sensíveis a essa e a todas essas vertentes que indicas, estão a ser neste momento um conjunto de oportunidades a abrir-se relativamente à questão da sustentabilidade, nós da

nossa parte do ponto de vista interno estamos a acompanhar esse esse processo, estamos com uma iniciativa de carbono zero até 2025, deverá estar concluída, isto do ponto de vista ,do ponto de vista da oferta para os nossos clientes uma vez mais vamos utilizar aquilo que a Microsoft tem estado a fazer decidir essas tendências do mercado para endereçar as oportunidades que surjam no mercado com os nossos clientes o que dificilmente iremos ter é por exemplo área de negócios específica para essa área isso dificilmente vamos ter, mas quer do ponto de vista interno nós próprios, não sei se sabe, estamos em obras no escritório, vamos pôr painéis solares em todo o escritório para poder também iniciar esse processo e como disse estamos com não sei qual foi a empresa que nós contratamos mas estamos com uma empresa para fazer a medição da pegada da Arquiconsult em termos de oferta, mais uma vez vamos exportar naquilo que é a oferta da Microsoft para endereçar essas oportunidades.

P: OK, Sérgio, da minha parte acho que já pronto, todas as perguntas já foram colocadas, umas perguntas não coloquei porque adiantaste e respondeste às vezes, mas nas outras respostas, não sei se queres acrescentar alguma coisa que aches que não enderecei, que não explorei, não sei diz-me.

R: Repara, olhando um bocadinho para aquilo que é o passado, nós iniciamos o processo de internacionalização há bastantes anos atrás, só isso é que nos permitiu a continuar a crescer todos os anos, faz parte do DNA da empresa mesmo quando nós não ainda não tínhamos empresas abertas neste tipo de geografias já fazemos projetos para essa Geografia e já íamos para lá passar uns meses quando era necessário fazê-lo e portanto se queres ter segredo do sucesso da Arquiconsult é o seu foco totalmente Internacional, infelizmente seja pelas questões políticas seja pela dimensão não nos permite a crescer ao ritmo que nós temos estado a crescer, nós gostávamos ainda de crescer mais, por isso temos que olhar para outra Geografia, temos que fazer um bocadinho aquilo que fizeram os portugueses em 1500 e dizer para este lado não consigo tenho que ir para aquele lado porque de outra forma não vou continuar a sobreviver ,não a viver. Infelizmente tenho pena que em Portugal haja tão pouca gente ou tão poucas empresas a seguir este tipo de caminho e a focarem-se sempre no mercado interno, que é miserável,

P: também tendo a concordar, Sérgio, da minha parte é tudo, quero agradecer imenso a disponibilidade, também sei que não é fácil agendarmos aqui um tempo para a nossa conversa, também em horário de trabalho e pronto e quero agradecer, eu agora vou analisar e vou

informando dos próximos passos e depois quando estiver na altura de ter o trabalho concluído e da apresentação depois providenciarei todo o trabalho feito e agradeço também toda a disponibilidade.

R: não tens nada que agradecer eu é que agradeço a tua iniciativa e se precisares de mais alguma coisa avisa, seja de mim seja de alguém da Arquiconsult avisa, se houver dúvidas, questões ,com as dificuldades habituais de marcar, mas a gente consegue.

Annex I- Content Analysis of the Interview

Note: It is important to mention that not all questions have been answered by interviewed.

Category	Registration Unit
1. Company characterization (general presentation)	
2. International Presence 2.1. Installed in: 2.2. Planning to install:	Spain, Angola, Saudi Arabia. United States of America
3. Internationalisation Process	<ul style="list-style-type: none"> •Motivational Internationalisation factors: - possibility of continuing to grow every year

<p>3.1. Already Performed:</p>	<ul style="list-style-type: none"> - it is part of the company's DNA, because even without companies open in these types of geographies, Arquiconsult was already carrying out projects for these geographies. -completely international focus- Arquiconsult's secret to success. - political issues in Portugal and its size, which does not allow Arquiconsult to grow at the desired pace and which allows it to live <p>• Reasons for choosing internationalisation countries:</p> <ul style="list-style-type: none"> -Geographies from which can bring added value -Geographies with stability. Europe takes longer to enter a crisis and also takes longer to emerge from the crisis. <p>It already had a presence in these geographies through its internationalizing clients.</p> <p>• Did the decision to internationalise to the USA result from motivation and/or necessity??</p>
<p>3.2What is planned for the USA:</p>	<p>Is a must for Arquiconsult to be there if it wants to continue making money, delivering results for shareholders and creating jobs?</p> <p>• Why did Arquiconsult choose the USA to continue its internationalisation process?</p> <p>The USA is an economy that has a higher market value than what exists in Portugal.</p> <p>USA is a market with 300 000 000 consumers; therefore, it is probably the largest market on par with Europe.</p> <p>USA is one of the most expensive markets.</p> <p>It is the largest market in the world, it has the highest networks in the world, and it has a size that makes sense to be there.</p> <p>• Determining factors/criteria for beginning an internationalisation process for the USA:</p>

	<p>1) local partner with knowledge of the market and willing to invest in a minority.</p> <p>2) adequate financing for the Business Plan with assessment of the necessary financial effort</p> <p>3) knowledge of the product/service market on the part of the local partner</p> <p>4) technical knowledge of Arquiconsult on how to implement projects and products</p> <p>• As in the Middle East, Saudi Arabia was a gateway, has Arquiconsult defined any gateway into the US market?</p> <p>The strategy is always to start on the East Coast and then expand to the West Coast.</p> <p>• Is there any preference or geographic restriction in the USA for the company to host its presence?</p> <p>The money in the United States is on both coasts, East and West, so our strategy would always be to start with the East Coast and then expand to the West Coast. Florida, the area closest to Europe and then expanding to California, because 80% of the business that exists in the United States is on the two coasts.</p> <p>• What is the defined entry timing for the USA?</p> <p>It won't happen in the next 2 years. It could be in the third to fifth. If we can't open within 5 years, we won't open either.</p> <p>• Is the internationalisation process being planned in phases/stages? Which? What is the expected time to complete each phase/step?</p> <p>It has been planned for some time.</p> <p>The objective is to open on the West Coast, stabilize the East Coast. It takes 2 years to stabilize any subsidiary and within 3 years, open on the West Coast.</p>
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In the case of the United States, the expansion model always involves having someone local to carry out this management accompanied by one or more people from Portugal who will have a minimum commitment of 3 years living in the United States.

- Are the human resources to be allocated Portuguese consultants or will a team be formed with local resources?

Our local partner will always act autonomously and will be the one to decide, according to the business proposal, to establish what actions and tactical decisions he will have to make. Arquiconsult, in this way of looking at the market, is concerned with strategic decisions. these strategic decisions are then converted into tactical actions who decides these decisions these tactical actions is locally whether they are going to hire a logistics person whether they are going to hire a person from the financial area whether they are going to decide to buy a small company that exists there that might make sense These are all tactical decisions and it is our local partner who has to deal with this. What we contribute and these tactical decisions cannot go against strategic decisions, the strategic plan we have and what we deliver added value, in addition to the resource and availability of resources that exist At low cost, it is the support of the Portuguese that will who will also incorporate the company but who will always remain one level below the decision.

- Did the evaluation of internationalisation results from the European and Asian markets contribute to the decision to internationalize to the USA?

The last subsidiary we started was in Saudi Arabia and right now in this subsidiary we have so many needs or opportunities that are appearing that that subsidiary will have to stabilize before we can take the step to the USA. Due to the lack of qualified partners in that region, the large investment that that geographic region is making, the opportunities are multiple, and we currently have a shortage of people to be able to follow these opportunities - Therefore, I am not going to join a new subsidiary without that is stabilized

<p>4. Arquiconsult internationalisation strategies</p>	<ul style="list-style-type: none"> • creation of subsidiaries, by acquisition or by creating the subsidiary directly. • Local agent with knowledge of the market available to invest with a minority share and responsibility for managing the subsidiary. • Implementation methodology: <ul style="list-style-type: none"> 1) local presence: <ul style="list-style-type: none"> a) to identify requirements through brainstorming and process review sessions. b) in UATs - User Acceptance testing Testing, (testing or training processes. c) customer facing activities with the customer with the aim of giving the customer confidence.
<p>5. Arquiconsult's internationalisation strategy for the USA:</p>	<ul style="list-style-type: none"> • Is Arquiconsult's strategy of internationalizing towards the USA related to the company's motto "<i>think global, act local</i>"? How? <p>We looked at the different geographies, there is a core of people working in Portugal who provide services to other subsidiaries, but we must act locally. The current location means we don't think we should do it alone, addressing the market means having someone local who can effectively bring the agility that is often necessary when you are starting a company and that you know the local market so you will be acting locally, as if it were an American company. our objective is not to export Portuguese people there. Our objective is for this company to grow on its own, supported by the three hundred consultants it has in Portugal, but it will have to be locally.</p>

	<ul style="list-style-type: none"> • Entry mode of internationalisation in the American market: Direct investment abroad: Subsidiaries By acquisition or by creation of the subsidiary directly. Arquiconsult's internationalisation strategy for the USA: <ul style="list-style-type: none"> • Finding the right partner who may have already started the activity with a relatively small company that is acquired by Arquiconsult or has not yet started and will start creating a subsidiary from scratch with Arquiconsult. • Establishment of contacts to begin the internationalisation process for the USA, but the detailed assessment showed that the potential partners did not have an adequate skill set. • use a network of international partners and local events to try to attract local investors. • send from Portugal a collaborator with Arquiconsult DNA with competence and success to be present and monitor the business locally. • s Arquiconsult looking for or found the right partner to lead the business in this location? Or is this not the strategy to follow? <ul style="list-style-type: none"> • • Establishment of contacts to begin the internationalisation process for the USA, but the detailed assessment showed that the potential partners did not have an adequate skill set. • • use a network of international partners and local events to try to attract local investors.
<p>6. Internationalisation objectives for the USA:</p>	<ul style="list-style-type: none"> • What objectives were defined for the internationalisation process for the USA? • What objectives does the company plan to achieve with internationalisation to the USA?
<p>7. Risk/uncertainty/threats of internationalisation for the USA</p>	<p>Is Risk always present in the decision to internationalize. How was it evaluated in the decision to internationalize to the USA?</p> <ul style="list-style-type: none"> • What are the foreseeable obstacles in this internationalisation process? • What are the relevant threats to this internationalisation?

	<ul style="list-style-type: none"> •Does Arquiconsult consider that it is prepared, both in terms of knowledge, financial terms and technologically for this market? •What leads you to make this assessment? • External Risks: <ul style="list-style-type: none"> - very volatile market with great opportunities, but also great pitfalls - very risky current economic environment. - the United States economy is very susceptible to everything that is happening with the Ukraine war, with tensions with China. <ul style="list-style-type: none"> - imminent possibility of a crash in the American economy - fear of making investments in the United States at this time - waiting for a phase in which there is more economic or social stability in the United States to make this investment -from one month to the next it can enter a deep crisis but within 3 to 6 months it can come out of that crisis -some ways that Americans have of working or looking at a business are different from those in Europe, but that's why Arquiconsult wants to have local DNA to be able to deal with these issues
<p>8.Internationalisation opportunities for the USA</p>	<ul style="list-style-type: none"> - area networks 3 times those practiced in Portugal -the prize is high - the price is effectively one of the greatest opportunities that exists
<p>9. Arquiconsult's strengths and weaknesses in internationalisation to the USA:</p>	<p>What are Arquiconsult's weaknesses in its internationalisation to the USA?</p> <p>size of Arquiconsult, which despite being a large company in Portugal with 300 employees and average for the Iberian Peninsula, in the USA it was considered a small regional, state company.</p> <ul style="list-style-type: none"> -size of the North American market.

	<p>-when compared to the big players in the United States due to the size of the country, a company comparable to Arquiconsult in the United States would always have 1,500-2,000 people to cover Geography.</p> <p>What are Arquiconsult's strengths in its internationalisation to the USA?</p> <p>-The type of services provided by Arquiconsult in Europe and Africa is similar to that of the United States.</p> <p>Arquiconsult, due to its skills and effective work, is prepared for any geography.</p> <p>-Taking into account the sector in which it operates, what competitive advantages does Arquiconsult bring to the US market?</p> <p>-A large part of the Microsoft ecosystem, which are called vertical e-dones associated with ERP, sectoral solutions for certain sectors of activity, have been developed in Europe, but in the USA, there are no partners working this market effectively.</p> <p>Arquiconsult presents solutions: vertical for the transport and logistics area or vertical for the printing area, for waste management, with people with skills trained in Portugal and who know the market, the product and who can easily address it to the market American.</p> <p>-Arquiconsult's skills, namely the level of specialization it presents in certain sectors of activity, is differentiating when competing with any other partner</p> <p>-the cost, i.e. we in Portugal, doing 70% or 80% of the services electronically, manage to have a price tag much lower than the American market</p> <ul style="list-style-type: none"> • What are the advantages for the company of Internationalizing to the USA?
<p>10. US market knowledge:</p>	<ul style="list-style-type: none"> • Has any study been carried out on the company's growth potential in the American market? If so, what did this study demonstrate?

	<ul style="list-style-type: none"> • Was any market study carried out to understand the potential of the North American market? If so, what did this study demonstrate? • What view does Arquiconsult have of the business area and the company's external environment, in the case of the US market?
11. Relationship between US political factors and Arquiconsult's Internationalisation process:	<ul style="list-style-type: none"> • Do you consider that US political factors may interfere with Arquiconsult's internationalisation process, namely political trends and current legislation that influence the sector in which the company operates, the stability of the Government and government policies, the laws and regulations of the sector and the international trade agreements in force? • How can these political factors contribute to the internationalisation business?
12. Relationship between US economic factors and Arquiconsult's Internationalisation process:	<ul style="list-style-type: none"> • Do you consider that US economic factors may interfere with Arquiconsult's internationalisation process, namely macroeconomic factors, general supply and demand conditions, and microeconomic factors such as consumer characteristics? • Do you consider economic factors, such as incentives and available financing; similar products/services/businesses; mandatory taxes and fees; the current unemployment rate and respective employment policies; Can the country's level of economic confidence contribute to the success of Arquiconsult's strategy? In what way?
13. Relationship between US social factors and Arquiconsult's Internationalisation process:	<ul style="list-style-type: none"> • Do you consider that social factors in the USA may interfere with the internationalisation process and Arquiconsult's business area, namely lifestyle in the company's area and geographic distribution; social roles and education levels; birth rate and average life expectancy and consumption habits? • How can social factors contribute to the internationalisation business? • Is Arquiconsult outlining a Marketing strategy? If so, which one?
14. Relationship between US technological factors and Arquiconsult's Internationalisation process:	<ul style="list-style-type: none"> • As Arquiconsult operates in the technological sector, how do technological factors, namely the digital transformation of the market, existing technological innovations of products or services, whether from Arquiconsult or competitors and the existence or not of technically qualified professionals for the business area, affect could they affect Arquiconsult's business?
15. Relationship between US environmental factors	<ul style="list-style-type: none"> • Is Arquiconsult taking ecological or environmental factors into account in its business strategy in the USA, namely environmental and ecological

<p>and Arquiconsult's Internationalisation process:</p>	<p>regulations; reducing the carbon footprint and waste management; sustainability policies and the use of renewable energy? How?</p> <ul style="list-style-type: none"> • How does Arquiconsult hope to respond to the environmental responsibility demands of the US market? <p>-We are sensitive to all these aspects. At this moment there are a number of opportunities opening up regarding the issue of sustainability.</p> <p>From an internal point of view, we are following this process and we are working towards a zero-carbon initiative by 2025. From the point of view of offering to our customers, once again we will use what Microsoft has been doing, decide these market trends to address opportunities that arise in the market with our customers. What we are unlikely to have, for example, a specific business area for this area, but from an internal point of view, we ourselves are under construction in the office, we are going to install solar panels throughout the office. We hired a company to measure the company's internal payments. In terms of supply, once again we will export Microsoft's offer to address these opportunities.</p>
<p>16. Relationship between US legal factors and Arquiconsult's Internationalisation process:</p>	<ul style="list-style-type: none"> • Does Arquiconsult take into account the legal factors of the US market, namely legislation and aspects related to it, such as pending legislation or changes in taxation; labor legislation; consumer law; deadlines for adjusting to legislative changes? • How can these factors contribute to the internationalisation business?
<p>17. Arquiconsult turnover:</p>	<ul style="list-style-type: none"> • In relation to the company's turnover, what is the weight of the foreign market? • What is the expected value of internationalisation turnover to the USA?
<p>18. Investment</p>	<ul style="list-style-type: none"> • Investment available to invest in the internationalisation process to the USA: € 2 to 3 million Euros.
<p>19. Divestment</p>	<ul style="list-style-type: none"> • Is there any case of internationalisation in which Arquiconsult has disinvested? • If so, what motivated the decision to divest? • What divestment method was chosen? Why? • Did the divestment bring benefits to the company? • Did the divestment process make the company more competitive? In this case, was the divestment successfully addressed?

	<ul style="list-style-type: none"> • Is there any situation/conditions in which Arquiconsult makes the decision to disinvest in its internationalisation decision to the USA?
20. Goals	<ul style="list-style-type: none"> • In relation to the future, what are Arquiconsult's prospects? • Pretende uma maior expansão do negócio a nível internacional para além de iniciar a sua presença no mercado norte americano? • Quais os objetivos a curto/longo prazo?

