

Move fast and break things: Reassessing IB research in the light of the digital revolution

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Abstract

Research Summary: How has the emergence of born-digital firms such as Facebook and Uber influenced international business (IB) research? In this essay, I outline the distinctive qualities of these firms, in particular their “global by default” mindset, and I discuss how IB research on strategy, organization, and institutional context is evolving to help us understand them better. I argue that some traditional domains of inquiry (e.g., subsidiary role typologies) have become obsolete, while others (e.g., MNC–government relationships) have become more important. There is also scope for developing new theories to explain what we observe, rather than seeking to “shoehorn” new phenomena into our existing schemata.

Managerial Summary: “Move fast and break things” was the original motto of Facebook (now Meta), and it is emblematic of how many born-digital firms behave. These firms seek to grow quickly, and they have little regard for international borders, often operating in a global-by-default way. They are, in other words, very different to industrial-era firms that plotted their international expansion in a cautious and sequential way. In this essay, I discuss whether our existing IB theories—which were developed during the industrial era—are still fit-for-purpose in an economy increasingly dominated by born-digital firms.

KEYWORDS

born digital, born global, digital revolution, digitalization, international business

1 | INTRODUCTION

Until 2014, the informal motto of Facebook (now called Meta) was *move fast and break things*. The company's early success was based on fast-cycle innovation and willful disregard for existing assumptions, norms, and even regulations, as a way of building up its user base and keeping ahead of competitors. "Unless you are breaking stuff," said Zuckerberg, "you aren't moving fast enough" (Business Insider, 2010).

Facebook is emblematic of a broader phenomenon, namely the emergence over the last two decades of a large number of "born digital" firms that have come to dominate large and important parts of the global economy. It is well understood that they have changed business practice in many ways, through their aggressive style of operating and their willingness to challenge traditional orthodoxies. But what effect have they had on business theory? Has their success caused us to throw out our traditional theories and concepts? Or are those theories sufficiently robust and flexible to fully make sense of the digital revolution?

In this essay, I will sketch out my answer to this question, with particular reference to international business (IB) research. Many earlier papers have tackled aspects of this question before, for example, research on born-global firms, the internationalization of digital platform firms, the digital transformation of innovation and entrepreneurship, and the cross-border regulation of digital firms (Autio, Mudambi, & Yoo, 2021; Autio & Zander, 2016; Monaghan, Tippmann, & Coviello, 2020; Nambisan, Wright, & Feldman, 2019; Stallkamp & Schotter, 2021). My approach here is to take a high-level perspective, emphasizing breadth ahead of depth. I discuss the rise of born-digital firms, and what makes them distinctive, before moving into a detailed discussion of three core IB domains—strategy, structure and organization, and institutional context—and how each needs to be reassessed in the light of the digital revolution.

My analysis suggests that some domains of IB research are largely obsolete (for example, studies of MNC structure, subsidiary roles, and market entry strategy) while others are more important than ever (for example, studies of virtual team coordination and MNC–host government relationships). I also argue there is scope for developing new theories to explain what we observe, rather than seeking to "shoehorn" new phenomena into our existing schemata.

2 | BORN-DIGITAL FIRMS: WHAT IS NEW HERE?

The business world is in a perpetual state of flux, but many observers claim the transition that began with the Internet is sufficiently profound to merit special attention (Brynjolfsson & McAfee, 2014; Schwab, 2017). This "digital revolution" involved an exponential growth in the processing and transmission of information, leading to changes in products and services sold to consumers, the internal workings of firms, and shifts in the basis of firm competitiveness (Evans & Schmalensee, 2016). It has also important implications for research in such fields as international business, innovation, and entrepreneurship (Autio, Mudambi, & Yoo, 2021; Nambisan et al., 2019).

The digital revolution is affecting the business world in a variety of different ways. While attention tends to focus on well-known digital firms, all sectors of the economy including traditional industrial firms and public sector organizations are being transformed by digital technologies, for example through the automation of back-office functions, monitoring and maintenance of equipment, and improvements to customer service. It is also important to acknowledge two different types of technologies—there are digital communication technologies that increase the efficiency of coordinating globally-dispersed activities and also digital in situ technologies such as robotics and 3D printing that create dramatic improvements in localized operations (Autio et al., 2021).

The focus in this article is specifically on born-digital firms that have come into existence since the Internet was invented, such as Amazon, Alphabet, Facebook, Alibaba, and Tencent (Eden, 2018; Monaghan et al., 2020). Being “born digital” is important because such firms have no legacy infrastructure constructed in the pre-Internet world, and neither do they have any legacy views about how businesses should operate vis-à-vis national borders. From their inception, these firms were able to reach potential-customers around the world at the flick of a switch. And even though regulatory and practical barriers often existed in the fulfillment of products and services internationally, the mindset of the founders of these firms was mostly “global by default.” Facebook’s *move fast and break things* mantra is a case in point—Mark Zuckerberg saw the entire online world as his target audience, and national rules about, for example, data privacy as encumbrances that could be mostly overridden.

To be clear, Facebook lies at the extreme end of the digital-industrial spectrum because its product has no tangible form. Within the set of born-digital firms, there are also many that we can think of as “digitally-enabled” such as Uber and Airbnb. These firms can reach potential customers anywhere, but the fulfillment of their services requires an on-the-ground presence, which means they have to think about their international market entry strategy. An online retailer of physical goods, for example, has to decide whether to fulfill an international order through export, via a third party, or through its own local operation (foreign direct investment). Even if the basic mindset of “global by default” is the same as for Facebook, the practical execution of strategy for a digitally enabled firm will be very different. Other sectors face different challenges—fintech firms such as Transferwise, Stripe, Adyen, and Klarna have a purely digital offering but they operate in a highly regulated market with different rules in every country; entertainment companies like Netflix, Disney, and Warner also need a local presence and often a local partner because of broadcasting regulations.

Notwithstanding these differences, it is a useful analytical exercise to ask, how well do our established concepts and theories in IB shed light on the actual behavior of born-digital firms? I have been pondering this question for a while, and before putting this article together my hunch was “not well at all.” I recall a conversation with an executive at online retailer ASOS. I asked about how they choose countries for international expansion and she laughed—she said they give no thought to this question at all, they simply wait to see where the orders come from (i.e., foreign customers seeking out their website), and they respond to that demand. This view is not easily reconciled with classic internationalization process models (Johanson & Vahlne, 1977). I also recall having discussions with “country managers” of companies such as Facebook and Amazon, in which it became clear they had no interest in HQ-subsidary relationship issues of the type I had been studying for 25 years (Birkinshaw, 2000).

In writing this article, however, my view became more nuanced. Some IB theories and concepts continue to be very useful in making sense of the digital world, others are showing their age and need some careful rethinking. Indeed I am conscious that such rethinking is already

underway in a number of areas, for example in market entry, internationalization, and the liability of foreignness (Banalieva & Dhanaraj, 2019; Hennart, 2019; Johanson & Vahlne, 2009; Shaheer & Li, 2020). What follows is a birds-eye view of the challenges and opportunities for research, as I see them, in three core domains of IB.

3 | MULTINATIONAL STRATEGY

Under this heading is the set of choices made by the multinational corporation (MNC) about where and how it competes. This includes aspects of (within-industry) competitive strategy and (across-industry) corporate strategy, also market entry choices in terms of which markets to enter in what order, the extent of vertical and horizontal integration, and the use of cooperative or collaborative strategies. Underpinning all these choices are the basic “theory of the firm” questions about which activities are done by the firm rather than the market.

Much has been written in the mainstream strategy literature about how digital technology affects the size, scope, and nature of the firm. It can be summarized in three points. First, and most important, digital products are susceptible to network effects, whereby the value experienced by one user increases as the number of other users increases (Shapiro & Varian, 1998). These products are also “non-rivalrous” meaning that many people can use the same product or service at the same time, and switching costs are often high. As a result, firms making digital products often generate increasing returns to scale (Arthur, 1994), whereas in industrial production there is always some point beyond which diminishing returns to scale are realized.

Second, digital technology reduces transaction costs (O. Williamson, 1975). Firms frequently transact without any human intervention, and greater transparency makes it easier for disputes to be resolved. One consequence is that the “internalization” of contracts across firms and across countries is required in fewer situations. However, it is also true that coordination costs *within* firms are going down (as I discuss later), so the net effect of more efficient coordination is not entirely clear.

Third, digital technology helps with the operational effectiveness of firms, primarily with the substitution of human labor by IT systems. To some extent this makes firms more alike (and less able to differentiate themselves) with many activities being commoditized and outsourced. But the firms at the vanguard of new productivity improvements (e.g., the first ones to use machine learning effectively) are potentially able to capitalize on their distinctive capabilities.

Putting these points together, digital technology enables a shift away from vertical integration (one firm controlling its entire value chain) toward horizontal specialization, with so-called platforms like Airbnb and Shopify as examples of firms doing one very specific thing on a global scale and enabling other parties to engage in the actual work of delivering services to consumers (Evans & Schmalensee, 2016; Stallkamp & Schotter, 2021). Digital technology has fuelled the growth of so-called ecosystems—groups of independent firms that coordinate informally to provide value to customers (Jacobides, Cennamo, & Gawer, 2018; Li, Chen, Yi, Mao and Liao, 2019; McIntyre & Srinivasan, 2017). It has also allowed competitive advantage to accrue to a small number of giant firms (such as Google and Amazon) operating with platform strategies and with dominant positions in their respective sectors. The high level of market power held by these firms—based largely on network effects—is a cause for concern among policymakers and regulators, as I will discuss later.

3.1 | Implications for IB research

So how do these changes affect IB research? Here are three points that come to mind.

First, the theory of the multinational enterprise was built on the notion that foreign direct investment was an efficient means of resolving the uncertainties and costs of transacting with actors in foreign jurisdictions (Buckley & Casson, 1976). A huge body of research grew from this initial insight, exploring the conditions under which “internalization” was efficient and the various ownership-based and locational factors that would enable multinationals to exist and expand. Subsequent lines of research using resource-based and knowledge-based perspectives provided additional insights into the benefits of multinational presence (Beamish & Chakravarty, 2021; Kogut & Zander, 1993). I would argue that these theories are still helpful in understanding the strategic choices made by born-digital firms in where and how they grow. International coordination costs have gone down, making internalization less necessary, but on the other hand, resource-based advantages (e.g., network-effects) and locational advantages (e.g., access to talent and venture capital in Silicon Valley) are often substantial, thus facilitating their global expansion.

Second, research on the strategic positioning of multinationals has traditionally focused on the tradeoffs between global integration, local responsiveness, and worldwide learning (Bartlett & Ghoshal, 1989). These three dimensions are of course still relevant today, but I would argue that born-digital firms have put a vastly different emphasis on them compared to the industrial firms researched back in the 1980s. Specifically, they have prioritized global integration (a single platform available worldwide), given some attention to worldwide learning (for example, tapping into pockets of expertise in key cities), and downplayed local responsiveness as much as possible. Consider for example Uber’s international growth strategy, which involved imposing its preferred business model wherever it could, and adapting on the margin only when required by law.

Digitalization has also made adaptation easier. Born-digital firms are usually “asset light” with relatively small investments in physical capital, and they increasingly use modular cloud-based infrastructure. This allows them to adapt their activities to local needs when required (even if they would prefer not to), making the tensions between integration, learning, and responsiveness less acute.

Third, international market entry research used to emphasize the incremental process of learning about new markets, and the need to overcome the liability of foreignness. There were studies looking at modes of entry, with increasing levels of commitment over time, and studies mapping the order and speed of market entry based on geographical or cultural distance (e.g., Vermeulen & Barkema, 2002). Clearly, born-digital firms do not conform to these classical models. Many studies of born-global and born-digital firms have already documented alternative patterns of rapid growth, for example, the notion of “industry recipes” to enable international scale-up (Monaghan & Tippmann, 2018; Reuber, Tippmann, & Monaghan, 2021). Theoretical arguments have also evolved, for example Johanson and Vahlne (2009) emphasizing the liability of “network outsidership” rather than the liability of “foreignness,” and Stallkamp and Schotter (2021) distinguishing between within-country and cross-country network externalities for digital platform firms.

I would argue that we can take this argument even further. Of course “networks matter” but it is interesting to see that for many born-digital firms the only network they care about is the tight links between venture capitalists and other power-brokers. Take for example Bird, the e-scooter company that grew into 120 cities around the world in less than 2 years. It knew little

or nothing about those cities, but it was founded by ex-Uber and Paypal executives, and was funded by top-tier VCs like Sequoia and Index. Connections in Silicon Valley have driven their success, not connections in the places where their customers live.

To summarize, I do not think we need to throw out our IB theories of why and how multinationals succeed, but we have to explicitly recognize that the Internet has enabled a global-by-default strategy that obviates many of the market-entry concerns that used to be central to our thinking. It may therefore be useful to adapt our existing theories to today's digital age rather than seeking to "shoehorn" new phenomena into existing schema. For example, Banalieva and Dhanaraj (2019) suggested that network advantages are recognized alongside asset-based and transaction-based advantages. There is also scope to develop new lenses for studying the strategies of born-digital firms, for example the notion of a global business model (Tallman, Luo, & Buckley, 2018).

4 | MULTINATIONAL STRUCTURE AND ORGANIZATION

A second important domain of research in IB is concerned with the structure and organization of multinationals. This includes research on overall structure (Stopford & Wells, 1972), HQ-subsidiary relationships (Ghoshal & Bartlett, 1990), internal coordination and control issues (O'Donnell, 2000), global teams (Gibson & Cohen, 2003), human resource and cross-cultural management (Harzing & Pinnington, 2010), and many related topics.

How have these things been affected by the digital revolution? As we know, technology enables more efficient collection and sharing of information. Every conversation in a contact center and every action by an assembly line worker can be monitored in real time. Information about customer behavior, productivity, and business performance can be shared at almost no cost. Real-time collaboration between people in different locations is dramatically simpler than before, and tasks, such as a surgeon performing a simple operation, can increasingly be done remotely. Technology has also enabled the modularization of work, which makes it easier to coordinate complex activities across multiple sites (Baldwin & Clark, 2000; Yoo, Henfridsson, & Lyytinen, 2010).

Putting these points together, and building in some of the social pressures in society for greater transparency, empowerment, and equality, there is a marked shift underway toward flatter, more responsive, and more fluid organizing models. Techniques such as agile working and adhocracy have become popular in the world of business practice, and concepts such as Teal organizations, and adhocracy have become more popular (Birkinshaw & Ridderstråle, 2017; Laloux, 2014). To be clear, these are not new ideas. When I began working in this field in the 1990s, there was already a lot of discussion of less-hierarchical ways of working, for example Hedlund's (1986) concept of Heterarchy, Bartlett and Ghoshal's (1989) Transnational Solution, and White and Poynter's (1990) Horizontal Organization. But from my point of view, it feels as if technology is now enabling and accelerating the changes in organizations that academic researchers have been espousing for decades.

Born-digital firms are, of course, at the vanguard of these shifts. Many books and articles have been written about the management models of Amazon, Google, Facebook, Netflix, and such like, and the best examples of truly innovative ways of organizing, for example Zappos, Valve, Red Hat, and Supercell, are all born-digitals (Birkinshaw & Ridderstråle, 2017; Hamel & Zanini, 2020). As noted earlier, these firms did not have to overcome legacy infrastructure and

mindsets about how things work when they were founded – they simply started with a different set of management principles.

4.1 | Implications for IB research

So how do these arguments apply to the IB field? Again, let me suggest three points.

First, understanding the mechanisms for coordinating the activities of a dispersed workforce, and tapping into knowledge from distant locations, is more important than ever. There are well-established research traditions in IB in these areas, for example international boundary spanning (Schotter, Mudambi, Doz, & Gaur, 2017), global and virtual teams (Gibson & Cohen, 2003), and knowledge sharing (Foss & Pedersen, 2004). There is no single theoretical perspective that dominates here, unlike in some other IB domains, but from the theories, I am familiar with there are likely to be few problems applying them to the particular context of born-digital firms. As Puranam, Alexy, and Reitzig (2014) observed, the so-called new ways of organizing fit comfortably within the parameters of traditional organization theory.

Second, and in sharp contrast, most of the traditional work on MNC structure, HQ-subsidiary relationships, and subsidiary roles is of little or no use in understanding born-digital firms. In terms of overall structure, it is of course still possible to look at an org-chart and identify business units, functions, countries, and so forth, but engaging senior executives in a conversation about structural choices, matrix responsibilities, etc., is not easy. Partly this is because their priorities and interests lie elsewhere (growth, funding, competition, regulation), partly it is because local responsiveness and country-specific matters have been mostly downplayed. My own work on “subsidiary initiative” for example (Birkinshaw, 1997), does not really compute for executives in born-digital firms. When I have asked, for example, the UK head of Facebook or Amazon about taking initiative, the answer is “well that’s everyone’s job.” The old-fashioned notion that all new ideas coming out of Amazon UK would flow through the UK country manager before going to the HQ in Seattle is not valid.

A further point on structure is that most of the early typologies, looking at R&D centers (Ronstadt, 1977), subsidiary roles (White & Poynter, 1984), and innovation models (Ghoshal & Bartlett, 1988) were valid in a world of incremental international expansion, but are irrelevant for a firm that is global by default. Of course, born-digital firms have pockets of activity all over the world, and they perform different functions, sometimes market-facing, sometimes development-focused. But rather than modeling them through these old typologies, I would prefer to see some fresh thinking based on the criteria that born-digital firm executives care about.

Third, a quick reflection on the field of cross-cultural management, and the importance of cultural differences to the activities of born-digital firms. It goes without saying that “culture still matters,” but based on what I have seen it matters very little in these types of organizations. They have no legacy employees to worry about. They hire mostly from WEIRD (western educated, industrialized, rich developed; Henrich, Heine, & Norenzayan, 2010) countries, they assume English language proficiency, they prefer MBA-educated people in their senior roles, all of whom have been educated in similar ways, and they also have strong organizational cultures of their own. All of which enables them largely to transcend national cultural differences. Those born-digital firms based in North America and Europe tend to be cosmopolitan in their outlook, very sensitive to equality, diversity, and inclusion issues, but at the same time, they make very few concessions to the sensitivities of any particular national culture.

These arguments are less relevant to Chinese born-digitals like Alibaba and Tencent, which typically operate using management practices adapted from the west (for example agile teams) but overlain with their own distinctive cultural norms, some of which are very different to what described above. Others have written at length about the distinctive nature of Chinese multinationals (for example, Ramamurti & Hillemann, 2018; P. J. Williamson & Zeng, 2009).

To sum up this section, born-digital firms tend not to think about organizational issues in the same way as traditional industrial firms. While there are of course formal authority structures, their preferred style of operating is more informal and empowering, and the geographical locations where people sit are generally seen as far less important than the teams they belong to or the skills they have to contribute. As above, the lack of legacy structures, and the assumption that they can operate globally by default, creates a very different set of organizational priorities for executives of these born-digital firms. It is important that our research and our theoretical apparatus reflect this.

5 | THE INSTITUTIONAL CONTEXT

The third domain I will address here is the institutional context in which IB is conducted. This refers to such issues as MNC–government relationships, the multilateral agencies that oversee world trade, and the varieties of capitalism used in different parts of the world. These institutions of capitalism include such things as labor laws, corporate governance, competition policy, taxation, and regulation, and arguably one of the most important aspects of IB is the capacity of an MNC to adapt effectively to the differences in these institutions across the countries in which they operate. Many influential bodies of research have emerged over the years to address these issues, with roots in economics, political theory, and sociology (e.g., Brewer, 1992; Grosse, 2005; Soskice & Hall, 2001; Westney, 1993).

So how has the digital revolution affected the institutional context of business? One could argue that technology does not have any direct impact, given that those governing the institutions of capitalism are free to adapt or not, as they see fit. But this is not how things are playing out.

Institutions are always slow to adapt, and many of the institutions of capitalism are very old indeed. Anti-trust regulation in the US is still based on principles established in the late 19th century; accounting standards regarding what types of assets are accounted for can be traced back a hundred years or so; laws of incorporation and laws of employment have changed remarkably little in recent times. With a few notable exceptions, these are industrial-era institutions, created to support and also constrain industrial firms like Standard Oil (Exxon), General Motors, and Du Pont.

The digital revolution enabled the growth of new firms operating according to different economic principles and with different sources of competitive advantage, as discussed earlier. Because of their “move fast and break things” philosophy, they were quick to capitalize on the opportunities afforded by the Internet, and, importantly, to exploit the limitations of these institutional structures. Well-known examples are Uber exploiting the overly simplistic US laws around the types of work individuals do, and Facebook and Amazon circumventing anti-trust regulations by keeping their “prices” to consumers very low (Khan, 2016; Prassl, 2017; Zuboff, 2019).

There is an increasing mismatch between the activities of these born-digital firms and the institutions of capitalism, and much of the current debate in the business and political world is,

essentially, about how these industrial-age institutions can be refashioned for the digital era. For example, there are ongoing discussions about corporate governance and the purpose of firms, international tax laws, competition policy, labor laws, and privacy (Haskel & Westlake, 2018; Khan, 2016; Mayer, 2018).

To be clear, national governments and regulators are not entirely “outgunned” by born-digital firms. Their ability to monitor consumers and keep track of business activities has risen dramatically in recent decades, thanks to improved digital infrastructure. In some countries, we have seen governments using their powers of surveillance and authority to keep firms in check (for example, China and Alipay). In the western democracies of North America and Europe, governments have been more cautious in their attempts to rein in the activities of these born-digitals, though this is changing as regulators start to understand the full implications of “surveillance capitalism” (Zuboff, 2019).

5.1 | Implications for IB research

Once again, there are some interesting questions for researchers to think about when applying these arguments to the IB field.

First, research on MNE/host government relations is as important as it ever was, arguably more so. Indeed, when you look at job of the country manager of, say, Uber in the UK, their number one job is to maintain the company's license to operate. IB research has always given attention to this issue, and the basic bargaining power argument that was relevant in the 1960s is still entirely relevant today. But there are some important differences in *how* the two sides wield their power in the digital era. Born-digital firms often opt for an “end run” approach to market entry, seeking to get user acceptance early on and then using that as a source of leverage with the host government. Host governments, for their part, lack the power to block imports or expropriate assets from a digital business that falls out of favor, so they fall back on regulatory solutions, though with mixed levels of success (consider China banning Facebook and Google, the US and UK blocking Huawei, Copenhagen blocking Uber).

Second, the regulatory frameworks that govern IB activities are in a state of flux. As noted already, most of these are not fit-for-purpose because they were created during the industrial era. But on top of that, there are geopolitical dimensions to the problem: international tax law has become a “race to the bottom,” regulations on delicate matters such as privacy and employment law differ massively from country to country, environmental policies require multilateral solutions, and so on. Clearly, there is much work needed on these and related issues, making this fertile ground for IB research in the years ahead.

Third, a quick reflection on the concept *liability of foreignness* (Zaheer, 1995). It is worth recalling that the historical liability facing a foreign firm entering a host market was partly that it did not know its potential customers very well, and also that it had to overcome legal and regulatory barriers created by the host government. Both sets of obstacles to foreign market entry are much lower for born-digital firms than for traditional industrial firms, but it is interesting to think about the extent to which they vary by sector and by country-of-origin (for example, US vs. European vs. Chinese firms; online retailers vs. fintech firms). It is also useful to consider the dynamics of this phenomenon. In the old industrial world, most of the overcoming-of-barriers happened in advance of market entry; in today's digital world, it is not unusual for the born-digital firm to enter a foreign market, and for the host government to then erect barriers

as a means of either forcing the firm out or getting it to accede to demands for direct investment, job creation, or taxes.

6 | LIMITATIONS AND CONCLUSIONS

In this article, I have touched on a wide variety of issues—from strategy to organization to institutional context—but in the interests of balance it is worth acknowledging some of ground I have not covered. Most notably, the emphasis has been on North America and Europe—because it is the world I know best and because the most successful born-digital firms are US-based (there are a few in Europe and Canada). Other parts of the world also require attention. China is a story in its own right, because it has high profile born-digital firms *and* a more authoritarian and interventionist state. Many other countries (such as India, Russia, and Brazil) have their own dynamics, depending on the existence of local digital firms, the level of state intervention in business, and the education level and English language skills of the population. It would be interesting—but beyond the scope of this paper—to consider the extent to which this “move fast and break things” approach to international expansion applies in some of the less developed regions of the world.

The other notable gap, in terms of the field of IB as a whole, is that I have given little attention to people issues. I touched briefly on issues of national versus organizational culture. However, there is much more to say about the styles of leadership of those in charge of born-digital firms, the competencies and behaviors of employees in these firms, the systems for hiring, developing, and promoting them, and so forth. These are important issues, for sure, but beyond the scope of the current paper.

To conclude, my motivation for writing this commentary article was to ask whether the phenomenon of born-digital firms such as Facebook and Uber requires new theories, or whether it can be effectively understood through the existing theoretical apparatus that has been built up over the last 40 years. To use Mark Zuckerberg’s famous phrase, should the mantra of “moving fast and breaking things” be applied to academic theory as well as to existing business practice?

Of course, there is no simple answer to this question. It is possible to make the case that existing IB theory “does the job,” in that the theories developed in the pre-digital era can be readily adapted and extended to accommodate changes in the nature of the MNC. But an equally valid case can be made that new phenomena require new theories. For example, if decisions about which markets a digital firm sells into are made “by algorithm” rather than as a result of human judgment, we should not attempt to interpret those decisions using theories that are underpinned by assumptions of bounded (human) rationality—such as the behavioral theory of the firm or transaction cost economics.

In terms of the way forward, there is no need to choose between these two points of view. Some domains of inquiry that used to attract interest (for example MNC structure, subsidiary roles, market entry strategy) seem to be almost irrelevant in the born-digital world, and I would encourage researchers either to give up on them entirely or to propose bold new ways of studying them that are relevant to the contemporary world. On the other hand, there are domains of inquiry that have been relatively quiet in recent decades and are becoming *more* important. For example, the relationship between powerful MNEs and host country governments is once again in the spotlight, and needs to be studied with a combination of old theories (e.g., bargaining power) and new theories (e.g., platform economics, surveillance capitalism).

All of which is good news for the IB research community. While the volatility in the global business environment makes our everyday lives more challenging, it creates fertile opportunities for research, as we seek to make sense of happening around us.

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