

**Professional Services Firms:
using Accounting Associations and Networks for
internationalisation – Auren and Antea case study.**

Thesis

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To my wife, this thesis and more other things in my life would not have been possible without her support,

To my son, he is a wonderful person who has inspired me in multiple ways.

To both of you, with all my love!

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TABLE OF CONTENTS

<i>THESIS ABSTRACT</i> _____	6
<i>ABBREVIATIONS</i> _____	6
<i>LIST OF FIGURES AND TABLES</i> _____	7
1. THESIS INTRODUCTION _____	8
1.1. Professional Services Firms using Accounting Associations and Networks in their internationalisation strategies _____	8
1.2. Background and advantages of Accounting Associations and Networks for Professional Services Firms going global _____	9
1.3. How Psychic Distance, Trust and Relationship Building Development are affected when Professional Services Firms use global Accounting Associations and Networks _____	12
1.4. Auren and Antea: case study _____	13
1.5. Thesis purpose and research questions _____	14
1.6. Limitations and suggestions for further research _____	16
1.7. Thesis structure _____	16
2. LITERATURE REVIEW _____	19
2.1. General theories, models and concepts relevant to the thesis _____	19
2.1.1. Foreign Direct Investment, internalisation and Dunning's eclectic paradigm _____	20
2.1.2. The Uppsala model _____	21
2.1.3. Liability of Foreignness, internationalisation risks, and Psychic Distance _____	23
2.1.4. Network approach, Trust and Relationship Building Development _____	25
2.1.5. Born Global Companies _____	27
2.2. Do general theories, models and concepts apply to Professional Services Firms? _____	28
2.2.1. Professional Services Firms Definition _____	28
2.2.2. Professional Services Firms as a specific subject of research _____	30
2.2.3. Morgan & Boussebaa's Professional Services Firms internationalisation forms _____	32
2.2.4. Other Professional Services Firms Organizational Archetypes _____	33
2.3. Literature review on accounting firms internationalisation _____	34
2.3.1. The use of Accounting Association and Networks for going global _____	34
2.3.2. Relationship with the client as a relevant factor for internationalisation _____	37
2.3.3. Branding, reputation and how Accounting Associations and Networks provide legitimacy _____	38
2.4. Covid-19 Pandemic and its effects on Professional Services Firms internationalization _____	40
3. METHODOLOGY _____	42
3.1. Case study methodology _____	42
3.2. Summarising the data collected and analysed _____	43
3.3. Interviews with professionals of Auren and Antea organizations _____	44
3.3.1. Choosing interviewees relevant to the topic _____	44
3.3.2. The interview questionnaire _____	45
3.3.3. The interview process _____	46

3.4.	Collecting documentation/information about Auren	47
3.5.	Collecting documentation/information about Antea	47
3.6.	Other global accounting networks and associations	49
3.7.	Public surveys and interviews	49
3.8.	Analytical approach	50
4.	<i>CASE BACKGROUND</i>	52
4.1.	Auren and Antea overview	52
4.2.	Why did seven Spanish Firms incorporate Auren as a network	53
4.3.	Why did Auren (network) incorporate Antea (association)	54
4.4.	Multidisciplinary approach of Auren and Antea	55
4.5.	Big Four market concentration - smaller firms' competition	58
4.6.	Market deregulation – changes in the international business environment	61
5.	<i>AUREN-ANTEA CASE STUDY FINDINGS</i>	63
5.1.	Psychic Distance factors related to the geographical expansion	63
5.2.	Psychic Distance factors related to referrals and daily work	65
5.3.	Differences between Auren and Antea organisations	66
5.4.	Trust and Relationship Building Development within Auren and Antea members	69
5.5.	Auren and Antea international geographical expansion and international activities during the Covid-19 pandemic.	70
5.6.	Global accounting associations' advantages for potential new members	72
6.	<i>CONCLUSIONS</i>	80
6.1.	Conclusions related to the research questions	80
6.1.1.	How do Psychic Distance factors affect when using Accounting Associations and Networks for internationalisation?	80
6.1.2.	How do global accounting networks and associations differ in practice, especially regarding the legitimacy provided to their members?	81
6.1.3.	How does global Accounting Associations and Networks legitimacy affect the Trust and Relationship Building Development among their members?	81
6.1.4.	How does Covid19 affect Accounting Associations and Networks international expansion and international activities?	82
6.2.	Implications for theory	83
6.3.	Managerial implications	83
7.	<i>REFERENCES</i>	85
	<i>Appendix 1: global accounting networks sorted by turnover</i>	105
	<i>Appendix 2: global accounting associations sorted by turnover</i>	106
	<i>Appendix 3: Questionnaire</i>	107

THESIS ABSTRACT

Professional Service Firms (PSFs) are a specific subject of analysis, and scholars have called for more research on their management and internationalisation (Von Nordenflycht et al., 2015; Skjølsvik et al., 2017). This thesis focuses on the internationalisation of PSFs by analysing how Psychic Distance, Trust, and Relationship Building Development are affected when using global Accounting Associations and Networks (AANs). In line with the researchers of the Uppsala School, I aim to study internationalisation as a dynamic process, which occurs due to the relevant role played by these three concepts. However, AANs' characteristics raise questions about how these concepts may be affected. AANs allows PSFs to internationalise without opening offices abroad, and their members may immediately and simultaneously access markets where the organisation already has a presence. Moreover, the process seems to be fast, as it only needs convincing local firms to join the organisation and members may start receiving referrals (work) from foreign colleagues without any previous interaction. As the research has been conducted during the Covid-19 pandemic, I also analyse how it has affected AANs' international activities. The research methodology is a case study of two interlinked AANs. Auren is a global accounting network which incorporated Antea, a global accounting association, in 2008, as a complement to its internationalisation strategy. The thesis overview may be summarized as follows:

ABBREVIATIONS

AA	Arthur Andersen
AANs	Accounting Associations and Networks
AICPA	American Institute of Certified Public Accountants
ASIC	Auren Spain Internationalization Committee
ASID	Auren Spain Israel Desk
CP	Commitment Process
Deloitte	Deloitte Touche Tohmatsu
EY	Ernst & Young Global
FDI	Foreign Direct Investment
GAO	General Accounting Office
GPN	Global Professional Networks
IAB	International Accounting Bulletin
IFAC	International Federation of Accountants
KDP	Knowledge Development Process
KPMG	KPMG International
LOF	Liability of Foreignness
MNE	Multinational Enterprise
PSF	Professional Service Firm
PWC	PriceWaterhouseCoopers
SME	Small and Medium-sized Enterprise
SMP	Small and Medium-sized Practice
The Big Four	Deloitte, EY, KPMG and PWC

LIST OF FIGURES AND TABLES

Figure 1	The Uppsala Model 2017	Page 21
Figure 2	Significant Accounting Mergers of the 1980s and the 1990s	Page 35
Table 1	Several Relevant PSF Definitions	Page 29
Table 2	Objections to the Case Study Methodology and Measures taken to Avoid Them	Page 42
Table 3	Data Collected and Analysed	Page 43
Table 4	Interviewees' Background	Page 44
Table 5	References When Quoting Interviewees (by Alphabetical Order)	Page 45
Table 6	Documentation / Information About Auren	Page 47
Table 7	Documentation / Information About Antea	Page 48
Table 8	Public Surveys and Interviews Analysed for the Research	Page 49
Table 9	Big Four Services According to Their Websites	Page 55
Table 10	Codification for Comparing Auren and the Big Four Services	Page 56
Table 11	Auren Services by Country	Page 56
Table 12	Comparison Between Tier Accounting Firms – US Operations 1988 and 2002	Page 59
Table 13	Auren Network Geographical International Expansion over time	Page 63
Table 14	Antea's Directory, June 2021	Page 63
Table 15	Examples From the Interview Material About how Psychic Distance Factors Influence Auren and Antea's International Expansion.	Page 64
Table 16	Relevant Spanish Law Firms With a Direct Presence Abroad	Page 64
Table 17	Antea's Number of Referrals: Evolution by Region and Year	Page 65
Table 18	Antea's Number of Referrals: the Weight of Each Region by Year	Page 65
Table 19	PD Factors in Auren / Antea Daily Work	Page 66
Table 20	Main Differences Between Auren and Antea	Page 66
Table 21	Interview Examples About Auren Advantages When Incorporating Antea	Page 67
Table 22	Auren's Geographical Expansion Evolution and the Local Firm's Initial Contact With the Network	Page 68
Table 23	Interview Examples About Reasons for Antea Members to Join the Auren Network	Page 68
Table 24	Examples From Global Associations Websites About Offering Legitimacy to Their Members	Page 69
Table 25	Interview Examples Related to the Importance of Referrals Within Accounting Associations and Networks, and the Need to Build Trust and Business Relationships to Boost the work Exchange	Page 69
Table 26	Secondary Sources Examples Related to the Importance of Referrals Within Accounting Association and Networks, and the Need to Build Trust and Business Relationships to Boost the Work Exchange	Page 70
Table 27	Antea's new Members From January 2020 to November 2021	Page 71
Table 28	Interviews Examples About Covid-19 Effects on Auren and Antea Internationalisation Expansion and Internationalisation Events	Page 71
Table 29	Global Associations Sample Overview	Page 73
Table 30	Crosschecking Antea Website Advantages With Other Antea Sources	Page 73
Table 31	AGN International Advantages	Page 74
Table 32	Allinial Global Advantages	Page 75
Table 33	Alliott Global Alliance Advantages	Page 75
Table 34	BKR International Advantages	Page 76
Table 35	DFK International Advantages	Page 76
Table 36	GGI Global Alliance AG Advantages	Page 77
Table 37	IAPA International Advantages	Page 77
Table 38	LEA Global Advantages	Page 78
Table 39	Praxity Global Alliance Advantages	Page 78
Table 40	PrimeGlobal Advantages	Page 79

1. THESIS INTRODUCTION

1.1. Professional Services Firms using Accounting Associations and Networks in their internationalisation strategies

Some scholars argued decades ago that within the services sector, a group of firms have similar characteristics that differentiate them from other services companies. Although these firms have been labelled with different terms over time, I will follow Empson et al. (2015) and call them PSFs, considering as such any firm that fulfils each of the following four requirements: 1) work (specialist knowledge applied in creating customised solutions to client's problems), 2) knowledge (the professionals are specialists and have in-depth knowledge of clients), 3) governance (professionals have autonomy and the core producers control or own the main assets), and 4) identity (the core producers are recognised by others and by themselves as professionals).

The interest in PSFs has increased in the last decades, with scholars finding that their characteristics demand distinctive management theories (Greenwood et al., 2005; Hinings & Leblebici, 2003; Løwendahl, 2005; Malhotra et al., 2006; Von Nordenflycht, 2010; Von Nordenflycht et al., 2015). Amidst this renewed interest in PSFs, one of the topics suggested for additional research is their internationalisation process. For example, Skjølsvik et al. (2017) performed an overview of the research about PSFs' strategic management. Their study included academic articles published from 1991 to 2015 in journals listed in the 2015 Association of Business School Academic Journal Guide, reviewing 226 papers published in 85 journals. The authors mentioned the relevance of further research on how PSFs with international and global companies manage and organize their services. The authors considered both practically and theoretically important to research how PSFs organize the collaboration with their international clients (i.e. enrol cross-cultural teams to give a better service and close contact with the client) and how they share resources and knowledge when going abroad. This thesis answers this call for more research regarding sharing knowledge and resources when PSFs attend global clients, focusing on PSFs using AANs in their internationalisation process and analysing how it affects key concepts of the Uppsala internationalisation model.

Firms providing audit, accountancy, legal, and business consultancy services (as a sole basis or as a multidisciplinary portfolio of related services) are examples of PSFs. For these firms, becoming a member of a global AAN is a popular and widely used internationalisation strategy, and some AANs have become large organizations playing a relevant role in the world's economy. The International Accounting Bulletin (IAB) publishes yearly a global ranking of the most relevant global multidisciplinary accounting associations and networks. The organizations are ranked according to three main parameters (year turnover, staff, and offices). As we may see in Appendix 1, as of December 2020, the 30 networks ranked had a total turnover of 210,572 million USD, with a staff of 1,6 million people. As we may see in Appendix 2, the 22 associations ranked had a total turnover of 30,859 million USD, and their whole staff was 281,668 people (a fewer total turnover than the networks, but more employees in proportion).

The IAB ranking has a general disclaimer in its footnote specifying that the data related to non-exclusive and alliance member firms are not included in the total turnover amounts, so these organizations' real size and influence may be bigger. Moreover, the organisations ranked offer services to thousands of companies, including most of the significant international enterprises operating worldwide.

1.2. Background and advantages of Accounting Associations and Networks for Professional Services Firms going global

Due to the audit regulations, auditors must be independent and avoid conflict of interest. The accounting bodies have regulated this issue, defining when an audit firm may be considered part of a network. The International Ethics Standards Board for Accountants (IESBA, 2012) accounting network definition follows the European union Directive 2006/43/E.C, defining it as a structure aimed at cooperation where an auditor or an audit firm belongs. Regarding the accounting network purposes, the definition mentions: 1) sharing profit or cost, 2) control or management, 3) common quality control procedures, 4) common strategy, 5) common brand (name), and 6) sharing professional resources. It may be argued that from an outsider's point of view, the common brand (name) is the one with the most visibility. If two independent accounting firms share the same name, they may be members of the same accounting network.

The American Institute of Certified Public Accountants (AICPA) published in 2017 a Frequently Asked Questions and Sample Case Studies about Network firms, defining networks as associations where the firms cooperate and share one or more of the six characteristics already mentioned in IESBA (2012) definition. One of the questions is about a PSF joining a network as a member. In this case, the PSF was a Certified Public Accountant firm with a subsidiary offering separately consulting services. Their question assumed that the Certified Public Accountant firm would be considered a network firm, although they were asking if the consulting company owned by them would also be considered a network firm. The AICPA answer was that it should be considered a network firm because the Certified Public Accountant firm controls them.

As we may see from the above definitions, there is an emphasis on the word “common” and that networks tend to act in a coordinated way as “one-firm” although being integrated by independent firms. The model is flexible, and there may be different partners and firms according to the country and service, although the members share some common resources (especially the brand, which helps to identify them in the market). This is the model used by the most significant accounting firms (the “Big Four”) and others following their lead. The following quotation from one of the “Big Four” websites is an example,

“PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. (...) The PwC network is not a global partnership, a single firm, or a multinational corporation (...) the PwC network consists of firms which are separate legal entities”. (PwC Global, n.d.)

Three main reasons may explain why PSFs use networks instead of becoming a sole firm. The first one is because of local regulations restrictions, as in accounting, audit, and legal services. The second one is for limiting business responsibilities (moreover, after the fall of Arthur Andersen, that is explained in more detail in section 5.4). The third reason is for business strategy if they do not want all the partners to share the profits in the same way.

On the other hand, there is no formal definition of accounting associations. Sometimes, they are referred to by other denominations as alliances or considered a loose form of collaboration among firms that do not fit within the formal definition of an accounting network. Accounting associations organised themselves similar to a club. The members are independent firms that may mention (or not) their membership in their marketing material, although entirely

retaining their brand and identity. They share international resources and marketing activities but consider it more as synergy than a “one-firm” strategy. The following disclaimer from one of the top accounting associations' websites is an example,

“Alliott Global Alliance is an international alliance of independent professional firms. The alliance and its member firms are legally distinct and separate entities which are not and shall not be construed to be in the relationship of a parent firm, subsidiary, partner, joint venture, agent, or network. No alliance member firm has any authority (actual, apparent, implied, or otherwise) to obligate or bind Alliott Global Alliance or any other member firm in any matter whatsoever. As independent firms, Alliott Global Alliance member firms each render their services entirely on their own account (including benefit and risk).”
(Alliott Global Alliance, n.d.-a)

Although the common brand is not the only difference between the types of organisations, it is the most visible way to recognise them *prima facie*. The AICPA (2017) Frequently Asked Questions and Sample Case Studies about Network firms includes one specific question regarding if a firm may be considered part of a network when it fits in their stationery and promotional material a reference to its membership in an association. The answer clearly stated that the firm might not be considered part of a network if it does not use the association name as all or part of its firm name. Specifically, the answer emphasizes that the firm should refer to itself as “an independent member firm of XYZ Association”. However, the response also specifies that none of the other characteristics of a network should be met.

Because the differentiation between accounting networks and associations is for accounting regulations, scholars have not used the same terminology consistently when referring to such organisations. For example, Morgan and Boussebaa (2015) defined four forms of PSF internationalisation, where what they considered “the network form” matches the global accounting association, while what they considered as “the federal form” matches the global accounting network. However, an important implication is that both organisations have significant characteristics that affect their internationalisation process. Moreover, as we will see when analysing the case study, both types may be used simultaneously by a PSF with different purposes.

Although there are differences between global accounting networks and global accounting associations, both provide advantages to PSFs going global. To summarise, and related to this thesis research, they may provide four main benefits for PSFs willing to go global: 1) there is no need to open offices abroad, 2) the member immediately gets access to all the markets where the AAN has a presence, 3) it is a fast process that only needs to convince local firms to join the organisation, and 4) it is possible to receive referrals (work) from the other members without previously knowing them. Internationalisation in these cases may be defined as working for international clients and joining an organisation of accounting firms (Post, 1996). This phenomenon is the focus of this dissertation. In line with the researchers of the Uppsala School, I aim to study internationalisation as a dynamic process, where an experiential knowledge acquisition process and a commitment process interact to enable companies to expand gradually (Vahlne & Johanson, 2017).

These advantages may be more apparent for Small and Medium-sized Practices (SMPs). I will follow the definition of (EU, n.d.) considering as Small and Medium-sized Enterprise (SME) a firm that do not exceed any of the following limits: 1) 250 employees, 2) turnover of Euro 50 million per annum, and 3) a balance sheet total of Euro 43 million. In this thesis, I use the term SMPs and SME indistinctly.

Regarding why the AANs' advantages are more apparent for this type of company, Bills et al. (2018) indicated that using AANs is a way for small firms to join forces to overcome common challenges, providing them resources and geographical reach while continue being independent. Summarising, it may be inferred that AANs offer three main advantages: 1) sharing resources and knowledge (i.e. marketing budgets, seminars and technical support, among others), 2) geographical coverage (i.e. there is no need to open an office abroad because the local member will provide the service) and 3) independence (i.e. at a local level there will be autonomy although, as we will see later, the independence may vary depending on if you are an association or a network). As an example of the wide use of AANs in the accounting sector, they mentioned that AANs have existed in the Us market for more than 30 years and that more than 90% of the 300 top accounting firms are members of an ANN.

Professional accounting bodies too recognise the importance of using AANs for improving SMP management and their assistance in their internationalisation strategy. The International Federation of Accountants periodically publishes a Global SMPs survey. The 2015 survey analysis mentions three top benefits for PSFs joining an AAN: 1) attracting new clients, 2) broadening the service offered to their clients, and 3) branding (marketing). Moreover, the survey analysis explicitly mentions how an AAN membership may help small and medium-sized practices (SMPS) to serve clients operating internationally

Accounting bodies consider AAN membership a good tool for accounting firms to offer their services to companies with worldwide activities. For example, since the disappearance of Arthur Andersen (one of the biggest accounting firms at that time) in 2002, the listed companies audit market has been predominantly controlled by four networks named collectively as the "Big Four": Deloitte Touche Tohmatsu (Deloitte), PriceWaterhouseCoopers (PwC), Ernst & Young Global (EY), and KPMG International (KPMG). This market concentration provoked a mandate for the US General Accounting Office (GAO) to study the consolidation and competition among public accounting firms. The GAO published two studies, the first in 2003 and the second as a follow-up in 2008. The US-GAO (2008) surveyed a random sample of almost 600 large, medium, and small-sized companies, plus the Big Four and other US accounting firms that audit at least one public company. The study mentioned that over 60% of the midsize firms that responded to the survey were members of an AAN and did so to compete with larger firms and extend their geographical coverage. The study quotes three answers from interviewees stating that the main benefit of being an AAN member was obtaining support abroad when the PSFs clients are expanding internationally. The collaboration with foreign PSFs may be done by partnering with them or through a referral system.

Auren and Antea are examples of SMP internationalisation because what counts is the situation of each member that integrates the organisation and not the sum of them all. As of December 31, 2020, Auren network's turnover was USD 135 million, but as mentioned, it is an integration of multiple firms (according to the countries and specialties) sharing the name Auren. For example, "Auren Abogados y Asesores Fiscales SP SLP" (Spain / Lawyers) and "Auren Corporate SP SLP" (Spain / Corporate) are two independent firms. Antea association is more apparent because although their members' turnover as of December 31, 2020, was USD 311 million, the association only has the members' fees as its turnover.

1.3. How Psychic Distance, Trust and Relationship Building Development are affected when Professional Services Firms use global Accounting Associations and Networks

The Psychic Distance concept was introduced by Beckerman (1956) when analysing the importance of distance in determining the pattern of Western European Trade. It has a central role in international business research and may be defined as “the distance between the home market and a foreign market, resulting from the perception of both cultural and business differences” (Magnusson & Boyle, 2009). They are barriers or difficulties affecting understanding when involved in international activities. Dow and Karunaratna’s (2006) considered that Psychic Distance factors are five: 1) differences in culture, 2) languages, 3) religions, 4) education, and 5) political systems. However, other scholars have also considered other Psychic Distance factors or nuances. For example, Evans et al. (2000) also mentioned business differences, and Conway and Swift’s (2000) also mentioned national identities.

The Psychic Distance concept was popularised by Johanson and Vahlne (1977) when they proposed their internationalisation process theory, considering that companies go global through a dynamic and progressive process (known as the “Uppsala Model”). According to Eriksson (2016), the original 1977 article has been cited more than 8,000 times, and their authors have updated it in successive years, incorporating new findings. The Uppsala Model focuses on internationalisation as a dynamic process, emerging from the relationship between state and change variables. In one of the last updates (Vahlne & Johanson, 2017), the change variables are commitment and knowledge development process (KDP). The commitment (allocation of resources) allows the firm to develop the KDP. The more knowledge the firm has, the more it can reduce the uncertainties and perceived risk, thus increasing the inclination to commit more resources. It is a gradual interlinked development that allows the firm to expand internationally gradually through stages, with greater involvement as it gets to know the process better.

The gradual approach affects the internationalisation mode choice and the market selection. Regarding the mode choice, the model suggests that companies will first start exporting, establish a market subsidiary next and finally produce abroad. It is an establishment chain process based on the company’s knowledge about the market and the increase of its internationalisation abilities over time. Regarding market selection, the gradual approach suggests that companies will first access markets that have a close Psychic Distance with the companies’ home country. However, several researchers have questioned this gradual approach, arguing that companies may enter different markets simultaneously (Knight et al., 2004; Weerawardena et al., 2007; Freeman & Sandwell, 2008)

AANs enable international expansion without opening offices abroad, and their members may immediately access all the markets with the AAN presence. In this sense, two potential questions may arise related to Psychic Distance and AANs: the first is how Psychic Distance factors affect the organisation’s international expansion (i.e., would the AAN look for foreign members first in Psychic Distance close markets?). The second is how Psychic Distance factors affect firms that have already joined the organisation (i.e., the new member would interact and receive/send referrals to the other members on equal terms, or do Psychic Distance factors still appear?)

Trust and Relationship Building Development also have a relevant role in the model. According to Vahlne and Johanson (2017), KDP occurs through learning, creating, and trust-building. Because firms are embedded in networks, the process can be either inter- or intra-organisational (Bartlett & Ghoshal, 1989; Ghoshal & Bartlett, 1990; Johanson & Vahlne, 2009).

One of the sub-processes involved in KDP is relationship-building, which also requires time and gradual development. According to Vahlne and Johanson (2017) it is time-consuming because it consists in learning about each other and requires a common purpose that justifies the investment. Working on this common purpose allows building the relationship upon experience, increasing or decreasing trust among the parties involved.

Relationships are also relevant in the company's commitment decisions. For example, it may influence a company's decision to enter a market, considering that foreign-market entry processes may be based on more relationship-oriented motivations than market-oriented ones (Coviello & Munro, 1995, 1997; Rovira Nordman & Melén, 2008; Lindstrand et al., 2011). Moreover, trust and Relationship Building Development play a more critical role in service-oriented companies than in product-oriented companies due to the relationship between clients and service providers and other specific characteristics of services such as intangibility and inseparability, *inter alia* (Hartline et al., 2000; Hillebrand et al., 2011; Hu & McLoughlin, 2012; Shostack, 1987; Syson & Perks, 2004).

Some scholars have argued that AANs provide legitimacy to their members. For example, Bills et al. (2018) researched SMPs joining AANs and their implication for audit quality. They interviewed 37 partners from 18 firms, concluding that small accounting firms join with other PSFs to persuade stakeholders that their firm is predictable, trustworthy and offers quality services. The study is based on the respondents, so it may be considered a subjective opinion of the interviewees. In this sense, Ahn et al. (2018) explored how small audit firms may attract new clients joining an association of accounting firms. One of their findings is that, on average, these firms grew 35% more (over two years after joining such organisations) than those without membership. They also find evidence about how the association's reputation affects the clientele growth of their members. Although AANs provide legitimacy to their members, there are relevant empiric differences between the associations and network organisations, mainly related to brand use. However, the process seems to be fast, as it only needs to convince the local firms to join the organisation, and members may start receiving referrals (work) from foreign colleagues without any previous interaction. In this sense, two potential questions may arise related to the trust and Relationship Building Development within AANs: 1) whether the legitimacy provided is the same in both organisations (i.e., does being an association's member offer the same legitimacy as being a network's member towards clients and other professionals and 2) how it affects the process of Trust and Relationship Building Development (i.e., the legitimacy provided is in a certain way immediate, shortening the time involved in the process?).

1.4. Auren and Antea: case study

Sometimes networks and associations may be used simultaneously in PSFs' internationalisation strategy. This is precisely the case of Auren (a network) that incorporated Antea (an association) to complement their geographical expansion and as a preliminary stage to collaborate with other PSFs before inviting them to join the network. The case introduction and context are explained in detail in Section five. Just as an introduction, the Auren network was incorporated in Spain in 1998, and in 2021 it had a direct presence in eleven countries. In

2008, they decided to incorporate the Antea association, and in 2021, it had a direct presence in 67 countries (not including countries with coverage through corresponding members and other business contacts too). In the 2020 IAB rankings (see appendixes 1 and 2), Auren is ranked 26th among global networks and Antea, 16th among global associations, according to their members' turnovers.

1.5. Thesis purpose and research questions

The recent interest in PSFs has boosted research about their strategic management processes. However, PSFs have specific peculiarities distinguishing them from other companies, and specific management theories are necessary to explain their behaviours (Von Nordenflycht et al., 2015). Further, the ability to internationalise has become a competitive necessity for many PSFs, enabling their survival and the possibility to access to larger markets. According to the review of academic articles published from 1991 to 2015 and listed in the 2015 Association of Business School academic journal guide, additional Research about PSF internationalisation would be practically and theoretically important (Skjølsvik et al., 2017).

Creating specific solutions to the client's problems, the professionals' autonomy in their work, and professionals being owners of the control core assets are relevant characteristics when defining PSFs (Empson et al., 2015) and affect how they internationalise. Moreover, PSFs providing accounting services have strong local regulations affecting their internationalisation strategy. PSFs providing accounting and related services (as legal) often use global AANs for internationalising (Bartlett & Ghoshal, 1988; Bills et al., 2018; Brown et al., 1996; Zimmermann & Volckmer, 2012); in which case, there is no need to open local offices abroad directly but only to find local firms to join the organisation. Post (1996) defines PSFs internationalisation in these circumstances as working for international clients and joining a global organisation.

This thesis aims to enhance the understanding of PSFs' internationalisation processes by studying the use of global AANs in their internationalisation strategies. In line with the researchers of the Uppsala School, I aim to study internationalisation as a dynamic process, where an experiential knowledge acquisition process and a commitment process interact to enable companies to expand gradually (Vahlne & Johanson, 2017). Based on the Uppsala approach to internationalisation, I will focus the investigation on the importance of Psychic Distance, Trust, and Relationship Building Development for PSFs internationalisation to occur and how they are affected when PSFs use global AANs for internationalisation. Since the data was collected during the ongoing Covid-19 pandemic, I took the opportunity to investigate the resilience of global AANs and how their international activities were affected by the pandemic.

Due to the PSFs specific characteristics and the peculiarities when internationalising using global AANs, I focus on three aspects. Firstly, previous researchers have argued for the existence of Psychic Distance between markets (Johanson & Vahlne, 1977; Nordström, 1991; Rovira Nordman & Tolstoy, 2014). Psychic Distance affects the sequence of internationalisation and influences companies to avoid distant markets until they can acquire the knowledge to handle them (Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975). However, researchers have questioned the applicability of the Uppsala school's ideas about a gradual internationalisation process, given that companies can enter many different markets simultaneously (Freeman & Sandwell, 2008; Knight et al., 2004; Weerawardena et al., 2007). It may be argued that PSFs using global AANs also enter different markets simultaneously because

they have direct access to all the existing markets in the organisation after they join. Building on this discussion, the first two research questions are the following:

- RQ1 How do Psychic Distance factors affect Accounting Associations and Networks international geographical expansion?
- RQ2 How do Psychic Distance factors affect Professional Services Firms once they have joined a global Accounting Association and Network?

Secondly, the Uppsala school's ideas are based on a process where commitments (allocation of resources) allow a company to develop its experiential knowledge, and the more such knowledge it has, the more it commits resources (Vahlne & Johanson, 2017). Trust plays an essential role in the process and may be considered a pre-requisite for commitment (Morgan & Hunt, 1994), having a more critical role in service-oriented companies than in product-oriented ones, due to the relationship between clients and service providers and other specific characteristics of services such as intangibility and inseparability, *inter alia* (Hartline et al., 2000; Hillebrand et al., 2011; Hu & McLoughlin, 2012; Shostack, 1987; Syson & Perks, 2004). Further, relationship interactions influence the process (Eriksson et al., 1997; Erramili, 1991; Melén et al., 2021; Vahlne & Johanson, 2017). Scholars have studied how these relationships may influence a company's decision to enter a market, considering that foreign market entry processes may be based on motivations that are more relationship-oriented than market-oriented (Coviello & Munro, 1995, 1997; Lindstrand et al., 2011; and Rovira Nordman & Melén, 2008). As AANs provide legitimacy to their members (Ahn et al., 2018; Bills et al., 2014; Bills et al., 2016), it may be argued that this legitimacy reduces the need for the PSF member to build strong and trusting relationships with end customers and other professionals. Additionally, although scholars refer to AANs as a unique subject of research, some institutions differentiate in practice between global accounting associations and global accounting networks (for example, the IAB, when publishing their year rankings separately for each type of organisation). There is also empirical evidence that some PSFs use both organisations simultaneously as a combined strategy with different purposes for each type of organisation. Building on this discussion and pieces of evidence, the third and fourth research questions are:

- RQ3 How do global accounting networks and associations differ in practice, especially regarding the legitimacy provided to their members?
- RQ4 How does global Accounting Associations and Networks legitimacy affect trust and Relationship Building Development among their members?

Finally, this thesis was written during the Covid-19 pandemic. It is still an ongoing situation; therefore, there are few contemporary studies about how such a pandemic may affect the PSFs in their internationalisation process. With the Covid-19 movement restrictions, international business has slowed down, remote working has become the daily norm, and most international events and activities have gone virtual. Remote working and the influence of digitalisation in services internationalisation is a trend that was already in motion before the Covid-19 pandemic (Lindh & Rovira Nordman, 2018), but has now been boosted dramatically (Empson, 2021; European Commission, 2020). Building on these pieces of evidence, the fifth and last research question is as follows:

- RQ5 How does the Covid 19 affect Accounting Association and Networks international geographical expansion and international activities?

The research has three limitations regarding 1) the methodology used, 2) the number of interviews, and 3) the number of Psychic Distance factors analysed. These limitations and the measures that I have taken to mitigate them are described in the next section.

1.6. Limitations and suggestions for further research

This research has three limitations that affect the evidence gathered and suggest directions for future research. The first is that the thesis uses the case study methodology. Although it is a well-known method used in Social Science (Yin, 2014), it relies mainly on qualitative data such as documents, interviews, and observations (Schramm, 1971). I have taken special precautions to avoid pre-conceptions and cross-checked the findings with secondary data sources, although the conclusion of this thesis may not be generalised without further research through other methods. Moreover, this thesis does not aim to propose new internationalisation theories but to find practice evidence of how specific academic concepts are or not still valid when PSFs use AANs for their internationalisation.

The second limitation concerns the number of interviews. The research was done in 2020-2021, within the movement restrictions imposed by the pandemic Covid-19 and its effects on the business environment. As it has been difficult to organise the interviews, I have prioritised quality over quantity when choosing the interviewees. Luckily, although there were only eleven interviews, I have managed to interview the persons in charge of Auren and Antea international expansion since their incorporation to date. Moreover, I have interviewed more than half of the Antea Board of Directors, the Chairmen of both organisations, and key partners of Auren Spain involved in the internationalisation activities. To complement the data, I have analysed in-depth material about both organisations, participated in the 2020-2021 yearly events of Antea, Auren International, and Auren Spain, and collaborated in four projects related to international activities in both organisations. As other sources, I have also analysed public interviews by sector magazines and surveys by accounting bodies and reviewed the websites of the main global AANs according to the IAB 2020 rankings.

The third limitation is the scope of the research when analysing the Psychic Distance factors that may affect when PSFs use AANs in their internationalisation strategies. As indicated in the introduction, scholars have commented on Psychic Distance mentioning a wide range of factors: cultural, language, business, political systems, education, industrial development, religion, etc. (Chetty et al., 2004; Child et al., 2002; Dow et al. 2006; Evans et al., 2000; Sottinger & Schlegelmilch's, 2000). However, my research is not structured to analyse whether all these factors appear. My focus is only on the more apparent Psychic Distance factors that appear in the findings, but it does not mean that these are the only Psychic Distance factors affecting AANs. Therefore, additional research on that area may be required.

1.7. Thesis structure

There are five other chapters in this thesis, viz., 1) literature review, 2) methodology, 3) case background, 4) findings and 5) conclusions.

The literature review chapter provides an overview of scholars' research related to the thesis purpose. It is divided into four sections. The first focuses on general theories, models, and concepts related to internationalisation. It starts with FDI, internalisation and Dunning's eclectic paradigm, just as broad context, delving soon into topics more related to the thesis such as the Uppsala model, LOF, internationalisation risks, Psychic Distance, network approach, trust, and Relationship Building Development. There is a specific analysis on Born Global companies because they are assumed to access early and rapid simultaneous markets. The second section of the literature review focusses on whether general theories, models, and concepts related to internationalisation apply to PSFs too. The debate has emerged because internationalisation research was initially focused mainly on manufacturing companies. With the increasing importance of services in international business and the increased interest in PSFs as a specific sector within services, scholars have started to identify PSF characteristics that may require specific research. The review starts with the PSF definition and characteristics, offers an overview of the debate about PSFs as a specific research subject, and ends with Morgan and Boussebaa (2015) PSF internationalisation forms and other organisational archetypes of PSFs. The third section of the literature review focusses on internationalisation of accounting firms. As commented, this thesis is about PSFs using AANs in their internationalisation, and the research method is a case study of Auren (a global accounting network) and Antea (a global accounting association). Therefore, the section review starts with an overview of the use of AANs by PSFs going global, the relationship with the client as a relevant factor for internationalisation, and how AANs provide legitimacy (explaining the importance of branding and reputation in the sector). The fourth and last section focusses on research about the Covid-19 pandemic and how it affects the global geographical expansion and international activities of AANs.

The methodology chapter starts with an introduction to the case study methodology, explaining why I have chosen it for this research. As commented in the limitations, I have taken special precautions to avoid pre-conceptions and cross-checked the findings with secondary data sources. This research is based on qualitative data, and the chapter includes an explanation of the different sources. To summarise, it includes interviews with key professionals from both organisations, marketing material from both, Antea's documentation related to their daily business, public presentations by professionals from both organisations, and four observation processes: 1) participation in the 2021-21 events of both organisations, 2) marketing initiatives related to Antea in Kazakhstan, 3) being a member of Auren Spain Israel business desk, and 4) punctual project involving Antea European network related to changes in the online sales VAT regulations in the EU countries. I also have analysed 17 global AAN websites (seven global accounting networks and ten global accounting associations), public surveys done by accounting bodies, and interviews and reports published in technical journals.

The case background chapter is divided into six sections. The first four focus on Auren and Antea, giving an overview of both organisations and why the partners decided to incorporate the network first and the association thereafter. The fifth and sixth focus on the sector, specifically the Big Four market concentration and how market deregulation affects PSFs' internationalisation.

The Findings chapter is structured in six sections related to the research questions. To simplify the reading, the findings are presented in 27 tables with the proper explanations. The first section shows the findings related to Psychic Distance in the geographical expansion of both

organisations. It includes four tables related to Auren's expansion over time, Antea's directory, opinions from interview material, and a comparison with other PSFs' expansion. The findings of the second section are related to Psychic Distance in referrals and daily work, with three tables analysing the referrals evolution from 2015 to 2020 (although focusing only on the annual variation for confidentiality) and opinions from interview material. The third section shows findings related to the differences between both organisations, focussing especially on legitimacy. It includes five tables summarising each organisation's characteristics, findings related to the reasons for incorporating Antea or Antea members joining Auren, and evidence of legitimacy in the global accounting association websites. The findings of the fourth section are related to trust and Relationship Building Development in Auren and Antea members. It includes two tables with findings regarding the importance of referrals and the need to build trust and relationships to boost the work exchange. The fifth section shows evidence of expansion of both organisations and international activities within the pandemic. It includes two tables with Antea's new members in 2020-21 and opinions from the interview material. The last section refers to the advantages of joining a global association, researching on Antea and ten relevant global accounting associations (according to the rankings on Appendix 2), and it includes eleven tables.

The last chapter presents the conclusion of the thesis in three sections: the first gathers the conclusions related to each research question. The second explains the implications for theory. The last one focuses on how the findings may help PSF managers interested in using AANs for their internationalisation strategy.

2. LITERATURE REVIEW

A company may be involved in international activities in several ways, making it difficult to define “internationalisation” unanimously. For example, a company may export products or services, invest abroad, produce abroad, acquire final products or components from abroad, hire employees worldwide, or relocate some local services to other countries, among other international activities. In this sense, Satsumi (2020) researched internationalisation definitions by reviewing more than 100 papers using Google Scholar. Although not all the papers defined the term, he identified 26 definitions published between 1973 and 2018. His research had some limitations, as it was based only on papers in English and did not include similar terms like “international expansion”, but the number by itself highlights the lack of consensus on the term.

This thesis focuses on PSFs using AANs in their internationalisation strategy, which also has nuances. When a PSF joins an AAN, opening an office or sending employees abroad is unnecessary, although they internationalise their activities. The PSF will be able to support its clients in their international activities with the local support abroad of other members. Moreover, the PSF may start receiving work (referrals) from other foreign firms, although doing the service locally. For this thesis, I will consider two definitions for the term internationalisation, the first general and the second related precisely to the use of AANs by PSFs. The first definition is the one provided by Beamish (1990):

“(internationalization is) the process by which firms increase their awareness of the direct and indirect influence of international transactions on their future, and establish and conduct transactions with other countries.” (Beamish, 1990)

The above definition is adequate as a starting point because it focuses on the firm’s perception that international transactions are relevant to their future. Once a company has realised this, it will take adequate measures to approach it. There are several ways of internationalising, but in this thesis, I focus on the specific way of joining an AAN. Hence, the second definition I will be using is the one by Post (1996), considering internationalisation as working for international clients and joining an international organisation of accounting firms.

2.1. General theories, models and concepts relevant to the thesis

There is no consensus among scholars about why and how companies internationalise. The main theories were developed when scholars analysed the international business expansion period in the 1960s and 1970s. The research was focused mainly on manufacturing companies, to understand why they decided to set up subsidiaries or joint ventures abroad instead of continuing to export their products. Gradually, the research also included services companies because this sector was becoming more and more relevant to developed economies. Further, the research gradually included other types of internationalisation that do not necessarily mean setting up an establishment abroad, such as the so-called “Born Globals”. The present section provides an overview of the most relevant internationalisation theories and concepts, though narrowing them down as much as possible to the importance of Psychic Distance, trust, and Relationship Building Development, and their effect when PSFs use global AANs for internationalisation.

2.1.1. Foreign Direct Investment, internalisation and Dunning's eclectic paradigm

Scholars focused their research initially on Multinational Enterprises (MNEs) investing in subsidiaries or joint ventures abroad. I follow the definition of MNE proposed by Buckley and Casson (1976), considering it an enterprise that owns and controls activities in different countries. Regarding investing abroad, I use the term Foreign Direct Investment (FDI) as defined by Moosa (2002):

"Foreign Direct Investment (FDI) is the process whereby residents of one country (the source country) acquire ownership of assets for the purpose of controlling the production, distribution and other activities of a firm in another country (the host country)." (Moosa, 2002)

The first theories regarding MNE and FDI were based on the assumption of perfect competition and product markets (Latorre, 2009), considering FDI as a capital movement from countries where the return was low to countries where it was high. However, some scholars started analysing other FDI approaches, focussing more on the characteristics of MNE activities. For example, Vernon (1966) developed the product-cycle theory, according to which opening subsidiaries in less developed countries allows MNEs to access cheaper resources. Similarly, Hymer (1976) rationalised that despite all the sensible costs of establishing a factory abroad, MNEs did it because there would be advantages that make it worthwhile. On the same lines, Buckley and Casson (1976) established the basis of the internalisation theory. According to this theory, the company develops a specific advantage in its home market. If this advantage cannot be maintained and safeguarded through contractual transactions, the company will create an "internal market" by expanding internationally.

Based on such previous work, Dunning (1977) developed the eclectic paradigm of international production. It is also known as the OLI Framework because of the importance of three aspects, viz., ownership, location and internalisation. According to the eclectic paradigm, companies establish foreign operations because 1) they possess advantages over the local companies (for example, skills or processes), 2) the new location gives them significant advantages, and 3) the company decides to internalise the production abroad because it offers fewer risks than other options (for example licensing or other collaborative agreements).

Over time, Dunning updated his theory and it has become one of the most recognised theoretical models in international business. Ferreira et al. (2013) conducted a bibliometric study of Dunning's contribution to international business research, analysing 697 articles published in 14 renowned academic journals over 31 years, from 1980 to 2010. According to their analysis, the percentage of articles published mentioning at least one of Dunning's works has increased over time. In 1980 only 1.1% of articles published in the journal mentioned Dunning's work, while in 2009 the percentage increased to 9.8%.

However, this approach to consider internationalisation only as a specific investment abroad based on the objective analysis of benefits was refuted by other Scholars, as the Swedish researchers from the Uppsala University.

2.1.2. The Uppsala model

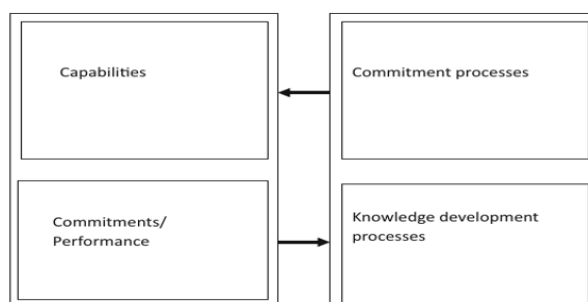
Swedish researchers from Uppsala University (Johanson & Wiedersheim-Paul, 1975; Johanson & Vahlne, 1977) sought a theoretical explanation for a company's internationalisation through a behavioural approach to its decisions. They questioned the mainstream theories of internationalisation that considered it mainly as making large investments abroad at a single point due to an objective analysis of its benefits. The Swedish researchers considered internationalisation a dynamic process based on gradual development. The theory is known as the Uppsala model, and the authors have updated it in 2009, 2010, 2011, 2013, 2014, 2017, and 2020 incorporating new findings by themselves or other researchers, as an addition or a refusal. The model is presented as a valid alternative to Dunning's eclectic paradigm, and it has been explicitly discussed in Johanson & Vahlne, 1990; Vahlne & Johanson, 2013; and Vahlne & Johanson 2017. According to their authors, the Uppsala model is based on more realistic assumptions and allows a better micro-level understanding of the firm's internationalisation.

Vahlne & Johanson (2013) use the term "multinational business enterprise" (MBE) instead of the term Multinational enterprise (MNE). They do this to emphasise what they consider to be key features of a modern firm, a firm that is process-oriented, pro-active, entrepreneurial, and heterarchical (decentralised). Moreover, a modern firm is a firm that works within a network instead of being a stand-alone unit

The Uppsala model operates at the level of the individual firm (micro-level), and is not considered prescriptive for or predictive of success. Instead, the model identifies a set of necessary conditions that firms need to fulfil to succeed. *Ab initio*, the authors approached internationalisation as a dynamic process, emerging from the relationship between state and change variables. This basic structure of the model has not changed in the updates, although nuances have been included. Vahlne and Johanson (2017) consider capabilities and commitments/performance as state variables, while commitment processes (CP) and knowledge development processes (KDP) are change variables. State and change variables are interconnected, as shown in the Figure 1:

Figure 1

The Uppsala Model 2017



Reprinted from "From Internationalization to Evolution: The Uppsala Model at 40 Years" by J.E. Vahlne and J. Johanson (2017), Journal of International Business Studies.

The change variables (CP and KDP) are crucial and where the action occurs. KDP comprises learning, creating, and trust-building, enabling the firm to reduce uncertainties and the perceived risk of internationalisation. Moreover, it increases the CP allocating more resources and affecting the state variables. It is a gradual development that allows the firm to expand internationally through stages, being more involved as it gets to know the process better.

The gradual approach affects the internationalisation mode choice and the market selection. Regarding the mode choice, the model suggests that companies will start first exporting, then establish a market subsidiary and finally produce abroad. It is an establishment chain process based on the company's knowledge about the market and the increase in its internationalisation abilities over time. However, the establishment chain has been challenged by several scholars based on empirical findings. For example, some companies may want to remain in the export phase regardless of their international experience (Chetty & Campbell-Hunt, 2003), may simultaneously use different entry modes (Coviello & Munro, 1997), or may also de-internationalise (Benito & Welch, 1997). Regarding the market selection, the gradual approach suggests that companies will first access markets that have a close Psychic Distance with the company's home country. However, several researchers have also questioned this approach, arguing that companies may enter many markets simultaneously (Knight et al., 2004; Weerawardena et al., 2007; Freeman & Sandwell, 2008). This point directly affects some of the thesis research questions and will be developed further in other sections when discussing the Born Global companies' phenomenon.

Since the original article, the model has become very popular and is still used widely. According to Eriksson (2016), it has become a dominant view on the internationalisation process, and the original article has been cited more than 8,000 times. With 1,800 citations in the Journal of International Business Studies (JIBS), it is the most cited article in the journal's history (the third-ranked paper has fewer than half the citations). According to Hult et al. (2020), the original article has more than 14,000 Google Scholar citations, was recognised by the JIBS as the best-in-class article, and its 2009 update received the JBIS Decade Award. One of the reasons for its popularity may be the effort by the Swedish researchers to update the model, adding or refusing potential contributions of other researchers in international business over time. In their introduction, Vahlne and Johanson (2017) commented the capacity of the model to adapt itself to potential new contributions, reviewing previous updates and stating their commitment to be open for future improvements.

However, the basic model structure resting on state and change variables interaction has been kept constant in the updates, though with several nuances. Wach (2021) summarised the model changes over time, referring to the updates done in 2009, 2010, 2011, 2013 2014 and 2017. After 2017 there have also been updates and additions. For example, Vahlne & Johanson (2019) suggested that the model may be improved by analysing managers' general psychological characteristics and how they affect the internationalisation process. More recently, Johanson & Johanson (2021) discussed speed and synchronisation in foreign market entry, incorporating these aspects into the model.

2.1.3. Liability of Foreignness, internationalisation risks, and Psychic Distance

As we have seen, one of the reasonings of Hymer (1976) is that despite all the sensible costs of establishing a factory abroad, MNEs did it because there would be advantages that make it worthwhile. Other scholars focussed on these additional costs that companies incur when they decide to establish abroad. In this sense, Zaheer (1995) popularised the term “liability of foreignness” (LOF), analysing a paired sample of 24 foreign exchange trading rooms of major banks in New York and Tokyo. The term refers to the additional costs that companies with international operations incur when competing with local firms, and has received increased interest from scholars over time. According to Nachum (2016), when searching by year in Google Scholar for the phrase “liability of foreignness”, the results were less than 100 in 2004 although jumped to more than 500 in 2010 in progressive and steady increases by year.

In their review of the state of literature of this concept, Denk et al. (2012) attributed the increased interest of scholars since 2001 to identifying the drivers of these internationalisation costs and proposing strategies for overcoming the challenges. The review was based on 27 full-text articles published in 13 relevant journals from 2004 to 2010. Regarding the drivers, they divided the research into two periods: 1) past LOFs research and 2) Post-JIM-SI LOFs research (referring to the previous review done in a special issue of the *Journal of International Management*, Vol 8 No 3, published in 2002). Although small differences between both periods, it is relevant for this thesis that both included specific concepts such as lack of local legitimacy, lack of trust, and distance (i.e., cultural, institutional, linguistic, and spatial).

Other scholars have considered that although foreignness is a liability, it may also provide specific advantages when competing with local companies. For example, Nachum (2016) asked whether foreignness is an asset or a liability, considering for example that foreign firms may have stronger R&D investments than local firms, or may not be as much constrained by local norms as the local firms.

The internationalisation process involves not only costs but also risks. Morgan and Boussebaa (2015) categorised these risks into four main groups. The first risk is linked to the LOF concept and involves 1) not understanding the local culture and regulations and 2) not having the right connections and network. The second risk is leaking the company’s knowledge to the local employees and potential local competitors. The third risk is reputation and financial failure. The fourth risk is not properly managing the balance between national markets and global integration and innovation.

A third concept related to LOF and internationalisation risks is Psychic Distance, directly affecting this thesis research. The Psychic Distance concept was introduced by Beckerman (1956) when analysing the importance of distance in determining the pattern of Western European Trade and was popularised by Johanson and Vahlne (1977), defining it as the sum of factors that prevents information to flow to and from the market. As examples, they mentioned the differences in language, education, business practices, culture, and industrial development. Dow and Karunaratna’s (2006) considered that Psychic Distance factors are five: 1) differences in culture, 2) languages, 3) religions, 4) education, and 5) political systems. However, other scholars have also considered other Psychic Distance factors or nuances. For example, Evans et al. (2000) also mentioned business differences, and Conway and Swift (2000) also included national identities.

Other scholars have offered different definitions about Psychic Distance, adding relevant nuances. For example, Nordstrom and Vahlne (1994) did not include the term market in their definition, focusing only on the term factors, and therefore defining Psychic Distance as: “factors preventing or disturbing firms learning about and understanding a foreign environment”. Similarly, several scholars pointed out that these factors were not always objective and, in some cases, may be based on just the company’s perceptions. For example, Fletcher and Bohn (1998) defined Psychic Distance as “a distance in the minds of individuals”. Evans and Mavondo (2002) also focused on the subjectiveness of the concept, defining Psychic Distance as the distance between the home market and a foreign market, but including also that this distance results from the perception of both cultural and business differences.

A concept often connected with the term Psychic Distance is cultural distance. For this thesis, I will follow the definition of cultural distance by Sousa and Bradley (2008) as “the degree to which cultural values in one country are different from those in another country”. The two concepts differ considerably. Psychic Distance has more factors and an element of subjectiveness, while cultural distance is more objective and refers to differences among countries. Therefore, it is easier to measure cultural distance, for example, using the Kogut and Slight Cultural index (KSI). This index was elaborated by Kogut and Singh (1988), aggregating cultural differences along four dimensions (Hofstede, 1980): power distance, uncertainty avoidance, individualism, and masculinity. According to (Beugelsdijk et al., 2018), the original 1988 article has been quoted more than 6,000 times. Despite the differences between the two concepts, some scholars tend to consider them erroneously as interchangeable (Sousa and Bradley, 2008).

Another concept connected to Psychic Distance and cultural distance is institutional distance, defined by Kostova (1999) as “differences between the institutional profiles of two countries”. It is based on three main aspects defined by Scott (1995): 1) regulatory aspects (laws and rules), 2) cognitive (shared assumptions and reality interpretation), and 3) normative (norms and values). As in the case of cultural distance, this concept is more objective than Psychic Distance. Moreover, cultural, and institutional distances remain relatively constant (or with small changes over time), while Psychic Distance will diminish as the company learns how to deal with it.

To measure Psychic Distance is complex, with no consensus among scholars. Early research considered geographic distance a proxy for Psychic Distance (Linnemann, 1966; Leamer, 1974). However, empirical evidence shows that they may be not directly related. For example, many Spaniards would probably consider the Psychic Distance with Mexico smaller than with Morocco, even though the distance between Spain and Mexico is 9,020 Km while Morocco is Spain’s neighbour.

Finally, it is also interesting to comment on the concept of “Psychic Distance Paradox” coined by O’Grady and Lane (1996) when researching 32 Canadian retail companies that accessed the US and noticing that only seven of them (22%) were still functioning successfully. Additionally, in the same paper, empirical evidence from 271 CEOs confirmed greater cultural differences between both countries than expected. According to the authors, the paradox would be that decision-makers assume that markets with similar cultures will be easier to access, although evidence shows that this does not happen always. Similarity does not mean the same, so decision-makers are not always prepared to deal with the empiric problems that will arise.

An excess of confidence by the decision-makers will not allow the company to prepare for accessing the foreign market properly.

2.1.4. Network approach, Trust and Relationship Building Development

Håkansson and the IMP Project Group (1982) coordinated an international research project, investigating the relationships between suppliers and customers. The methodology was to interview industrial suppliers in Germany, France, Britain, and Sweden about their most important customers in the four countries and Italy. Their findings suggested that many industrial markets were based on long-lasting relationships between buying and selling companies. The researchers introduction mentioned that their research was based on an approach that will challenge the traditional ways of examining industrial marketing and purchasing. Their aim was not to narrow the analysis of the industrial buyer behaviour to investigate only a single purchase, but to emphasize how important the relationships between the buyers and the sellers are. However, this approach was not new. There were previous studies from other scholars already demonstrating the existence of these long-term relationships (for example, Blois, 1972) and how it was convenient for industrial companies to focus their marketing not on products or markets but the relationship established between the buyer and the seller (Webster, 1979).

Based on their review, Johanson and Mattsson (1988) assumed that companies in industrial markets are linked to each other through long-lasting relationships, establishing and developing complex information exchange channels, and developing social and technical bonds *inter se*. As a reason for these long-term relationships, the authors suggested that clients and customers need extensive knowledge about each other before engaging in relevant transactions. As an example, they mention that this need for knowledge does not only refer to price and quality but also may include other issues very difficult to know beforehand, such as deliveries and the services related to them. This type of knowledge could only be acquired by direct experience, which implies a relationship between both organisations that may allow contacting the key persons who may provide this information. Building this relationship implies time, and should be seen as an investment to know more about who will be your business partner.

According to the "Network Approach," (Johanson & Mattsson, 1988) considered that the industrial system is a network of relationships among the companies, based on a division of work (so they are dependent on each other), and their activities need to be coordinated. Networks are stable and changing. Some new relationships may arise, and some old ones may be disrupted, but most exchanges occur within existing relationships. To have relationships becomes vital for the business and requires time and effort from the company. Moreover, once the relationship has developed, it will be difficult to change the counterparts because it will mean starting the process again with the required time investment. This constraint for changing the business partner may also explain long-term relationships (not only because they are useful but also because starting a new one will be costly).

According to this network approach, internationalisation means establishing and developing the company's position within the foreign network. This position can be achieved in three sequential ways: 1) network extension (establishing relationships in countries that are new

to the firm), 2) network penetration (development of the relationships in the network), and 3) network integration (connecting networks in different countries).

Other scholars have also focussed on this approach, considering the business environment as a network of relationships instead of independent suppliers and customers. However, some have pointed out several flaws of the model. For example, it does not include the decision-maker or company characteristics (Chetty & Blankenburg Holm, 2000), does not focus on how the relevant networks are developed (Loane & Bell, 2006) or created (Johanson & Vahlne, 2009), nor the problems arising from relationships within networks (Ratajczak-Mrozek, 2017). Johanson and Vahlne (1990) also worked on the same lines, remarking how relationships can be used to enter networks in foreign countries or even force the company to do so when a customer asks their supplier to follow him abroad. In some cases, this demand may also involve the threat that if the supplier does not follow the client, they will also lose the client in the home market because the client is looking for a global supplier.

Other scholars have also studied how these relationships may influence a company's decision to enter a market, considering that foreign market entry processes may be based on motivations that are more relationship-oriented than market-oriented (Coviello & Munro, 1995, 1997; Rovira Nordman & Melén, 2008; Lindstrand et al., 2011).

The empirical evidence about the relevance of networks in internationalisation was so apparent that when Johanson and Vahlne (2009) updated the Uppsala model, networks and relationships became a relevant part of it. As a justification for the addition, they quoted several scholars analysing the role of networks in key issues such as foreign market selection and mode of entry (Coviello & Munro 1995, 1997), internationalisation strategy (Welch & Welch, 1996), SME internationalisation (Chetty & Blankenburg Holm, 2000) and rapid internationalisation (Loane & Bell, 2006), *inter alia*. In their introduction, Johanson and Vahlne (2009) emphasised the importance of networks on two levels. First, markets are networks of relationships and should be taken into account for the company's successful internationalisation. Second, the networks offer the possibility not only for learning but also for building trust and commitment among the members, which are preconditions for internationalisation. According to Johanson and Vahlne (2009), a company's success in internationalisation requires it to be well established in a relevant network or networks as an "insider". If the company wants to enter a foreign market without having a local relevant network position, it will suffer from the "liability of outsidership", complicating the process. The importance of networks in the model was emphasised on account of the title of the paper: "The Uppsala internationalisation process model revisited: From liability of foreignness to liability of outsidership." To be a member of a good (useful) network is crucial for the profitability and growth of a company, and can be relevant also for the company's survival.

Trust building was included directly in the 2009 model update diagram (jointly with learning and creating). Also, the term "relationship" was added to the "commitment decisions" change variable. The authors argued that the original model implicitly included affective or emotional dimensions in relationships in the concept of knowledge, but they wanted to do it explicitly in the update. They mention three reasons to do so. The first one was because social capital and trust also include affective elements. Second, because of empirical observations, they considered affective dimensions important for understanding relationships. The third reason is that trust is relevant for a successful knowledge development process (so relevant that

sometimes it may substitute knowledge, for example when a company trusts a third party to run their foreign business).

The 2009 model update continues to consider trust and relationship-building development a crucial part of the model, although they do not appear in the diagram explained in the paper. Knowledge Development Processes (KDP) is about continuously learning, creating, and trust-building. Regarding relationships, as commented previously, the updated model continues considering it a liability to be a network outsider. Moreover, relationship building becomes a sub-process of the KDP (together with flexibility in strategy implementation and adaption to the organisation's task environment), with the following characteristics: 1) time consumption 2) incremental process, 3) trust-building, and 4) commitment. The four aspects are interconnected: investing time in the relationship means that gradually the parties will know each other better. Therefore, trust among them will grow incrementally, increasing the parties' commitment. Of course, the process does not always develop positively as negative experiences may decrease confidence.

2.1.5. Born Global Companies

The term Born Globals was coined by Rennie (1993), referring to companies that exported at least 25% of their production and started exporting no later than two years after their inception. Knight et al. (2004) defined them as business organisations that sell in multiple countries from or near their incorporation. To study them, Knight et al. (2004) proposed to look for companies younger than 20 years, starting their international activities within three years of their founding, with more than 25% of their sales from foreign markets.

Scholars have also used other terms to describe Born Globals, such as international new ventures or global start-ups, always focusing on the early and rapid internationalisation that characterises them. Other Born Global characteristics related to the thesis purpose are that they may be selling to multiple markets simultaneously, which are physically distant from the home country (Knight & Cavusgil, 1996; Oviatt & McDougall, 1997). Further studies suggest that Born Global companies tend to be SMEs, technologically oriented, from small countries, with founders or managers having previous experience in international activities. However, other research findings contradict some of these trends. For example, the study by Rovira Nordman and Melén (2008b) of eight Swedish companies showed that founders and managers did not have previous international experience in half of them.

Recent studies have challenged the term Born Global by analysing the markets where these companies have most of their international activities. Findings suggest that some of these companies do business abroad but focus mainly on countries located in the same region as themselves and have been labelled as "Born Regional" (Baum et al., 2015; Lopez et al., 2009; Melén Hånell et al., 2019). For example, Lopez et al. (2009) researched 40 Costa Rican software companies, analysing data related to export performance and firm-level characteristics. Although the companies actively exported from their inception, very few ventured into global markets like the US or Europe. The authors concluded that the Born Global argument might not apply regarding high technological firms going global from small developing countries. Because the study was limited in these two aspects (high tech sector and the home country development level), their suggestion was that more research is needed regarding this issue.

Another relevant characteristic of these companies with early and rapid internationalisation is the importance of previous relationships of the founders and managers. For example, Coviello and Munro (1997) conducted research based on four in-depth case studies of the internationalisation processes of New Zealand entrepreneurial firms from the software sector. According to their findings, market selection and mode entry initiatives were driven by the interaction with network contacts, rather than the decisions of the company's managers alone. Focussing specifically on Born Globals, Knight and Liesch (2016) reviewed how internationalisation research evolved, contrasting the incremental internationalisation characteristic of MNEs with the early and rapid internationalisation of the Born Globals. According to the authors, Born Globals use network relationships to reduce the risks of internationalisation, allowing them to develop competitive advantages, and get access to foreign markets and resources (as for example, learning opportunities, financing, or distribution channels).

Rovira Nordman and Melén (2008) analysed eight Swedish biotech companies to explore how the previous international experience of founders and managers are related to Born Global firms' discovery and exploitation of foreign market opportunities. Four of the companies were started or managed by individuals with experience in international operations, and the researchers labelled them as Born Industrials. The others were labelled as Born Academics. According to the study, the evidence suggested that Born Industrial firms tend to develop earlier and more rapidly by committing more resources in the initial investment stages. Suggestion to rewrite: Born Academics showed a reactive behaviour, and followed an incremental internationalisation pattern, while Born Industrials showed a proactive behaviour and exploited international opportunities more quickly. Founders and managers with experience in managing international (having previously developed relationships and knowledge) may explain why the internationalisation of some Born Global companies is faster and seems to overcome Psychic Distance factor constraints without following a gradual development. The knowledge required for internationalisation is provided directly by the founders and managers.

Moreover, Melén Hånell et al. (2019) did additional research on Born Globals and Born Regionals, analysing a sample of 32 SMEs, finding that Born Regionals are more likely to perform better than Born Globals, showing that both LOF and knowledge development are instrumental for international expansion as proposed by the Uppsala framework model. According to their findings, even if some companies internationalise faster and earlier worldwide than the Uppsala perspective suggests, this speed may affect their market learning negatively and be more costly for them in the long run.

2.2. Do general theories, models and concepts apply to Professional Services Firms?

2.2.1. Professional Services Firms Definition

Some scholars started to argue decades ago that a specific group of firms share similar characteristics within the services sector and may be called PSFs (although they have had different names over time and there is still no consensus on the term). Defining a PSF has not been easy, and the debate continues. For example, Empson et al. (2015) reasoned that the definition must include all types of PSFs, although the services offered by some of them may have opposite features. As an example, the authors mentioned specifically the accounting sector. There is no doubt that the Big Four are PSFs, but these firms are multidisciplinary,

offering audit, accounting, legal, and business consultancy services. Audit services are regulated, and the main duty for the auditor is to uphold the public interest (they are given an opinion about the company that will be used by third parties trusting the auditor ethos). On the contrary, business consulting services are mostly not regulated, and the main duty for a consultant is to the client (i.e. optimise their logistics, financial performance, and IT support, among others).

As indicated in the introduction, I follow the definition of Empson et al. (2015). Therefore, for this thesis, PSF is any firm that fulfils each of the following four requirements: 1) work (specialist knowledge applied in creating customised solutions), 2) knowledge (the professionals are specialists and have in-depth knowledge of clients), 3) governance (professionals have autonomy and their leaders own or control core the assets), and 4) identity (recognised as professionals by others and by themselves). Other scholars offered different definitions, each with its nuances. The following Table 1 summarises several relevant PSF definitions and characteristics provided by several scholars as an overview.

Table 1

Several Relevant PSF Definitions

(Greenwood et al., 2005)	<ul style="list-style-type: none"> • Highly educated professionals producing intangible services requiring complex knowledge • Two characteristics: 1) it is difficult for the clients to assess beforehand the competence of the supplier and 2) professionals are a critical resource that has to be recruited and motivated. Moreover, there is a high probability that although all the efforts to retain them, these professionals may leave the firm to develop their careers or for other reasons.
(Malhotra & Morris, 2009)	<ul style="list-style-type: none"> • PSFs are heterogeneous • Three main aspects: 1) knowledge, 2) jurisdictional control, and 3) client relationship, affecting the work, and therefore some vital issues such as principles, team structure, organisational network, spatial distribution of assets, and pricing.
(Von Nordenflycht, 2010)	<ul style="list-style-type: none"> • Three main aspects: 1) knowledge intensity, 2) low capital intensity, and 3) a professionalised workforce, although not all the PSFs have them to the same degree • Four main groups: technology developers (i.e., Biotech and R&D labs), Neo PSFs (i.e., consulting and advertisement), Professional Campuses (i.e., hospitals) and classics or regulated (i.e., law and accounting). Only this last group fulfils the three characteristics.
(Von Nordenflycht et al., 2015)	<ul style="list-style-type: none"> • PSFs have eight characteristics: 1) knowledge intensity, 2) customisation, 3) jurisdiction, 4) ideology, 5) nature of knowledge, 6) degree of client capture, 7) degree of face-to-face client interaction, and 8) capital intensity • Numbers 1 and 2 are the principal sources of homogeneity across PSFs. Numbers 3 and 4 may vary among the firms, although being their core. Numbers 5,6,7 and 8 are the characteristics that have more heterogeneity.

Scholars have also tried to approach PSF research from a holistic point of view. Two examples clearly show this trend. The first one is Reihlen and Werr (2012), a handbook of research on entrepreneurship in professional services, gathering the contribution of 34 scholars. The second example is Empson et al. (2015), a handbook on PSFs, aggregating the work of 40 scholars. In both cases, the scholars' contribution was in their respective specialties, reflecting specifically on PSFs. The internationalisation forms of Morgan and Boussebaa PSFs commented upon in Section 3.2.3 were presented as a chapter of the handbook of Empson et al. (2015).

2.2.2. Professional Services Firms as a specific subject of research

The internationalisation of services, in general, started to attract the Academy's interest decades ago. One of the earliest topics of discussion was whether the research on manufacturing companies could be applied to services companies. For example, Weinstein (1977) researched the foreign investment behaviour of multinational advertising agencies, comparing it with the multinational manufacturing firms to identify potential differences. He divided the companies into two groups— the first was integrated by companies that made their investments before 1950, and the second after this year. Weinstein stated that the reason for going global in the first group was usually following a large important client when they go abroad. In the second group, the reason was a combination of a senior executive perceiving it as a good move and a defensive reaction to other agencies going global. However, the author concluded that the investment behaviour of advertising agencies did not differ significantly from that of manufacturing companies.

Another example of the discussion, in this case, nine years later, is the study of Boddewyun et al. (1986) about FDI and MNE theories applied to international services. Considering that this topic was still in its early stages, they concluded there was no need at that moment for particular definitions and theories. Their position was to await more research, accommodating the existing theories in the meantime. They also commented that because of the heterogeneity of the services, it would be better to analyse each service subsector instead of creating a general category of Service Multinational Enterprise.

The subject was far from being closed, and more scholars continued analysing and debating the topic. For example, Erramilli (1990) researched the entry mode choice in the service sector. When explaining the literature review on the topic, he commented that some scholars considered that production and consumption of services do not have specific features and may not be separated in the analysis, while others disagreed. Erramilli sent a survey addressed to 463 companies representing various services industries. The survey yielded 175 usable responses (37.8%). Erramilli concluded that “hard service” (such as software and engineering) appears to be similar to the manufacturing sector, but “soft-service” industries differ because production and consumption are simultaneous, and there is no possibility of export. Similar reasoning followed Buckley et al. (1992) considering that two key factors affect the way service firms enter new markets: 1) the extent to which the service is embodied in physical goods, (if higher, it would be easier to export the product, license or invest in the foreign market), and 2) the degree to which the production and consumption of the service can be spatially separated (i.e., in case of medical services, that has a high degree of coincidence, unless the consumer travels to the country of the service supplier, it will be necessary for the firm to locate activities abroad). More than ten years later, this differentiation between hard and soft services is still

present. For example, Blomstermo et al. (2006) focussed on examining the relationship between foreign market-entry modes and services firms. They surveyed a sample of 140 Swedish service firms, including lawyers, architects, and firms dealing in computer software, data processing, management consulting, and engineering consulting. According to their conclusions, 1) a high control entry mode is more likely to be chosen by soft services firms than hard services firms, and 2) manufacturing firms' internationalisation experience (and therefore theories) may apply to hard services suppliers.

The heterogeneity of the service sector implies that depending on the companies chosen for the study, it makes it difficult to generalise (Boddewyun et al., 1986). For example, Campbell and Verbeke (1994) researched globalisation of service multinationals, analysing nine service companies operating in four areas: 1) financial services, 2) management consulting, 3) hotels, and 4) data processing. As we may see, although all of them are services companies, there are significant *inter se* differences. According to the authors, services have three specific characteristics that differentiate them from goods: 1) intangibility, as they can not be touched, 2) inseparability, as they and not be produced and stocked, and 3) heterogeneity, as services may go from high tech software to a tax form submission. They restrict their analysis to the three characteristics mentioned because they directly affect issues of internal organisational design.

The discussion about general internationalisation theories and concepts applying to PSFs includes the Uppsala Model. For example, Cheung and Leung (2007) examined whether the expansion of transnational advertising agencies in China fitted with the stages theory approach. The research design included interviews with the executives of 32 joint venture advertising agencies entering the Chinese market, including the ten globally top agencies and seven of China's top ten foreign agencies in 2003. Three of their findings were consistent with the stage approach of the Uppsala model: 1) their involvement in the market increased over time, 2) they changed their organisational structure through an incremental process, and 3) later entrants' process was much faster (as there was already previous knowledge on the market). The internationalisation process of the companies generally involved the following sequence: 1) associate/external broker, 2) representative office, 3) joint venture, and 4) network expansion. However, the interviews show that the companies considered that the main driver of the process was not an increase in market knowledge; the process was client-driven. The clients' investment in China increased, and the firms were forced to do too. A second example would be the study of Freeman and Sandwell (2008) on three large Australian firms willing to expand to Thailand, Malaysia, and Vietnam. Each firm had a different activity: legal, media consulting, and financial services. The methodology included eight interviews, triangulating the data with company memos, company, and industry reports, and newspaper articles. Their conclusions showed the client-following strategy in the three cases, although not about selecting markets following the stage model approach. However, I will argue that although the 'following client' reason was apparent in both pieces of research, this does imply that the Uppsala Model does not apply. For example, Abdelzaher (2012) considers PSFs as likely to follow a spiderweb-like expansion process, incrementally and cautiously, that fits the Uppsala model. They do so due to 1) following client expansion and depending on their client's performance, 2) tacit knowledge commoditisation, and 3) the relationship between the professional and the clients.

The interest in PSFs, as a specific subject of research within the services sector, has increased in recent decades, with scholars arguing that their characteristics demand distinctive management theories (Empson et al., 2015; Greenwood et al., 2005; Hinings & Leblebici, 2003; Løwendahl, 2005; Malhotra et al., 2006; Von Nordenflycht, 2010; Von Nordenflycht et al., 2015). Amidst this renewed interest in PSFs, one of the topics suggested for additional research is their internationalisation process. For example, Skjølsvik et al. (2017) did an overview of the research about PSFs' strategic management. Their study included academic articles published from 1991 to 2015 in journals listed in the 2015 Association of Business Schools' academic journal guide, reviewing 226 papers published in 85 journals. The authors mentioned the relevance of further research on how PSFs with international and global companies manage and organize their services. The authors considered it to be both practically and theoretically important to research how PSFs organize the collaboration with their international clients (i.e. enrol cross-cultural teams to give a better service and close contact with the client) and how they share resources and knowledge when going abroad.

2.2.3. Morgan & Boussebaa's Professional Services Firms internationalisation forms

Morgan & Boussebaa (2015) analysed the PSF internationalisation process, explaining first the general international theories and discussing their applicability to PSFs. They argued that the internationalisation of services differs from those applying to manufacturing companies and that PSFs should be considered a specific group within the services. Working on the Campbell and Verbeke (1994) research that has already been commented in the previous section, Morgan and Boussebaa (2015) summarised why internationalisation through FDI is not the main route for PSF internationalisation. In their opinion, services imply a close connection between the professional and the client, which means that if a PSF wants to access a new market through FDI, the cost will be very high. The PSF will have to invest in hiring the local professionals and renting the appropriate offices (or buying an already established firm). Moreover, the local professionals in the new market should have to be high-level professionals because of the parent company's reputation and because their performance will be crucial for implementing the firm in the new market. It would not be the same as distributing a product, and there will be no synergies with the parent company that may lower the total cost.

According to Morgan and Boussebaa (2015) the PSF internationalisation process is influenced by three key elements. The first element is the clients' requirements, although it will depend on the service provided because there is a great variety among the PSFs. For example, a firm providing legal and advertising services may do it offsite with its professionals and practices. In this case, there is no pressure to have multiple overseas offices. However, audit services generally require the auditor to be present in the client firms. The second element is the mode of governance, conditioned by the PSF's dependence on its members' knowledge, networks, and expertise. PSFs must balance their efforts to achieve global integration and maintain their staff's local responsiveness and professional autonomy. It also means that internationalisation may be a more negotiated process in a PSFs than in other organisations. The third and last element is their knowledge forms, although they will also depend on the type of service provided. For example, legal services imply knowledge embedded in national legal systems. On the other hand, an engineering consultancy service involves knowledge that may be applied worldwide.

Morgan and Boussebaa (2015) identified four models of PSF internationalisation: 1) network (independent firms in different national contexts that link together to provide international services to their clients), 2) project (limited number of large value clients with specific requirements, e.g., architects), 3) federal (firms that may initially start as networks, become more coordinated, with a brand identity and a certain degree of central management) and 4) transnational (a central office leading the global practice). Because this thesis focuses on using AANs in the PFS internationalisation processes, the two forms that may be equivalent to networks and associations are the first one and the third one.

The first form proposed by Morgan and Boussebaa (2015) is similar to what I consider in this thesis as an association. However, they called it “network” because they are not using the proper accounting terms, as explained in the introduction. In any case, the characteristics that they mention for this form are similar in both cases: 1) independent firms, 2) focusing on clients with occasional needs for international support, 3) limited services that are not very complicated, 4) used mainly as a platform to refer clients and work among the members. On the other hand, the third form proposed by them is similar to what I consider in this thesis as a network. However, they called it “federal”. The characteristics are similar in both cases: 1) single brand identity and 2) a certain degree of global integration (although keeping a balance with the firms’ local autonomy). The authors see the “federal” model as a natural next stage from the “network” model. As commented, there are discrepancies between their terminology and the one used in this thesis, but the main point is that they differentiate among both models while other authors (i.e. Bills et al. 2014) approach them under the generic terms of AANs. It may also be argued that “the federal” model is the natural evolution of the “network” model. The Big Four follow the mentioned federal model, but not all the second-tier accounting firms follow it. Because the main difference between both models is brand identity, big accounting firms may be unwilling to lose theirs and use the one provided by the “federal” organisation. It will depend on an analysis of the benefits of these shared identities. The main point would be to analyse if the quality of the services provided by both forms is similar or differ (considering the authors the “federal” form as superior). As we will see later, this type of research has been done by other scholars but only to analyse how second-tier firms using AANs compete with the Big Four.

2.2.4. Other Professional Services Firms Organizational Archetypes

Over time, there have been various terms used to define what is now considered a PSF. However, it is apparent that these types of services have been in the market for decades, and scholars have researched their organisational archetypes for decades. For example, Mills et al. (1983) proposed a conceptual model for professionals and their organisations. Based on a review of the service sector and professional literature, they considered that the client-firm interface is the seminal element, spawning other features such as a flexible-focus employee, entrepreneurial responsibility, and the manager’s role. They stressed the importance of the client-firm interface because of the interdependence between the professional and the client. Consequently, they proposed an organisational design, calling it “the flexiform”.

There have been many changes in the sector since 1983, the most important ones being the international geographical coverage and the multidisciplinary portfolio services that characterise the leading accounting firms today. For example, Greenwood et al. (1990) researched their organisation and proposed that professional partnerships constitute a specific organisational type. They call them the P² configuration to emphasise that these organisations combine professional and partnership characteristics. The authors reflected on the twenty-five

years of PSF scholarship since then. Commenting on the background, the authors mention how they were attracted by PSFs' nomenclatures (practice development, managing partner, or CEO instead of marketing, CEO, or work). They were also attracted by their structures and process characteristics (for example, the "up or out" career system, part-time managerial positions, and owner-partnership form).

Brock et al. (2007) argue that the archetype of these organisations has evolved since the 1960s, presenting three main types currently: 1) the traditional professional partnership, for example, a small accounting firm or a family lawyer, referred to as P², 2) a relatively specialised professional firm well established in a market niche, referred to as a star, and 3) a more extensive and multidisciplinary Global Professional Network (GPN). The authors mention that PSFs have undergone significant and substantial changes in the last two decades because of globalisation, market deregulation, clients' sophistication, and innovative technologies. These changes have increased the competition among PSFs, forcing some to move from P² to star or GPN status. Moreover, they outlined six main characteristics of the GPN: 1) increasing reliance on formal networks, 2) more individualised reward systems, 3) managerialism and becoming more "business-like", 4) increasing Corporate Governance, 5) increasing global reach, and 6) transformation from generalist to specialist and later on to multidisciplinary practice. For this thesis is relevant the first characteristic, increasing reliance on formal networks, as it refers directly to the use of AANs. According to the authors, the benefits of this reliance are potential economies and branding, and they may threaten to replace the traditional professional partnership.

Regarding the GPNs' increasing global reach characteristic, the authors focus more on how global institutions, market deregulation, and new communication technologies are favouring this trend. In their opinion all these features allow opportunities to PSFs for growing internationally through mergers and acquisitions. They remarked that accounting firms have developed globally faster than law firms, and are still more globally oriented although law firms are trying to catch up in the internationalisation process.

Harlacher and Reihlen (2014) synthesised the existing literature on the topic, building a revised configuration model of PSF governance. They proposed three design parameters: 1) legal forms, 2) organisational governance structure, and 3) systems for managing professionals. Combining the three design parameters with six contingency factors (service commoditisation, service diversification, firm size, capital intensity, firm culture, and risk of litigation) produces four configurations of PSF governance: 1) founder-dominated, 2) collegial, 3) managerial, and 4) entrepreneurial configuration.

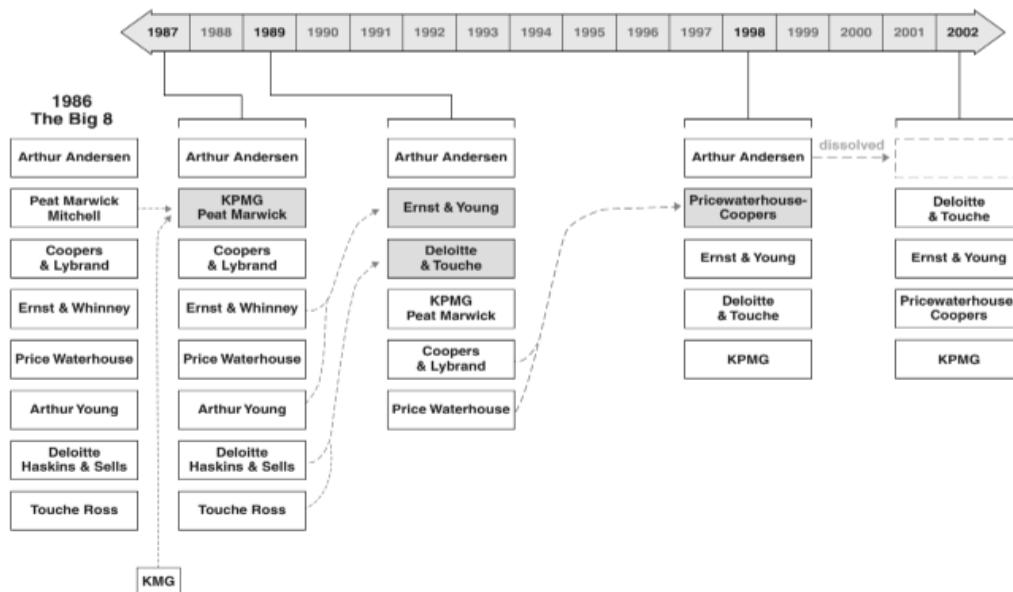
2.3. Literature review on accounting firms internationalisation

2.3.1. The use of Accounting Association and Networks for going global

Significant accounting firms have been merging over time and expanding internationally. The process accelerated since 1987, and now there are four leading players at a great distance from the rest. The US-GAO (2003) study on consolidation and competition among public accounting firms included the following graph (Figure 2) showing how the process developed from 1987 to 2002 (currently, there are still the same Big four firms as in 2002):

Figure 2

Significant Accounting Mergers of the 1980s and the 1990s



Reprinted from “Public Accounting Firms: Mandated Study on Consolidation and Competition” (page 11) by the United States General Accounting Office (2003)

The process is interesting for this thesis because while Arthur Andersen was an example of international expansion as a highly coordinated global firm, the present Big Four are examples of international expansion through global accounting networks. The four follow the same pattern of sharing the brand, although organising themselves legally into separate entities. For example, Deloitte is ranked first in the global accounting networks (sorted by turnover) according to the IAB (2021) rankings. In (Deloitte Global, n.d.), they present themselves in the following way (I have highlighted the keywords):

“Deloitte is the **brand** under which tens of thousands of dedicated professionals in **independent firms** throughout the world collaborate to provide audit & assurance, consulting, financial advisory, risk advisory, tax and related services to select clients”.

The Big Four have been a field study for scholars for decades. For example, Brown et al. (1996) researched how the big accounting firms organised their international expansion (although for confidentiality, they referred to the firm as “Braces & Boots Europe”). They mentioned several ways to go global, but according to their research, the big firms preferred a common international name and a single identity, instead of an association or federation coordinating their members' activities. Another example is Lenz and James (2007), who considered the evolution of large international audit firms a consequence of client needs and legal regulations, affecting this last factor to their corporate governance. Many countries have barriers to the acquisition of local firms by foreign organisations (for example, stipulating that the majority of full ownership should be in the hands of locally qualified professionals). A more recent example is the study of Zimmermann and Volckmer (2012) on the Big Four and their fit within the internationalisation theories. According to the authors, the Big Four strategic organisation would be multinational rather than transnational. Both terms refer to typology (Bartlett & Ghoshal, 1988; Bartlett & Ghoshal, 2008). In a multinational corporation, resources

are organised mainly in the local entities, while a transnational corporation is an integrated network with some centralised resources. An example of research done in this same year is that of Lento and Yeung (2021), analysing the Big Four and second-tier firms redeveloping China's audit market. This research is interesting because of China's internal market size and the economic importance of China's international companies.

The Lento and Yeung (2021) research is not only about the Big Four but also about second-tier firms, which also represent a field of research favoured by scholars for decades. For example, Post (1996) researched a Dutch company joining the BDO network, concluding that the membership gave the Dutch firm access to new high-level referrals, allowing it to increase its professional reputation in audit and tax services. Moreover, the membership help to increase its total turnover, not only because of the referrals but also increasing the local market. Domestic clients considered that the firm's image improved after joining the BDO network. because of the impact in the domestic market. Post explained that in the 1960s, international federations of accounting firms expanded, developing technical procedures, marketing programs, and audit standards for worldwide operations. These organisations were based on cooperation, and their results were a cohesive international practice. However, there were doubts among the scholars regarding how these firms will finally organise themselves. According to Post, the general initial thought was that they would be organised as a unique worldwide firm (all the professional partners participating in the same firm). However, the same author mentions that, since the late 1980s, the dominant organisation among international accounting firms was the hybrid or federative structure.

Other scholars did not share Post's opinion about the predominance of the federative structure. For example, Sluyterman (1998), researching the internationalisation of Dutch accounting firms, disagreed with Post on whether the trend would be joint ownership rather than a federative structure. In her opinion, the federations were moving more and more into one united company, although with different national ownership. The last paragraph of the paper starts with the question, "are the international accounting federations multinational enterprises?" She considered that the answer would be "no" if the definition applies to owning and controlling income. However, it would be "yes" if the focus is on managing operations in different countries.

Another example of specific research on second-tier firms is the case study of Koza and Lewin (1999) about Nexia International. Nowadays, the IAB (2021) list ranks Nexia in the eighth position of the global accounting networks. The methodology was to interview 29 managers from central offices and local affiliates. They chose Nexia for three reasons: 1) it met the definition of what they considered a network alliance: multiple members engaging in *inter se* economic exchanges, 2) the network is formally constituted and organised, and 3) the analysis could cover several years retrospectively. They mentioned three types of members in the network: full members, representatives, and correspondents, contributing with different membership fees. As ideal member candidates, the interviewees mentioned accounting firms ranked in the top ten of their market, with medium-sized businesses (both local and international), and wanted to continue remaining local working on an exclusivity basis with Nexia International, among other criteria.

Till now, I have been reviewing the literature on the Big Four and second-tier firms. However, scholars have also approached global accounting internationalisation firms in general without specifying their size type. For example, Brock et al. (1999) mentioned that accounting firms need

to rely on international networks, meaning local advisors in different countries working closely together. They used the term GPN for Global Professional Networks. This type of organisation has a global reach, relies on formal networks and alliances, has similarities with business corporations, and develops multidisciplinary portfolio services. Another important feature related to our research topic is that GPNs seek to offer these services using a consistent quality name wherever they may be located.

2.3.2. Relationship with the client as a relevant factor for internationalisation

Since the earliest research on the services sector, many scholars have mentioned that maintaining or expanding the client portfolio is the main reason for PSF internationalisation. For example, Roberts (1999) summarised it clearly, pointing out that services firms have come under pressure to follow their multinational clients. As commented previously, Post (1996) researched specifically on the internationalisation of accounting firms. He used as a case study – BDO Binder and BDO CampsObers. The first is currently known as BDO, and IAB (2021) ranks it fifth among the global accounting networks (just behind the Big Four, sorted by the members' turnover in 2020). BDO CampsObers was one of the top six Dutch accounting firms, and in 1988, joined the BDO network. The firm was previously a member of DRR (Dunwody Robson McGladrey & Pullen). DRR was the founding core of a global network named since 1993 as RSM International. According to the IAB ranking, RSM international is now in the sixth position of the IAB list (just behind BDO). Post applied the case study methodology, using interviews (partly open-ended) and written sources (such as annual reports, memoranda, manuals, directives, and minutes, *inter alia*). In his opinion, the case study research confirms the client as the primary source of strategic action, toeing the line of others (Mills et al., 1983). In explaining BDO history, Post mentions that its underlying philosophy is to retain large domestic clients with international business when competing with more extensive and longer-established international firms.

Some years later, Post et al. (1998) conducted additional research on the internationalisation of Dutch accounting firms from 1972 onwards and found that the primary motive for going global was to retain existing domestic clients. The Dutch firms faced two barriers in their internationalisation process: local regulations and lack of local market knowledge. Soon, they realised that the best way to overcome these barriers was to join one of the international networks.

While Post's (1996) research is based on the BDO network, the study of Koza and Lewin (1999) is based on the Nexia International network. They interviewed 29 managers distributed among the central offices and local affiliates. The authors mention three reasons for their internationalisation: 1) following their clients internationally, 2) economies of scale due to reduced margins on audits, and 3) new business diversification to achieve economies of scope. Brock et al. (1999) mention in the first place for accounting firms' internationalisation that audit firms need to provide a global service to their clients (following them when they go global). They also mention how technology, specifically computer-based systems, marks a "virtual corporation" trend.

The previous examples are of research in what we may call second-tier networks. An example of research on bigger firms is that of Cooper et al. (1998). Their study was about a leading global accounting firm opening a new office in Russia. They used the acronym Baf (Big Accounting Firm), indicating that it was one of the six most prominent firms. They interviewed partners from

four countries playing a relevant role in the project and reviewed written material as minutes of committees, business plans, and legal agreements. They found that the driving force for Baf entering the Russian market was at some point different, depending on the partners. Protecting their multinational client base was the main driver for the USA and Canada partners. However, creating and taking advantage of new local markets was another reason for the European partners. It may be discussed if the two reasons imply different strategies. For example, Majkgård and Sharma (1998) concluded that client followers and client seekers have different strategies when analysing three software firms. One of the main differences is that client followers are more willing to commit resources in faraway countries. These differences are more relevant in their early years of the internationalisation process

Other authors considered following the clients such a fundamental reason that they included it when defining AANs. For example, Lenz and James (2007) focused on international audit firms, researching their organisation as strategic networks. They linked the evolution of large international audit firms directly to two factors: 1) client needs (multinational companies that need an auditor for their subsidiaries and foreign operations) and 2) legal regulations. They defined a strategic network thus (I highlight the part related to their purpose):

“a contractual cooperation between legally and economically autonomous national audit firms, which are organized based on partnership principles under the strategic leadership of one or more member firms **for the joint fulfilment of international client needs.**” (Lenz & James, 2007)

Greenwood et al. (2010) considered that transnational accounting firms have evolved through three phases. The first was on a country basis, with local offices under the umbrella of the national firm; the second occurred when their clients became international, forcing the accounting firms to go global; and the third was triggered when the clients expected their advisors to know about their markets and industries. In this phase, the PSFs developed industry-specific expertise. The three phases have in common that the client is the main driver.

2.3.3. Branding, reputation and how Accounting Associations and Networks provide legitimacy

An example of earlier research specifically on the importance of brand names in the audit sector is Firth (1993), analysing 600 New Zealand manufacturing companies and collecting data from 1981 to 1986. The research design involved the relationship between audit fees and other variables: brand name of the accounting firm, company size, complexity, risk, and profitability. Their conclusion stressed the importance of the brand name, especially for the leading firms. Firth mentioned a premium fee on their services as a benefit of brand reputation, which may be one motivation for agreeing to be acquired by a leading firm. Firth's conclusion is very illustrative on that topic, mentioning that the outcome of the service is a standard report that cannot be differentiated from the ones done by competitors because all the professionals have to follow the same rules. In this sense, a stakeholder may consider that the main difference will be the accounting firm's name that has done the report. If the audit report has been done by a PSFs with a high reputation, the stakeholders will assume that the audit process has been followed with high-quality standards, although they can not see the difference directly in the

report. The audit company client will be happy to pay a premium and hire the PSF with a high-quality reputation regardless other PSFs may offer the same high-quality service at a lower cost.

I have already commented in section 3.3.1 about Post's (1996) research on a Dutch company joining the BDO network. As benefits for the member firms of the BDO organization, he mentioned specifically two: 1) shared tools that may enhance the quality and efficiency of the firm auditing practices and 2) enhancing the reputation of BDO as a global firm.

Moizer (1997) analysed whether some audit firms are perceived to have a higher reputation than others and, if so, what their benefits were. He concluded that reputation is relevant and makes an economic difference for the audit firm. Analysing the reasons behind this difference in reputation, he mentioned the possibility that the leading firms are associated with higher quality audits (or the market perceives so).

Another example, in this case, related to reputation and global strategy is Aharoni and Nachum (2000), who considered that the perception of reputation is necessary for the strategy success, mentioning three reasons for its importance: 1) the outcome of the service is relevant for the client, 2) the client faces a significant problem of uncertainty about the quality of the service rendered, and 3) on most occasions, the service delivered is unique.

As a sub-topic of reputation, Carson (2009) researched whether global audit firm networks, presenting themselves as global industry specialists, are rewarded by their clients paying a premium fee for this specialisation. She argued that though there is a considerable body of research about specific partners, offices, or national firms, there was none at the global level. The sample was quite large—15,583 clients from 62 countries in the year 2000 and 14,628 clients from 60 countries in 2004, and the results support the firms receiving this premium.

Though technical reputation is essential, sometimes, it is linked to other aspects. For example, Spence and Carter (2014) explored the professional habitus in the Big Four. The research included 80 formal interviews, site visits, and field observations from December 2010 to June 2012. Focusing on what constitutes the ideal of being a partner, one of the interviewees (a retired managing partner in charge of the firm's activities in the UK and Eastern Europe) stated that he saws himself at that time as an orchestra director coordinating professional specialists from several areas. His role was to bring new clients to the firm through his network connections and ensure that the final service was done correctly. The new client often came to the firm not because of the partner's professional experience in that issue but because they had a previous relationship. For example, they studied in the same university or worked together before. Because of this previous connection between the new client and the partner, the new client assumed that the partner would honestly help him and that he could coordinate the team of experts.

Bills et al. (2014) stated the AANs advantages in their study's title: "Association, networks, and alliances: Equipping small audit firms with big resources". Regarding the quality, their findings showed that they were similar to the Big Four firms, although with a lower fee premium. A few years later, Bills et al. (2016) researched whether AANs may help their members provide higher quality audits and charge fee premiums. Their study used a sample of companies audited by small firms and hand-collected data on membership. The findings suggested that association members provide higher quality audits than non-members, and they could charge fee premiums. Bills et al. (2018) conducted a field study about the implications for audit quality

related to small accounting firm members of AANs. The authors found that small firms benefit from an AAN membership by acquiring the resources needed, although the final result depends on the AAN type. They advanced two theories regarding how small accounting firms use the AAN in practice—the first is the resource dependence theory (allowing the members to access critical resources) and the second, the legitimacy theory (the members perceive them useful to present themselves as more extensive and trustworthy to their stakeholders).

Other scholars followed similar lines of research. For example, Ahn et al. (2018) explored how small audit firms may attract new clients by joining an association of accounting firms. One of their findings was about how, on average, these firms grew 35% more (over two years after joining these types of organisations) than those without membership. They also found evidence about how the association's reputation affects the clientele growth of its members.

The research on how small accounting firms may improve their quality by joining associations and networks continues. Ai et al. (2019) found that audit quality improved, and the audit fees increased in small accounting firms after joining an AAN. As examples of AANs, they mentioned AGN International, BDO Alliance, Grant Thornton International, Nexia International, Praxity, and PrimeGlobal.

However, Cahan et al. (2021) offered other insights into the topic. They analysed the impact on the China audit market after two recent mergers among four non-Big Four audit firms. As a result of the two mergers, Ruihua and BDO Lixin became the third and fourth largest audit firms in China. The authors found an increase in audit quality and fees in the new players, compared to the Big Four. However, the net effect was due to a decrease in the Big Four rather than an increase in the new players. They considered it to be a strategic response because the entrance of new players would probably drive down the Big Four bargaining power. The measure of quality was done using earnings quality proxies, so the authors recommended that further research also use other audit quality measures like audit hours or the likelihood of restatements.

2.4. Covid-19 Pandemic and its effects on Professional Services Firms internationalization

This thesis has been written during the currency of the Covid-19 pandemic. There is very little academic research on the pandemic's effects on PSF internationalisation nor, more specifically, the effects of using AANS or on Psychic Distance, trust, and Relationship Building Development. Research on FDI or product exports is not valid as a potential reference because of all the PSF characteristics commented upon in Section 3.2.

Empson (2021) focussed on how the pandemic may affect PSFs in general (not specifically in their international activities). She mentioned that the main change in PSFs has been the shift to remote working as an acceleration of a sectoral trend. While accountancy, legal, and some consultancy services adapted, IT consultants positioned themselves as experts, arguing that it was already their business model. She commented that remote working might lower rental expenses and increase employees' productivity, transforming commuting hours into billable hours. However, as commented in Section 3.3.2, the relationship between the professional and the client is relevant in PSFs and a specific characteristic. In this sense, she considers that remote working may undermine foundational assumptions about PSFs and have far-reaching implications. She states that the pandemic has provided scholars with a good

opportunity to study how remote and hybrid working is accelerating the changes in the PSF sector.

The study of Papadopoulou and Papadopoulou (2020) is more specifically related to accounting firms, without considering their internationalisation, researching how it affected the profession in Greece. They sent a structured questionnaire to 171 accountants. The questionnaire's response ratio was 37%. The results showed that the professionals had worked more hours, with higher demands, less income, and difficulty in meeting strict deadlines. The respondents mentioned that remote working with their clients and associates was challenging and added stress and difficulties to their daily work.

In similar terms Jabin (2021) researched the impact of Covid-19 on the accounting profession in Bangladesh, through a formal questionnaire to accountants through email and Facebook, receiving 190 answers. The analysis showed that most accountants worked remotely during the pandemic, meetings and training were held virtually, cybersecurity problems became an issue, and job insecurity increased.

As we may see from the three above examples, one of the most apparent features of Covid-19's effects on the sector is remote (or hybrid) working and its impact on daily activity. Two articles mention that remote working was already a trend before the pandemic for PSFs in general and accounting firms in specific, with Covid-19 just accelerating this trend. However, as commented by Empson (2021), one of the main features of services is the close relationship between the professional and the client. In many cases, having a personal meeting with the professional is crucial for the potential client deciding to hire him or her. Also, in long-term relationships between the client and the professional, face to face meetings play a relevant role (i.e. when preparing the year corporate tax, explaining the background of a potential legal litigation, or discussing the implementation of a new IT solution).

Lindh and Rovira Nordman (2018) investigated the effects of personal interaction and information technology integration on services firms with B2B activities and developing new services. They worked on previous research that showed how information technologies were replacing the more traditional face-to-face communication and how it may affect Relationship Building Development, at least concerning socialisation. A standardised questionnaire was mailed to Swedish companies selling products on the B2B market. They received 353 responses, from 66% of the firms selling industrial goods and 34% selling services. The paper focussed on the services responses and showed that personal interaction seemed to be enhanced by IT integration, which became an important mediator for new service development to occur. One of the interviewees (interviewed during the pilot-study before the questionnaire-study was conducted) was an industrial manager saying: "there will be no more socializing with the customers once IT has taken over." According to their conclusion, IT integration has a relevant role regarding new service development and personal interaction. In this sense, IT helps to enable fast, accurate and reliable information that may help the information exchange among the parties involved. As a possible explanation, the authors remarked that the study focused on mature business relationships (the sample's relationship duration was 13 years on average, and the longest relationship was 90 years). In this sense, their research may imply that perhaps Covid-19 remote working will not have so much effect on mature business relationships, but its impact on other types of relationships or when wanting to start a new one remains an open question.

3. METHODOLOGY

3.1. Case study methodology

The case study is a well-known research method used often in Social Sciences. As Yin (2014) mentions, this methodology is the most often used when three components concur. The first one is when the research questions are asking “why” (which are the reasons) or “how” (to explain and to describe). The second one is when the researcher cannot control the event being the subject of research. The third one is when the topic is contemporary.

My research has the three components mentioned by Yin. First, all the research questions focus on “how”. The first four refer to how the use of AANs for internationalisation may affect Psychic Distance, trust, and Relationship Building Development, while the fifth refers to how Covid-19 affects AANs’ international expansion and activities. Second, as a researcher, I have no control over the researched events. I can gather information, analyse it, and cross-check with other sources for verification, but the phenomenon *per se* is out of my control. Third, the study is contemporary and in a real-life context. Auren was incorporated in 1998 and Antea in 2008. The research has been done in close contact with their professional staff in the four observation processes I have been involved with. Regarding the interviewees, I have managed to interview the persons in charge of the international expansion of Auren and Antea since their incorporation till now, apart from other professionals involved in key roles in their internationalisation process.

The case study is a methodology that has been applied for a long time, though it has its pros and cons. Based on US-GAO (1990), Yin mentions that the case study has at least four different applications (the bold words are emphasised in the original also): 1) to explain, 2) to describe, 3) to illustrate, and 4) to enlighten.

The methodology relies on qualitative research and may have several limitations when designing the method. For example, Schramm (1971) stated that because the methodology relies on documents, interviews, and observations, researchers should make greater use of documents, interview the right people and be objective in their observations. The following Table 2 includes some of the main objections to the case study methodology and my measures to avoid them.

Table 2

Objections to the Case Study Methodology and Measures Taken to Avoid Them

Objection	Measure
The researcher may have preconceptions	I have experience keeping an observant attitude without personal involvement, and any finding will be cross-checked with other sources before considering it as evidence.
The research may not be objective	I am justifying why Auren and Antea are good research subjects for the case study and why the interviewees' profile matches the research question. The study involves analysing other secondary sources.
The conclusions may not be generalised	It is not the aim of the thesis to formulate new theories. The purpose is to gather empirical findings and analyse if they may provide evidence on the topic.

3.2. Summarising the data collected and analysed

The data gathered and analysed related to Auren and Antea may be summarised in the following way:

Table 3

Data Collected and analysed

Type	Related to	Explanation
Direct interviews	Auren and Antea	Interviews with the professionals in charge of Auren and Antea international expansion and other key partners involved in the process
Public interviews	Auren	MAA (Auren Spain Chairman) newspaper interviews in 2020 (Lawyerpress) and 2021 (Elderecho)
Observation	Auren	Auren Israel Spain Desk (from its incorporation in March 2020 to December 2021)
Observation	Antea	Antea's approach to the Kazakhstan market (from January 2020 to March 2020)
Observation	Auren and Antea	VAT on online sales – coordination of EU Antea members for a specific request of a Spanish client
Observation	Auren	Auren International yearly conferences held in 2020 and 2021.
Observation	Antea	Antea EMEA yearly conferences held in 2020 and 2021.
Observation	Antea	Antea Global yearly conferences held in 2020 and 2021.
Conference	Auren and Antea	Auren and Antea presentation done in 2018 by AGV (Auren International Chairman and Antea's CEO) at Geneva Business School (Barcelona Campus)
Conference	Auren and Antea	Webinar done in 2021 by AGV in collaboration with the World Bank Group about "Networks, Mergers & Acquisitions in the accounting sector."
Marketing material	Auren	Auren International website and their marketing material: blog, news, magazines, brochures, and videos.
Marketing material	Auren	Auren local websites (eleven, corresponding to the network's countries).
Marketing material	Antea	Antea website and their marketing material: blog, news, magazines, brochures, and videos.
Marketing material	Antea	Review of the annual directories from 2008 (Antea's incorporation) to June 2021.
Daily work material	Antea	Documentation related to Antea's daily work (rules of association and letter templates for potential candidates, among others).
Marketing material	Antea	Social media (LinkedIn, Twitter, YouTube and Instagram)
Publications	Global	Review of MAA (Auren Spain Chairman) handbook about PSF management

As secondary data, I used public interviews and surveys, AANs websites (seven global accounting networks and ten global accounting associations), official reports from accounting bodies, and IAB rankings.

3.3. Interviews with professionals of Auren and Antea organizations

The interviews play an essential role in this research. Since all the interviewees are in the frontline of both projects, I have included several of their answers in the findings section as quotations, after cross-checking them in two ways, first by comparing the responses among them to detect any significant differences, and secondly, by comparing them with other sources.

There are three key elements that I have considered for the interviews. The first one is to choose interviewees relevant to the research topic. The second is to include open and close-ended questions to be more balanced. The third is to make the interviewee confident about the use of their answers

3.3.1. Choosing interviewees relevant to the topic

All the interviewees agreed to participate in this study. However, I will refer to them by their initials for discretion and better reading.

The leader of both organisations has been one of Auren's partners, AGV, supported in the daily routine by the international coordinator VC. AGV had the direct support of other Auren partners such as MAA, MEB, and LLB, since inception. The other interviewees joined the projects later, although they play a relevant role now. The criteria for choosing them will be apparent from their backgrounds shown in Table 4.

Table 4

Interviewees' Background

AGV	He has been the CEO of Antea since November 2017 (before that, he was its president until he stepped down, and OA became its chairman). He is also Auren International President and Auren Spain Vice President. He was the "Col·legi Censors Jurats de Comptes de Catalunya" President (the professional audit body in Catalonia) and Alliot Global Alliance Director (the international association which Auren was a member before incorporating Antea), among other relevant positions. AGV has been the partner in charge of the international strategy in the network (Auren) and expanding the global association (Antea) from the beginning of both organisations.
MAA	He has been the Chairman of Auren Spain since its incorporation. He was the President of the "Instituto de Censores Jurados de Cuentas de España" and the Arbitrator of the Court of Arbitration of the Madrid Chamber of Commerce and Industry, among other relevant positions. He incorporated the Auren Spain Internationalisation Committee (ASIC).
VC	She is the international executive manager of Auren International and also coordinates the daily work of Antea. Like AGV, she has been working in both organisations from the beginning. She is supported by three other professionals, meeting weekly with the chairman and the CEO of Antea, and every 2-3 months with the Board of Directors.
OA	He has been Antea's chairman since November 2017, and is also the President of Auren Israel. He was the managing partner of a PSF in Israel until they decided to join Antea. Later, after discussing it with the other firm partners, they took a step further and in 2018 integrated their firm into the Auren network. He is a member of several business desks in the network, including the Auren Spain Israel Desk (ASID).
MEB	She is a member of Antea's board of directors and an audit partner in Auren, Spain. She was a partner in a Spanish PSF until they integrated into the Auren network in September 2004. She is also a member of the ASIC and the ASID
JLM	He is a member of Antea's board of directors and the managing partner of an Antea member (not integrated into the Auren network). His professional career started in one of the Big Four (Deloitte)

	until he incorporated his firm with other partners. They decided to join Antea in 2013 after being invited to an association event. His firm has offices in Venezuela and Miami.
GMC	He is the managing partner of an Antea member (not integrated into the Auren network) based in Dublin. He is very active in the association, with international clients in Ireland looking to expand abroad. His firm is an example of a small country sending more work abroad than receiving.
LLB	He is the partner in charge of the Barcelona office's tax department and an ASIC member. He is also a member of the Auren Spain Germany Desk and the ASID. Taxation is one of the critical issues when companies go global. Local clients going global and international clients looking to do business in Spain are interested in knowing the new market legislation and its interaction with the country where the headquarters are located.
JYV	He is the partner in charge of the Madrid office's engineering services department. He is an ASIC member and has been involved in different consultancy projects in Latin America, collaborating with other local Auren members in that area. Consultancy is sometimes presented as one of the services that may benefit more from the organisation's internationalisation. The underlying reasoning is that it does not have tight local restrictions like other services (audit, accounting, tax, and legal).
PB	She is the partner in charge of the Media and Technology legal department in the Madrid office. She is also an ASIC member. Because of her department's type of services, international activities are a current part of their daily work.
AK	He is the managing partner of the consulting department in Auren Israel and a member of the ASID. As indicated when giving the background of OA, Auren Israel is the result of a local PSF integration first in Antea and later in the Auren network.

When I quote any of the interviewees, I am using the references as shown in Table 5.

Table 5

References When Quoting Interviewees (by Alphabetical Order)

AGV	(AGV, Auren International Chairman, Antea CEO, thesis interview)
AK	(AK, Auren Israel partner, thesis interview)
GMC	(GMC, Hugh McCarthy & Associates partner, thesis interview)
JLM	(JLM, Global Tax PA LLC partner, thesis interview)
JYV	(JYV, Auren Spain partner, thesis interview)
LLB	(LLB, Auren Spain partner, thesis interview)
MAA	(MAA, Auren Spain chairman, thesis interview)
MEB	(MEB, Auren Spain partner and Antea Board member, thesis interview)
OA	(OA, Auren Israel chairman and Antea chairman, thesis interview)
PB	(PB, Auren Spain partner, thesis interview)
VC	(VC, Auren International executive manager, thesis interview)

3.3.2. The interview questionnaire

The interview questionnaire is attached as Appendix 3 and comprises an introduction and four sections. The introduction explains the interview structure and procedure. It starts thanking the interviewee for their time and seeking their authorisation for the recording. It also provides them two important reminders: 1) they are free to rephrase or make any clarifications, and 2) the research will not use confidential information that may hurt the interviewee or the organisation. The purpose is that they feel confident that regardless of the interview being recorded, they still have control over the final version that will be used and, of course, will not harm the organisation. The interviewee can also edit the interview's written transcription.

The first section focuses on knowing more about the interviewee and their role in the organisation. Although I already know their essential background (as I have considered it when selecting the interviewee), the purpose is that they become confident and start talking about themselves and their role. It helps them be more open for the rest of the questions and may provide valuable new insights. It is also helpful because it makes the interview more personal. However, some of them already have plenty of experience being interviewed by journalists and other professionals.

The second section is focussed on understanding the motives for PSFs' internationalisation. It starts with an open-ended question and then requests them to rank four motives usually considered on the reviewed academic papers. The four chosen reasons are: following local customers, searching for new foreign clients, following the competitors' strategies, and prestige/brand enhancement. The third question is closed-ended about the need for PSF to go global. The fourth is open-ended, asking them directly about the several ways to do so, as an introduction to the third section.

The third section focuses on how the organisations organise and implement their strategies. It includes eight questions; seven are related to both organisations' history and Antea's internal organisation (how they balance the members' interests, look for potential new members, and the limitations that their members may assume when joining the association). The eighth one is a closed-ended question to check whether joining or incorporating a global association is just a cheap way of going global, compared to other choices.

The fourth section focuses on the results. I ask three questions. The first is about which service of the member's portfolio benefits more from the global organisation. It is a subjective opinion that cannot be cross-checked with internal information because of confidentiality. However, it is relevant to see how they perceive it and whether or not local regulations may have a role in the process. The second question asks for three advantages /disadvantages for a firm joining an association. The third one focuses directly on using Antea as a pre-stage for potential future integration in the Auren network.

3.3.3. The interview process

The interview process started in October 2020 and finished in July 2021. It took a long time because of the Covid 19 pandemic and the interviewees' professional schedule (tight professional and personal commitments). To start the process, I first made an informal approach by phone or face-to-face (according to the specific circumstances) with each potential candidate to explain the research project and check their availability/willingness to cooperate. Once the potential candidate agreed, I sent an email explaining the process and asking to schedule a TEAMS or face-to-face meeting for the interview. I attached the questionnaire to the email, emphasising that they could edit the final transcript regardless of the recording. After the recording, I sent them the transcript asking them to reply by email with the final version and their formal consent to use the information/opinion provided. The process described has been followed in ten of the interviews. The interview with VC (the international coordinator of both projects) was open, without the questionnaire. Due to her involvement in the daily work of both organisations, I considered it better to allow her to explain her work and insights freely. The interview was also transcribed and sent to her for editing and consent.

Due to the geographical location of most of the interviewees and the Covid 19 pandemic movement restrictions, ten interviews were done by TEAMS, while only one was done face-to-face at Auren's Barcelona office. The shortest interview took about 50 minutes, while the longest lasted about 90 minutes. The median was about one hour of discussion. The languages used were English, Spanish, and Catalan, as per the interviewee's choice. The translation to English has not been edited, and the transcription is literal.

3.4. Collecting documentation/information about Auren

For the research, I have collected the documentation/information summarized in Table 6.

Table 6

Documentation / Information About Auren

Auren International website (Auren International, n.d.-b)	It follows a structure similar to other global accounting networks websites, including information about services, geographical coverage, and history. It has marketing material with an option to download it. For example, the media section has four subsections; 1) blog, 2) news, 3) library, and 4) videos with plenty of material in each of them (Auren International, n.d.-c). Some links allow you to download the corporate brochure and other specific services brochures when describing the services
Auren public presentations	AGV is very active in giving presentations explaining both Auren and Antea cases to all types of public. I have collected two presentations by AGV on the topic. One was in November 2018 to the students of a master's course at Geneva Business School (Barcelona Campus) regarding "internationalisation, opportunities, and experiences." (AGV, 2018). The second presentation was a webinar in May 2021, collaborating with the World Bank Group about "Networks, Mergers & Acquisitions" in the accounting sector (AGV, 2021)
MAA public interviews and books	Journalists and other professionals have interviewed MAA several times regarding Auren Spain's evolution and future. For the analysis, I have researched interviews published online in Lawyerpress (Mario Alonso, 2020) and Elderecho (Mario Alonso, 2021). He has written several books about the profession, one of them published under the Auren logo in 2013 as an Economy and Business Handbook, about PSFs management. As MAA is Auren Spain's president, and the manual has the Auren logo, I have considered it interesting to analyse it to better understand the organization's background.
14th and 15 th Auren International conference	As part of the observation process, I attended the 14th and 15 th Auren International conferences held in November 2020 and November 2021. They were online events due to the Covid19 restrictions. Both had a similar structure: updating with the last organisation news, financial data of the previous year, lectures, and roundtable discussions. The event was open to all the Auren network members, with participants from eleven countries
Auren Spain Israel Desk	As a part of the observation process, I was invited to join the Auren Spain Israel business desk from its beginning. The idea started in March 2020, and its purpose was to promote Auren's services to companies involved in doing business in both countries. The other four desk members, viz., OA, AK, MEB, and LLB, participated in the interviews. I have been involved in several activities done from March 2020 up to August 2021.

3.5. Collecting documentation/information about Antea

For the research, I have gathered the documentation/information summarized in Table 7.

Table 7

Documentation / Information About Antea

Antea's website (Antea, n.d.-b)	Their website offers relevant information like the Board of Members, services provided, advantages to their members, and plenty of marketing material. This information helps describe the organisation, choose the interviewees, and check their multidisciplinary approach. Significantly, the section with the members' benefits (Antea, n.d.-a) has been handy to identify why a PSF may want to join the association.
Antea's directories	These are published every year, and I have gathered them from 2013 to June 2021. The most recent one is available on their website. However, the directories do not show the full geographical coverage because they include only members. The association also has correspondents, contacts, and other collaboration agreements in several countries. The analysis of such documentation is also helpful for an overview of the trend. It aids in raising questions such as whether the members are the same every year or whether the coverage has increased or decreased.
Association's news (Antea, n.d.-c)	I reviewed the ones uploaded to the website from January 2020 to June 2021. This material provides information about new association members and rankings (both global and local). It also includes information about specific members' recognitions they want to share with the rest (for example, when opening a new office or receiving a public reward for their professional performance).
Videos (Antea, n.d.-e)	The association has uploaded several short videos as part of its marketing activities. Some present the organisation from a narrative perspective, while others are members' testimonials. I checked seven videos. The first two are focussed on a narrative perspective, and their titles are "Meet us, Antea alliance of independent firms" and "Whether in person or remotely always your meeting point." Professionals of the member's firms did the other five videos, and their titles are: 1) "How can Antea help serve clients internationally." 2) "The value of Antea organization," 3) "Antea's benefits," 4) "Conferences key factor / why participating," and 5) "Being part of Antea, a worldwide association of experts."
Periodical technical publications (Antea, n.d.-d)	I reviewed the ones uploaded to the website from January 2020 to June 2021. The association members write articles in two periodical magazines. The first one is the " <i>International Business</i> ," published every four months and focussing on country articles, international tax cases, and technical updates on specific business topics). The second is the " <i>International Comparison</i> ," published quarterly, focussing on international tax development and comparing tax issues in different legislations).
Other specific technical magazines (Antea, n.d.-d)	I reviewed the ones uploaded to the website from January 2020 to June 2021. Apart from the two periodicals mentioned above, the organisation updates a specific report every year about setting up a business in all the countries covered by the association. It is a marketing tool often used by PSFs, using similar titles such as "Doing business in ...," providing a global overview about legal, tax, and accounting regulations in that country). Further, due to the Covid 19 pandemic, the organisation has published monthly, from March 2020 to July 2020, a magazine on the legal, fiscal, and monetary stimulus measures that the governments worldwide approved to face the economic effects of the pandemic.
Daily work documentation	I have had access to the documentation/information provided by the association to potential new members. Additionally, they gave me access to the statistics regarding referrals. However, due to the sensitive nature of such information, I have prepared a specific table presenting the data by areas and yearly percentage increase. In this way, we may discuss the trend without specific confidential details. Finally, I have been provided by the organisation with public information regarding their brand protection strategy and a copy of the association rules, both helpful for the analysis.
Social Media	Similar to other global accounting associations, Antea has an active presence in social media, including LinkedIn, Twitter, YouTube, and Instagram. The links to these social media appear on the upper side of Antea's website (Antea, n.d.-b). The social media marketing strategy includes uploading news about the association, events scheduled, articles on business topics, links to the recording of open technical webinars, and interviews.
Antea Global yearly conferences	The 12th and 13th World conventions took place in November 2020 and November 2021. Both had a similar structure: 1) panel and roundtable virtual discussion, 2) an external speaker, and 3) a social event for assistants to interact.

Antea EMEA regional conferences	EMEA 1st and 2nd virtual conferences took place in May 2020 and May 2021. The first had four sections: 1) What is new in Antea, 2) Facing a new scenario, 3) Leaders' checklist for remote work and 4) Technical groups and virtual coffee. The second one had three sections: 1) What is new in Antea, 2) Panel & roundtable virtual discussion: joining forces for recovery, and 3) Digital transformation: Human competencies in a digital world.
Kazakhstan market	While teaching at Geneva Business School (Barcelona Campus), I was sounded about teaching several courses in Almaty and Astana. Along with Antea's executives, we coordinated several actions towards the organisation's approach to this new market. It was helpful to the research topic as it allowed me to experience and live the process of new markets and services from inside the organisation. Several actions were taken in 2019 and 2020, although they came to a temporary halt when the pandemic hit. It is expected that they will resume in 2022.

3.6. Other global accounting networks and associations

I have reviewed 17 AANs websites to cross-check the Auren and Antea findings. Seven of them are global accounting networks: The Big Four plus BDO, Grant Thornton, and RSM. According to their members' turnover, the three last ones are ranked just below the Big Four in the IAB rankings as of December 2020. The other ten AANs are global accounting associations. Nine of them are in the top positions of the IAB global association ranking (sorted by the turnover of their members) and are, in alphabetical order, 1) AGN International, 2) Allinial Global, 3) BKR International, 4) DFK International, 5) GGI Global Alliance AG, 6) IAPA International, 7) LEA Global, 8) Praxity Global Alliance and 9) PrimeGlobal. I also added Alliot Global Alliance as the tenth one, because AGV was its president when Auren had not incorporated Antea, and Auren was one of their members.

3.7. Public surveys and interviews

I gathered three surveys related to why PSFs internationalise which have been very useful for cross-checking several of the findings. The Table 8 gives a background on each of them.

Table 8

Public Surveys and Interviews Analysed for the Research

(IFAC, 2015)	The IFAC survey in 2015 gathered information about how accounting firms see the benefits of joining these types of organisations and about their willingness to do so. The survey opened in October 2015 and closed in November 2015. There were 6725 respondents representing 169 countries and providing services to more the 800,000 clients (IFAC, 2015).
(The Impact Lawyers, n.d.).	The Impact Lawyers, an online legal journal, published a survey in 2021 regarding how Spanish law firms internationalise (The Impact Lawyers, n.d.). They interviewed fourteen of the most renowned law firms in Spain (including Auren legal area represented by AGV as President of Auren International). The three questions asked in the survey were: 1) What is the strategy you have followed when opening an office abroad? Why? 2) Which model have you chosen to set up in a new jurisdiction? What are the biggest challenges you have faced? 3) How has the COVID-19 crisis affected your international growth strategy? Besides Auren, the firms interviewed were Garrigues, Cuatrecasas, Uria, Perez Llorca, Ecija, DWF-RCD, Broseta, Ramón y Cajal, Ontier, Barrilero, Ceca Magan, Lopez-Ibor, and Cremades & Calvo Sotelo.
(Bills et al., 2014)	It includes a table prepared by the authors showing a list of services provided by a sample of associations to their members. It also includes the percentage of associations that are providing the services. The association's list was gathered from the CPA Firm Associations and Networks (CCH 2011) Annual Directory. The list of resources may be considered

	"advantages" for their members. In this sense, they give a hint about what PSFs are looking for when joining these organisations. Further, if one of the resources is provided by most associations, it would be an indicator that the members assume that it has to benefit them. For example, 100% of the associations offered member conferences and meetings, so any potential new candidate will probably expect that the association will provide this service, and it will be helpful for the PSF.
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3.8. Analytical approach

The findings are presented in 27 tables, each with proper explanations, and gathered in six sections. The first five sections are related to each one of the five research questions, while the last section is an analysis of the advantages offered by Antea and other ten relevant global associations to their members.

The first section shows the findings related to Psychic Distance and the geographical expansion of both organisations. To do so, I have prepared four tables: 1) Auren's expansion over time, presenting the countries that have joined the network specifying the year and their geographical area (Latin America, Europe and others), 2) Antea's directory, gathering the information by countries and geographical area (Europe, Latin America, Asia and others), 3) representative examples from the interviews about how Psychic Distance factors related to language and business approach are apparent in Auren and Antea international expansion according to the interviewees' opinion, and 4) relevant Spanish law firms with a direct presence abroad (the data come from impact lawyer's interview 2021, websites and secondary data).

The second section shows the findings related to Psychic Distance in referrals and daily work. For analysing the referrals, I have prepared two tables based on the organisation's internal data. The information is presented by year (2015-2020) and geographical area (Europe, Latin America, Asia Pacific, USA & Canada, Middle East and Africa). Because of confidentiality issues, I can not put the number of referrals. Hence, the first table considers that the first year of each area is equal to 100, reflecting the increase or decrease in the number of referrals in the following years. The second table shows the evolution calculating the percentage of the geographical area in each year's total. For cross-checking the information, I have prepared a third table that includes selected examples from the interviews about how Psychic Distance factors related to culture, language and business approach affect the organisations' referrals and daily work.

The third section shows the findings related to the differences between both organisations, focussing especially on legitimacy. I have prepared five tables, the first a comparison of nine criteria: 1) profit, 2) purpose, 3) independence, 4) brand-use for legitimacy, 5) daily work requirements, 6) affiliation exclusivity, 7) speed expansion, 8) referrals system and 9) exit. The second table shows representative examples from the interviews about the advantages for Auren when incorporating Antea, gathering them according to two purposes: 1) flexibility in their international expansion and 2) as a pre-stage for future integration in the network. The third table shows the Auren geographical expansion, including not only the year and the country but also the initial contact of the new member with Auren. This third table is relevant to cross-check the interviewees' assumption that Antea is a pre-stage for future integration in the Auren network. The fourth table shows representative examples from the interviews portraying their view on how their organisations' legitimacy was affected by joining the Auren network and the Antea association. The fifth and last table cross-check the interviewees' views by showing

representative examples from global associations related to how their organisation offers legitimacy to their members.

The fourth section shows the findings related to trust and Relationship Building Development among Auren and Antea members. It includes two tables with findings regarding the importance of referrals and the need to build trust and relationships to boost the work exchange. The first table shows representative examples from the interviews, gathering the evidence in three groups: 1) sending clients to other members, 2) receiving clients from other members, and 3) the importance of building trust and business relationships. The second table has the same three groups, including examples from secondary sources (global associations websites and IFAC survey) to cross-check the evidence.

The fifth section shows the findings related to the geographical expansion of both organisations and their international activities during the pandemic. It includes two tables with Antea's new members in 2020-21 and opinions from the interview material. The first table presents objective data, listing the new memberships by date, country and geographical area (Europe, Africa, Asia and the Middle East). The second table presents representative examples from the interviews regarding the interviewees' opinion about the pandemic's effects on Auren and Antea's international expansion and events. The views are gathered in three groups: 1) short term effects, 2) events going online, and 3) PSFs delaying decisions on internationalisation issues.

The sixth and last section refers to the advantages of joining a global association, researching Antea and ten relevant global accounting associations (according to the rankings in Appendix 2). It includes eleven tables (the first one relates to Antea and the other ten refers to 1) AGN international, 2) Allinial Global, 3) Allriott global alliance, 4) BKR international, 5) DFK international, 6) GGI global alliance AG, 7) IAPA international, 8) Lea global, 9) Praxity global and 10) Prime global). In order to make the comparison, I have first gathered the advantages that according to Antea they are offering to their members in five groups: 1) independence, 2) improved skills, 3) international support & referrals, 4) branding, and 5) low cost. I have followed the same structure for analysing the other ten global associations. The data for Antea's table come from their websites and also from other sources. However, the data for the ten global associations come exclusively from their websites and marketing material that is downloaded online.

4. CASE BACKGROUND

4.1. Auren and Antea overview

In 1998, seven independent Spanish accounting firms joined and incorporated Auren's network. As several of the firms were already members of different global accounting associations, they decided to simplify the structure and continue being members of only one of them (Alliott Global). Simultaneously, they wanted to expand its network model internationally, approaching foreign firms to join it. After several years, Auren decided to leave Alliott Global, incorporating Antea in 2008 as a global accounting association, complementary to Auren network expansion. All the Auren members simultaneously become members of the association (thus having dual memberships). From a legal perspective, Antea was incorporated under the legal form of a non-profit association according to the 4/2008 Law, April 24th of Book III of the Civil Code of Catalonia (Spain), and its headquarters are located in Barcelona, Spain.

As of December 2020, the Auren network has a direct presence in eleven countries, and it is structured as independent firms according to the country and the service provided, although they all share the same brand and include Auren's name in the company's denomination. For example, legal and tax services in Spain are offered through a specific firm with the denomination "Auren Abogados y Asesores Fiscales SP SLP", while corporate services in the same country are offered by "Auren Corporate SP SLP", an independent firm with the same headquarters address. Neither Auren International nor any of its members have opened greenfield offices abroad. The procedure followed in their international geographical expansion has been to invite local foreign firms to join the Auren International network.

On the other hand, as of December 2020, the Antea association has a direct presence in 67 countries (not including countries with coverage through corresponding members and other business contacts). The association rules allow the members to use the brand for their business dealings, at their offices or reception entrance, and in various marketing materials (websites, corporate letterheads, business cards, etc.). Any further use that exceeds the intended requires the authorisation of Antea's board of directors. All the members retain their brand, identity, and independence (Antea's logo includes the phrase "an alliance of independent firms"). Most of the association members are local firms without offices abroad. The procedure followed by Antea in their international geographical expansion is similar to Auren (identifying local foreign firms as potential candidates and inviting them to join the organisation). There are minimum requirements for the PSF to join the association but are not so strict as in the case of the Auren network.

For both Auren and Antea, as for other AANs, their position in international rankings and the position of their members in local rankings play an essential role in their branding and marketing activities. As we may see in Appendix 1, as of December 2020, Auren is in the 26th position of the global accounting networks according to the turnover of their members. In Appendix 2, we may see that as of the exact date and with the same criteria, Antea is in the 16th position of the global accounting associations. Additionally, both organisations' marketing material also includes their members' positions in other local sector rankings.

The next three sections provide an overview of key questions regarding both organisations. The first is why seven Spanish firms decided to incorporate Auren as a network. The second is why Auren (network) decided to incorporate Antea (association) to complement their international expansion. In both cases, one of the interviewees, AGV, played a relevant role. His profile and the profile of the other interviewees are explained in section 4.3.1 (table 4.3) when explaining the criteria for choosing them. The third section is about the multidisciplinary approach of both organisations.

4.2. Why did seven Spanish Firms incorporate Auren as a network

According to AGV, more than 25 years ago, the partners of an accounting firm located in Barcelona prepared a strategic plan for their firm's future, titled 'what do we want to be when we grow up?' It included an analysis of the type of clients they wanted to have and not just the profile of the clients they already had then. The plan proposed two types of initiatives. The first was to have international contacts, which they adopted by joining a global association called Alliot Global Alliance. The second was to have a direct presence in other parts of Spain, which they did by initiating contacts with several Spanish PSF located in other cities. At that time, MA was the chairman of a Spanish accounting firm in Madrid and shared the strategic view of AGV. They both worked to convince other PSFs they knew about the strategic convenience of joining forces.

In 1998, Auren network was incorporated through the merger of seven Spanish firms. Both AGV and MA decided to split responsibilities, the first former taking charge of Auren's international relations and the latter focussing on national affairs. Regardless of these specific roles, both continued acting as a team and sharing strategic decisions. Related to Auren's international strategy, they decided to continue in the Alliot Global Alliance global association as members (AGV becoming its director from 1998 to 2005).

According to AGV, the merger of the seven Spanish PSFs was a strategic decision taken by the partners of the merged firms to address, through cooperation, what they considered were three main trends in the sector. The first was globalisation. Clients were becoming more global and expanding the firm's geographical and multidisciplinary coverage was needed. The second trend was competitiveness. There was an increasing customer power and the need to be more competitive, not only in geographical and multidisciplinary coverage but also regarding fees. In this sense, size matters, and firms may have financial synergies when they grow in numbers (offices, professional staff, clients, and turnover). The third one was technology—to introduce new technologies in the professional services, not only in how to offer the service to the clients but also regarding new services to offer and the own firm management. Again, as in the second trend, a bigger size helps in this issue.

Increasing the firm size is one of the underlying characteristics of Auren's strategy *ab initio*. MAA is the Chairman of Auren Spain and has written several books and articles related to professional matters. One of his books (Mario Alonso, 2013) is about managing professional firms. According to him, a more significant size helps a PSF in six ways: 1) strengthening the

brand, and a strong brand helps the firms grow, 2) more specialists in specific complex topics, 3) recruiting talent and retaining them, 4) delegate some tedious tasks to new staff recruited without experience, 5) generational shift of leading roles, and 6) financial synergies such as reducing costs.

Auren's strategy considers it essential to achieve a bigger size to compete with other PSFs and ensure that they will provide excellent multidisciplinary service. In Auren's Annual Report 2020 (Auren International, n.d.-a), AGV, as Auren International Chairman, stated that Auren's strategy seeks to ensure excellence in service backed by multidisciplinary teams and with a solid position regarding size and territorial coverage.

4.3. Why did Auren (network) incorporate Antea (association)

One specific feature of the present case study is that a global accounting network (Auren) has incorporated a global accounting association (Antea) as a crucial element for its international expansion. This special feature is rare but not unique. Some of the interviewees mentioned Mazars (a global accounting network) as a founding member of Praxity (a global accounting association). According to their website, (Praxity, n.d.-b) Praxity is a global alliance of 56 independent firms in over 100 countries. They set up the organisation as a not-for-profit entity.

According to AGV, there were three main reasons for incorporating the association. The first was to have service coverage in the countries where Auren was not present. They wanted to expand internationally by offering multidisciplinary services like the Auren network. The multidisciplinary requirement limits the firms' expansion because it is hard to find suitable candidates. It is not easy to find in all the countries PSFs that initially meet all the quality and size requirements for being members of the Auren network and want to do so. Some potential candidates may be already members of other AANs or close to meeting the requirements but not already fulfilling them.

The second reason was to enhance the image, marketing, and positioning of Auren. No other Spanish PSF has incorporated a global accounting association before. Most of the international audit and accounting associations or networks are from the UK, USA, Germany, and France, *inter alia*. Other interviewees also share this pride. For example, MAA stated:

"There is no Spanish multidisciplinary services firm that has carried out an internationalization process as Auren has done. There are those with a single service but no multidisciplinary firm." (MAA, Auren Spain chairman, thesis interview)

The third reason was that an international association like Antea allows a framework to start working with other PSFs without the stringent rules involved in a network. In this way, if there is a coincidence in the long-term objectives, the daily work goes well, and the firm grows, some members of Antea are invited to go a step further and integrate their firms in Auren. The same point of view about using Antea as pre-stage for future members integrating into the Auren network was confirmed by other interviewees, as we may see in the following examples:

"I dare say that Antea is a test field where some members, after testing that their business philosophy is similar to that of Auren, are invited to join Auren International." (LLB, Auren Spain partner, thesis interview)

“Antea is like a test field for us, and if a firm wants to be part of Auren, it is essential that it goes through Antea for a few years.” (MEB, Auren Spain partner and Antea Board member, thesis interview)

“The Auren/Antea relationship is interesting because it allows us to be present in other countries in two stages, first as Antea. After fulfilling a series of quality requirements, it can be integrated into Auren”. (PB, Auren Spain partner, thesis interview)

An example of Antea being a pre-stage for integrating the PSF in Auren is the case of Auren Israel. OA was the chairman and partner manager in the firm Angel & Angel, an Israeli PSF without offices abroad. In 2014, they decided to be members of Antea and, in 2018, were invited to join the Auren Network. Since 2018, OA has been the Chairman of Auren Israel and the Chairman in Antea. Specifically, he mentioned two advantages in joining the Auren network. The first is that being a member of an international firm and not just a member of an association placed them in the field of top accounting companies, making the approach to clients easier. In his opinion, this positive image worked with clients involved in international activities and with local clients too. Although the latter do not have a global activity, he considers they feel more comfortable knowing that Auren Israel is structured as one firm internationally. The second advantage is that the high reputation of being a part of an international firm helps Auren Israel to recruit employees with more interesting profiles.

4.4. Multidisciplinary approach of Auren and Antea

Ab initio, Auren’s partners desired the network to offer multidisciplinary services, similar to the Big Four and other accounting firms. According to each of the Big Four websites, their services are spread over practice areas. Two firms gather their services in four areas, one in six areas, and only PWC details thirteen areas (although it can be summarised to fewer fields). Their practice areas are shown in Table 9:

Table 9

Big Four Services According to Their Websites

Website	Services
EY Global (n.d.-b)	Mention four in their “what we do” section: assurance, consulting, strategy and transactions, and tax.
KPMG Global (n.d.-c)	Mention four in their “services” section: audit & assurance, tax & legal, advisory, and private enterprise.
Deloitte Global (n.d.-b)	Upon clicking on the “services” button (on the upper side of the website), six types of services appear. Four are the typical audit and assurance, consulting, legal, and tax services. The other two are financial advisory and risk advisory.
PwC Global (n.d.-c)	Mention thirteen types of services in their “services” section. Four are the typical audit and assurance, consulting, legal and tax. Human resources services are relabelled as people and organization. Additionally, they include several that may be considered consulting or transversal services: alliances and ecosystems, climate change, crisis management, deals, entrepreneurial and private business, family business, forensics, strategy, and sustainability.

According to Auren country websites, the services provided in each of the eleven countries vary a little in their terminology, although they may all be grouped into four main practice areas: 1) accounting, 2) legal, 3) corporate, and 4) consulting. For comparison reasons, I shall code the services that appear on each of the Auren websites, and summarise them in Table 11 with the codification shown in Table 10:

Table 10

Codification for Comparing Auren and the Big Four Services

Code	Service	Type
A	audit & assurance	Accounting related
B	audit	Accounting related
C	audit & accounting	Accounting related
D	accounting products	Accounting related
E	outsourcing	Accounting related
F	accounting	Accounting related
G	tax & legal	Legal-related
H	tax consultancy	Legal-related
I	tax solutions	Legal-related
J	tax	Legal-related
K	taxes	Legal-related
L	tax outsourcing	Legal-related
M	legal	Legal-related
N	legal advice	Legal-related
O	corporate finance	Corporate-related
P	corporate	Corporate-related
Q	consulting or consultancy	Consulting-related
R	I&T innovation	Consulting-related
S	special services	Consulting -related

Table 11 summarises the services provided by Auren in each country where the network has a direct presence, according to the codification shown in Table 10.

Table 11

Auren Services by Country

Country	Accounting	Legal	Corporate	Consulting
Argentina	A, E	G	O	Q
Chile	A	G	O	Q
Colombia	A, E	G	O	Q
Germany	B	H, N	O	Q
Israel	C	I, M	O	Q, R
Luxembourg	B, F	J	P	Q
Mexico	A	K, M	P	Q, S
Portugal	A	J	O	Q
Spain	A	G	P	Q
The Netherlands	A, D	G	O	...
Uruguay	A	L	O	Q

As we may see, the four groups (accounting, legal, corporate, and consulting) are offered in all the countries except the Netherlands. However, some of the services, like consultancy, include a wide range of specialties that not all the offices can provide with the same coverage, by themselves, though all the offices may count, if needed, on the support of the specialists within the organisation.

The multidisciplinary approach is also stressed on page eight of their Annual Report 2020 (Auren International, n.d.-a), pointing out that the business world is increasing its complexity and makes it necessary to address its issues from multiple perspectives. Auren revenues back up this multidisciplinary profile. According to the same annual report, their global turnover of 135.5 MM USD had the following allocation by types of services: audit and assurance 23%, tax and legal 56%, consulting 17% and corporate 4%

In 2020, due to the economic situation provoked by the pandemic, Auren Spain offered a new integrated service called “360º solutions for business crises” designed to meet all the company's needs in the financing, restructuring, insolvency, business, or personal processes, involving specialists in all the firm's areas (Auren Spain, n.d.-b). This initiative is as per a global trend followed by the company about offering transversal services. For example, Alonso (2021) commented thus in an interview with the online journal Elderecho.com:

“Problems are complex, and clients are increasingly demanding because they know their business well. In the end, it is necessary to give them a transversal solution to their problems, and Auren covers all areas and needs that a company may have. In this sense, we have launched a new concept of transversal services (360 Services), to provide value-added solutions from all possible points of view”. (Alonso M.A., 2021)

This multidisciplinary approach is also present in the Antea association. According to their website, (Antea (s. f.-b) offers six main groups of services: 1) audit & assurance, 2) tax & legal. 3) consulting, 4) corporate finance, 5) family business, and 6) outsourcing. Their 2021 corporate brochure (Antea, s. f.-a) includes six more groups: 7) accounting, 8) business start-ups, 9) due diligence, 10) IT consulting, 11) human resources, and 12) business valuations. It matches article four of their rules of membership, where Antea members are defined thus:

“Members of ANTEA must be firms, bodies or individuals (hereinafter referred to as “members”) who are practicing professionals with a prime qualification in one or more of the following fields: Audit, Taxation, Accounting, Outsourcing, including book-keeping and payroll, Business Consulting, Commercial law, Management Consulting, Legal and other services as detailed in appendix 1.1.” (Antea rules of membership, 2021)

The mentioned appendix 1.1 includes a list of fourteen services: audit, taxation, accounting, outsourcing, business consulting, commercial law, management consulting, legal services, IT consulting, human resources consulting, corporate finance, valuation of business, personal financial planning, and quality control services. Regarding business consulting, they clarify in Appendix 1.1.2, that the concept includes seven more services: business start-ups, business evaluation, budgeting, establishing business/offices, financial due diligence, merger & acquisition, and advice on quality and sustainability of business organisations.

However, not all members of the alliance are multidisciplinary. According to the PowerPoint Presentation of Antea's twelfth worldwide virtual conference held in November 2020, the association had 123 members then, of which forty-five were law firms, sixty-three audit/accounting firms, and fifteen multidisciplinary firms. Regarding the composition of the services provided, according to the IAB (2021) rankings, Antea reported the following details: audit & assurance 25%, accounting 28%, tax 22%, advisory 20%, and others 5%.

Auren plays an essential role in the association as the founder. It also represents more than 40% of the total revenue of the members and has an overwhelming presence in professional staff and services provided. Auren, a multidisciplinary firm, as also other firms of the association, allow Antea's members to offer their clients a wide range of services. Not all the members provide the complete services portfolio of the association directly to their clients but may find support within the organisation if they need it. The geographical and multidisciplinary coverage is achieved not only through Antea's members; the organisation has correspondents, contacts, and special agreements with other PSFs worldwide.

The fact that some members may not provide all the services may produce an overlap on some occasions, which is permitted in Antea's rules of membership Appendix 1:

"1.1.3 It is possible to admit firms as members that do not cover all these core services if they are specialists in the areas that they do cover and the limitation of services is made known to all members. Other members may be admitted in their market area to cover other services, and an overlap of services may arise." (Antea rules of membership, 2021)

4.5. Big Four market concentration - smaller firms' competition

The market concentration by the Big Four has caught the attention of scholars from decades ago. These firms have a prominent position in the sector because of their total turnover and because they audit most of the significant companies in the world. The risks of this market concentration become apparent with the disappearance of Arthur Andersen (AA) in 2002. Since 1998, there were five leading global accounting networks, and AA was among them with 85,000 staff in 84 countries and a more than USD 9 billion turnover (Smith et al., 2004). Due to the Enron scandal at the end of 2001, the reputation of AA was shattered. The firm surrendered its license to practice accounting in the US in August 2002, migrating its partners to other companies or incorporating new firms. The firm practically disappeared in just a few months, and the Big Five became the Big Four.

According to Li (2010), Enron was an energy company with more than USD 100 billion turnover and considered one of the US's most innovative companies. It created whole new markets as broadcast time for advertisers, weather futures, and internet bandwidth, in addition to the building power plants and operating gas lines. However, at the end of 2001, it was discovered that the company had systematically manipulated its accounting books, falling to bankruptcy in December 2001. The review of the five previous years found losses of USD 586 million not reflected in their financial statements. There is plenty of literature on the fall of Enron and AA, which is a recurrent topic for scholars. For example, Frankel et al. (2021) examined whether mandatory periodical reporting helps voluntary disclosure and managers' discipline, researching AA clients forced to switch auditors.

Governments started to be more concerned about the market concentration after AA fell. For example, the US General Accounting Office (GAO) was mandated to study the audit market's consolidation and competition for large public companies. The US-GAO (2003) includes data comparing the situation between 1998 and 2002, as shown in Table 12.

Table 12*Comparison Between Tier Accounting Firms – US Operations 1988 and 2002*

Accounting firms	Average real revenue (dollars in millions)	Average number of partners	Average number of professional staff (nonpartner)	Average number of offices	Average number of SEC clients
1988					
Big 8	\$1,566	1,126	10,991	105	1,359
Next tier	288	364	2,118	57	234
Gap	1,278	762	8,874	48	1,125
2002					
Big 4	4,468	2,029	15,664	101	2,046
Next tier	290	292	1,532	47	245
Gap	4,178	1,736	14,132	54	1,801

Reprinted from “Public Accounting Firms: Mandated Study on Consolidation and Competition” (page 47) by the United States General Accounting Office (2003)

Among the next tier concept, they mention the following organisations: Grant Thornton, BDO Seidman, McGladrey & Pullen, and Crowe Chizek and company. Some of them changed their names and now are known as Grant Thornton, BDO, RSM, and Crowe. According to the IAB (2021), they are currently ranked seventh, fifth, sixth, and ninth respectively among the global accounting networks, sorted by their members’ turnover as of December 2020.

Their findings mention that only thirteen percent of the former AA clients switched to a non-Big Four firm, and they have a smaller average asset size compared with the ones that switched to other Big Four firms. However, the report conclusions did not find evidence of impaired competition, although it mentions that the sector changes may have implications in the future affecting how public company choose their auditors. They also mention that smaller accounting firms face difficulties attracting large public companies because of their lack of professional staff, expertise, capital formation, global reach, and reputation.

Scholars also researched the market concentration and its potential risks after the AA fall. For example, Beattie et al. (2003) focussed the study on the UK market, finding that the Big Four held 96% of the UK listed company market, with PwC alone holding 37%. They considered four possible market adjustments. One of them was for companies to change their attitude regarding the capability and acceptability of next-tier auditors, though they did not analyse how to change this attitude or improve the next-tier auditors’ reputation. However, the market did not choose this possible adjustment. Feldman (2006) quantified the AA fall competitive implications. In his conclusions, he found it was predictable that AA collapse would cause the migration of its clients to the other big companies. It increased the market concentration of the Big Four, also increasing their audit fees.

The GAO continued researching the topic in the following years, according to US-GAO (2008), in 2006 the Big Four audited 98% of the US public companies with more than 1 billion USD revenue, 92% of the companies with revenues from 500 million to 1 billion, 71% of the companies with revenues from 100 million to 500 million, and 22% of the companies with less than 100 million revenue. Comparing with 2002 the percentages were 98%, 95%, 90% and 44% respectively. Therefore, in those four years the only group of companies where the Big Four reduced their presence was in the companies with less than 500 million USD revenues.

Their conclusion was clearly stated in the report's title: "Continued concentration in the audit market for large public companies still does not call for immediate action". A point to bear in mind is that in the years between both reports, reforms were introduced regarding companies' internal control practices, and several restrictions imposed to ensure the accounting firms' independence, including not using the auditors for certain other services and greater supervision by accounting bodies. As commented in the introduction, the EU (2006) directive also introduced changes in the profession. Among other issues, there was a new definition of an accounting network and its relevance, when discussing conflict of interest issues.

The US-GAO (2008) is also interesting because of its findings and conclusion about smaller accounting firms. According to their research, about 60% of the large public companies view competition in their audit market as insufficient. However, these large public companies also mention the lack of capacity as the main reason for not switching to mid-size or smaller firms as auditors. On the other hand, 70% of the smaller firms of the sample are not interested in auditing large public companies. The increase in audit fees is explained by increasing audit quality by expanding accounting and auditing requirements. However, academics and business groups consulted proposed measures to reduce audit market concentration, including creating an office to share technical expertise. As indicated, the conclusion was that no immediate action was needed.

Scholars were attracted by these findings and the government's concerns and studies on the topic. For example, Chang et al. (2010) analysed how public companies migrated after the fall of AA to second-tier and smaller third-tier accounting firms from 2002 to 2006. They found that since 2004, companies and investors were becoming more receptive to smaller accounting firms. They proposed that companies seek two objectives that may seem contradictory. On the one hand, they look for an audit fee decrease, but they are also looking for better services at the same time. As the authors mentioned, their statement is consistent with other scholars' research. For example, (Choi et al., 2008) stated that the legal and regulatory regime increases the cost for companies, so it benefits them that audits should not vary too much among the auditor firms so the competition may lower their prices. It would be a balance between quality and public service to the stakeholders. Cassell et al. (2013) examined the changes among auditors (gathered in three groups: Big Four, second tier, and other non-Big Four) and perceived financial reporting credibility. Their conclusions mention that the financial reporting credibility of second-tier clients has become indistinguishable compared to the Big Four clients' financial reporting credibility, after the AA fall.

The scholars mentioned above described the trend (some companies switching to smaller auditors) and the reasons (smaller auditors are cheaper and have no significant difference in quality). However, they did not research how the smaller accounting firms could overcome their initial limitations, which other scholars did e.g., Bills et al. (2014) stating the issue clearly in their study's title: "Association, networks, and alliances: Equipping small audit firms with big resources". Section 3.3.3 discusses the literature review on branding, reputation, and how AANs provide legitimacy.

4.6. Market deregulation – changes in the international business environment

Market deregulation is often mentioned as one of the reasons for PSF internationalisation. As professional services are generally locally regulated, any deregulation process offers new business opportunities for global PSFs with the resources required to exploit this market opportunity.

However, it is a controversial topic and depends on the service provided. For example, legal services vary substantially among countries, while there has been an effort to unify some rules in accounting. Currently, International Financial Reporting Standards (IFRS) are used in more than 144 countries and have several points in common with the US Generally Accepted Accounting Principles. Consultancy services do not have so many local regulations and tend to be applied worldwide more freely.

Scholars have also approached this topic. For example, G. Morgan and Quack (2006) focussed on the organisational implications of law firms' internationalisation. They found a perceptible development of free trade in manufacturing goods and a not-so-visible process related to services. However, services such as law, medicine, and accountancy combine state and professional self-regulation, depending on the country. Among their reflections is that the Big Four have played an essential role in setting global accounting rules. Governments have accepted some common standards due to the privatisation of public companies (preparing their financial statements for foreign investors). However, the legal sector does not have the equivalent of the Big Four, nor the need to have many offices abroad. Therefore, their internationalisation process has been slower but is being expedited recently.

Regarding the difficulties that present local regulations on a PSF global strategy, Muzio and Faulconbridge (2013) researched English law firms (with the one firm philosophy) entering the Italian market. They researched an empirical case study using multiple data collection methods. The study included 49 interviews with professionals working for English law firms in Italy. According to the authors, the findings reflect the clash with local regulations, norms, and cultural frameworks.

The European Union published Economic Papers written by the institution staff or experts working with them, seeking comments and suggestions for further analyses. Among these papers is that of Canton et al.(2014), who evaluated the changes in the regulatory barriers of legal, accounting, architectural, and engineering services for most EU countries over 2008-2011. According to their data, the four regulated professions have a significant presence in the EU total value-added (representing 5.3% of the total), the EU employment (representing 4.7% of the total), and the EU market services value-added (representing 10% of the total). Moreover, the mentioned professions have a 1.8 /1.9 multiplier effect on the rest of the economy (meaning that one Euro of final demand for these services generates 0.8 / 0.9 Euros of additional gross production). According to their results, reducing the professional services regulation indicator by 1 point also helps in other three economic indicators: 1) it increases 1.75 pp the average churn return (also known as the attrition rate, meaning when clients stop doing business with the PSFs) 2) increases PSFs efficiency by 5.7 p.p., and 3) decreases their profitability by 5.4 p.p. The efficiency gains will spread to the rest of the economy and boost professionals' mobility, benefiting the sectors' employment and competitiveness.

However, the process is still in progress. For example, Quack and Schüßler (2015) analysed regulations' dynamics by researching their national and transnational developments, focusing on law and accounting services. According to the authors, new regulatory solutions within and across the country, government, and professions are still in flux, despite decades of struggles and negotiations among PSFs, clients, and States. PSFs and professional associations look to influence and shape transnational regulations, but at the same time, these PSFs and professional organisations should adapt and work under the rules of international organisations such as the WTO or the EU. Moreover, these international organisations are influenced by the nation-states. It is a negotiation process among all the parties trying to balance deregulation with national and sector interests.

Faulconbridge and Muzio (2017) adopted a different approach to the relationship between regulations and global PSFs. According to the authors, regulations affect how global PSFs expand, and these global PSFs also affect regulations. These organizations have their agenda and have been central actors in some new forms of governance, considering the Big Four's involvement in several international institutional projects.

5. AUREN-ANTEA CASE STUDY FINDINGS

5.1. Psychic Distance factors related to the geographical expansion

Both organisations started in Spain, and the findings show evidence of Psychic Distance factor language (expanding to Spanish language countries) and Psychic Distance factor business approach (expanding to European countries and Latin America, both having strong trading links with Spain). For example, Table 13 shows Auren's network expansion over time, indicating when the local firm joined the network and its country location (by area). Ten countries have joined the network since its incorporation, five of them from Latin America and four from Europe. In Israel, most people do not speak Spanish nor have strong trading links with Spain, although both countries have historical links. However, Israel has strong trade links with Europe, and the local firm joined Auren recently (2018) when there were already other relevant European countries in the network. In 2020, The Netherlands and Germany accounted for 4.9% and 3.4% of Israel's exports, ranking as number 4 and number 5 among Israel's trading partners, while Spain represented 1.8%, ranking number 15 (*Israel's Top Trading Partners 2020*, n.d.)

Table 13

Auren Network Geographical International Expansion Over Time

Year	Latin America	Europe	Others
2001	Argentina		
2004	Mexico		
2004		Portugal	
2006		Germany	
2007	Uruguay		
2007	Chile		
2014		The Netherlands	
2014	Colombia		
2018		Luxembourg	
2018			Israel

Regarding Antea's international expansion, Table 14 presents its Directory as of June 2021 sorted by countries and gathered in four areas (Europe, Latin America, Asia, and others). It does not include corresponding members and other business contacts. As we may see, it has a direct presence in 43 countries from Europe and Latin America, both areas representing 64.18% of the 67 countries included in the list.

Table 14

Antea's Directory, June 2021

Europe (26 countries)		Latin America (17)		Asia (11)	Others (13)
Andorra	Italy	Argentina	Paraguay	Bangladesh	Algeria
Austria	Luxembourg	Bolivia	Peru	China	Egypt
Belgium	Malta	Brazil	Uruguay	India	Israel
Bulgaria	Poland	Chile	Venezuela	Indonesia	Jordan
Croatia	Portugal	Colombia		Japan	Kenya
Cyprus	Romania	Costa Rica		Malaysia	Lebanon
Czech Republic	Russia	Dominican Republic		Pakistan	Morocco
Finland	Serbia	Ecuador		Singapore	Nigeria
France	Spain	El Salvador		South Korea	Saudi Arabia
Germany	Switzerland	Guatemala		Thailand	Turkey
Greece	The Netherlands	Honduras		Vietnam	UAE
Hungary	Ukraine	Mexico			Uganda
Ireland	United Kingdom	Panama			USA

There is also evidence of Psychic Distance factors influencing Auren and Antea's international expansion in the interviews. Table 15 includes representative examples from the interview material about Psychic Distance factors related to language (as a reason why Auren Spain expanded first to South America) and business approach (linking Antea's geographical expansion to Europe and Latin America because of their commercial interaction with Spain). It includes an interesting quote about the Psychic Distance paradox and how it may lead to misconceptions.

Table 15

Examples From the Interview Material About how Psychic Distance Factors Influence Auren and Antea's International Expansion.

PD factor	Examples of interview excerpts
Language	"The lack of fluency in second languages is an important issue in Spain, and although the new generations are fluent in English, it is still not enough. Fluency in English is necessary, and not having it creates barriers (...) South America was first because having a common language and contacts helps ". (MEB, Auren Spain partner and Antea Board member, thesis interview)
Business approach	"On one hand, ANTEA is trying to be present all over the world. (...) it is, therefore, a territorial criterion to have correspondents all over the world. Another business criterion is to try to be present in countries with a good level of commercial interaction with Spain, which is basically Europe and Latin America ". (LLB, Auren Spain partner, thesis interview)
Paradox	"Balancing the interests of different countries is also complicated. We do not all think alike, although sometimes you may think that there are affinities. Look, for example, at the case of Latin America, with a common language and culture. I have been to Argentina, Uruguay, Colombia, (...) and they are nothing like Spain or each other, Colombia is different from Peru and so on. Each country has its uniqueness, its way of understanding business". (JYV, Auren Spain partner, thesis interview)

Secondary data also shows Psychic Distance factors in other PSFs' international geographical expansion. For example, Table 16 shows the direct presence abroad of nine Spanish law firms, all of them considered in the top ranking by Impact Lawyer. The column Europe does not include Spain because it is the firm's headquarters. The table includes Auren because, as indicated, it is a multidisciplinary firm that also provides legal services. As we may see, all the firms, except Pérez-Llorca, have a more direct presence in Latin America and Europe than in other countries. Moreover, except Broseta and Pérez-Llorca, all have a direct presence in Latin American countries speaking Spanish.

Table 16

Relevant Spanish Law Firms With a Direct Presence Abroad (Impact Lawyers' Interview 2021 and Websites, Secondary Data)

Firm	Latin America (w/o Brazil)	Brazil	Europe	Others
Auren	5 countries		4 countries	1 country (Israel)
Broseta			2 countries	
Cremades & Calvo Sotelo	5 countries		1 country	1 country (Israel)
Cuatrecasas	4 countries		3 countries	5 countries (Angola, China, Morocco, Mozambique, and the USA)
Ecija	13 countries	1 country	1 country	1 country (the USA)
Garrigues	5 countries		4 countries	3 countries (China, Morocco, and the USA)
Ontier	9 countries		2 countries	1 country (USA)
Pérez-Llorca			1 country	1 country (USA)
Uría	3 countries		3 countries	1 country (USA)

5.2. Psychic Distance factors related to referrals and daily work

There is also evidence of Psychic Distance language and Psychic Distance business approach when analysing Antea referrals. As Auren members are simultaneously Antea members, I also analysed the international referrals among the Auren network when analysing this last one. However, the referrals among members depend on their client's country choices. A referral arises from a PSF client's international need on the one side and the willingness of the PSF in the targeted country to offer its technical support, on the other. Due to confidentiality considerations, I cannot mention the exact number of Antea international referrals or the fees involved (that may range from small amounts related to tax compliance services up to higher amounts when advising on mergers and acquisitions). However, the evolution can be explored indirectly in two complementary ways: 1) considering the first year of each area as equal to 100 and reflecting the increase or decrease of the number of referrals in the following years (see Table 5), and 2) analysing the number of referrals to each region as a percentage over each year's total (see Table 17).

As we may see in Table 17, Europe has steadily increased the number of referrals received (with a 153% increase over the years). Moreover, according to Table 18, its weight has increased from 45.20% in 2015 to 63.27% in 2020. Regarding Latin America, because the number of referrals has been more or less stable (see Table 17), their percentage over the total has decreased. This divergence may be because not all European countries have the same strong business ties with Latin America as in the case of Spain or Portugal, limiting the potential growth of referrals in this area.

Table 17

Antea's Number of Referrals: Evolution by Region and Year

Referrals to:	Aug. 2015	Aug. 2016	Aug. 2017	Aug. 2018	Aug. 2019	Aug. 2020
Europe	100	110	150	165	186	253
Latin America	100	104	102	99	126	98
Asia Pacific	100	132	126	142	216	189
USA & Canada	100	91	100	118	105	123
Middle East	100	133	125	50	42	92
Africa	0	0	0	100	100	50

Table 18

Antea's Number of Referrals: the Weight of Each Region by Year

Referrals to:	Aug. 2015	Aug. 2016	Aug. 2017	Aug. 2018	Aug. 2019	Aug. 2020
Europe	45.20%	45.59%	53.63%	53.58%	51.85%	63.27%
Latin America	33.60%	31.99%	27.13%	23.78%	26.17%	18.14%
Asia Pacific	7.60%	9.19%	7.57%	7.74%	10.12%	7.96%
USA & Canada	8.80%	7.35%	6.94%	7.45%	5.68%	5.97%
Middle East	4.80%	5.88%	4.73%	1.72%	1.23%	2.43%
Africa	0.00%	0.00%	0.00%	5.73%	4.94%	2.21%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

There is also evidence of Psychic Distance factors related to Auren and Antea's members' daily work in the interviews. For example, Table 19 shows representative quotes from the interview material about Psychic Distance factors related to culture (considering Spain as a bridge between Nordic countries and South America), business approach (how each country has its way of doing business, complicating even simple tasks like opening a bank account), and language (although emphasising that it is more relevant to understand the local mentality).

Table 19

Psychic Distance Factors in Auren / Antea Daily Work

PD factor	Examples of interview excerpts
culture	"The country's culture is also important (...) In Spain we have a special situation because we are like the bridge between the way of acting in Nordic countries and South America . For example, our colleagues in Germany are more cartesian, structured, orderly and would have liked to set more rigid rules. We are more flexible and understand the South American culture. Probably for some, we fall short, and for others we are rigid, but we serve as a bridge". (MEB, Auren Spain partner and Antea Board member, thesis interview)
Business approach	"When you have experience in Ireland but not outside, there can be headaches. You need to put time into it. We all think that it may take three or four days, but the reality is that a simple task, as opening a bank account, takes its time. There are specifics regarding each country and also regarding each type of industry . That has been, at times, problematic. But it is nobody's fault. It is a learning curve each time." (GMC, Hugh McCarthy & Associates partner, thesis interview)
Language and business approach	"I do still believe that there is a huge added value from a local partner within a network. Not only because of the language but also because of the mentality . A local person has a greater ability to give better services to local clients and to make better local connections. This is easier for a person that was grown up in that country" (OA, Auren Israel chairmen and Antea chairman, thesis interview)

5.3. Differences between Auren and Antea organisations

When comparing Auren (global accounting network) and Antea (global accounting association), it is apparent that there are significant differences in practice between the two, summarised in Table 20.

Table 20

Main Differences Between Auren and Antea

Variance-criteria	Auren (network)	Antea (association)
Profit	It looks for profit.	It is a non-profit organisation.
Purpose	Its purpose is to offer services to clients, invoicing them according to the service done at a market fee.	Its purpose is to support its members' internationalisation process, financing its activities through a membership fee.
Independence	The members are separate legal entities, but they join a common strategy (in a similar way as one firm).	The members are fully independent (as in a "club").
Brand-use for legitimacy	All the members use the same brand. Any previous brand used by the members is removed.	Members can use the associations' brand logo in their marketing material, retaining their firm's brand.

Daily work requirements	Quality standards are rigorous and apply to all the members, with more supervision in the daily business.	There are minimum quality standards with periodical evaluations. However, there is no interference in the daily business, and quality may differ among the members.
Affiliation exclusivity	It is not allowed in any case to be a member of another network too.	In some specific situations, it is allowed for a member to be a member of another association also.
Speed expansion	11 countries in 24 years.	67 countries in 13 years.
Referrals	It is mandatory to refer only within the network.	Referral to other members is recommended, but it is not mandatory.
Exit	More complicated and public due to the strongest interrelation among the firms	Easy exit by giving twelve months' written notice of intention to resign to the Board of Directors

As seen in the above table, Antea offers more flexibility (members retain their brand with a minimum quality standard) and has had the fastest geographical expansion (67 countries in 13 years), while Auren implies more commitment (the use of the same brand with similar quality requirements for all the members) and has had a relatively slower expansion (11 countries in 24 years). Moreover, Auren uses Antea as a pre-stage for future integration of their members in the network. That does not mean that all the Antea members should become part of Auren, as it will depend on the Antea members' willingness and fulfilling the minimum requirements sought by Auren from its members. Table 21 includes representative examples from the interview material about Auren's purposes when incorporating Antea's association.

Table 21

Interview examples about Auren advantages when incorporating Antea

Purpose for Auren	Examples of interview excerpts
Flexibility	"Auren wants to expand internationally in a dynamic and a multidisciplinary way, consistently in all the countries in which we are present, and this limits our direct international expansion. In some countries, some good firms are not big enough to become Auren, or not offer all the services, they are not dynamic enough, or some of them are not willing, let us say, to change their name and to adapt their standards to ours, but we still need local support around the world, and so Antea membership fulfil this need, having service coverage without all the compromises that Auren requires." (AGV, Auren International Chairman, Antea CEO, thesis interview)
Pre-stage for future integration in the network	"In Auren, we share image, office, common project, strategies and others. In certain countries where Auren is implemented, we can also look for candidates for Antea, but always related to complementary services and telling them that the final objective is their integration after having spent some time together in which we get to know each other better." (VC, Auren International executive manager, thesis interview)
Pre-stage for future integration in the network	"The last integrations in Auren have always come from firms that were Antea members, and for me, that is the way of the future. I believe that in the end, Auren has to gradually "eat" Antea. That is to say, that more and more companies will move to Auren. In my opinion, the strong future model for internationalization is a (network) firm model, not an association model. The association serves as a complement, but the strong model is that of the (network) firm, and for me, it is the one that should be imposed." (MAA, Auren Spain Chairman, thesis interview)

Considering Antea as a pre-stage for future integration is corroborated in practice when analysing Auren's geographical expansion. Table 22 shows the global network expansion, mentioning where they started their business relationship with Auren.

Table 22

Auren's Geographical Expansion Evolution and the Local Firm's Initial Contact With the Network

Year	Country	Initial contact with Auren
2001	Argentina	Alliott Global Alliance
2004	Mexico	Alliott Global Alliance
2004	Portugal	Alliott Global Alliance
2006	Germany	Alliott Global Alliance
2007	Uruguay	Alliott Global Alliance
2007	Chile	Alliott Global Alliance
2014	The Netherlands	Antea
2014	Colombia	Antea
2018	Luxembourg	Antea
2018	Israel	Antea

As we may see in the above table, there are two clear periods in Auren's internationalisation history, and the turning point between them is the incorporation of Antea in 2008. Before that, six countries joined the network, and all of them were ex-members of the global accounting association Alliott Global Alliance. After 2008, there have been four integrations with the Auren network: Luxembourg, Israel, Netherlands, and Colombia, and all of them were members of Antea prior to their integration with the Auren network.

Regarding why an Antea member may decide to become an Auren member, interviewees differ in their opinion. There are three main groups: 1) Interviewees who have been in Auren without being an Antea member previously, 2) interviewees who have been a member of Antea previously and decided to join Auren, and 3) interviewees who are members of Antea and still are not members of Auren. Table 23 includes representative examples from the interview material about each group and the interviewee's advantage perception.

Table 23

Interview Examples About Reasons for Antea Members to Join the Auren Network

Group	Advantage	Examples of interview excerpts
Group 1	More legitimacy	"Regarding the reason for the Antea members to join Auren, it would be that being a member of the same firm gives much more power from the point of view of the image, sharing knowledge and sharing clients. " (MAA, Auren Spain Chairman, thesis interview)
Group 2	More legitimacy	"When we present ourselves as a part of an international brand, usually it gives us more prestige , understanding that our abilities and qualities are matching those of big international brands. Again, it is not like the Big five, but it is still a good reputation. (...) when we are competing on a client, and we saw that process several times on multinational clients, when they are going back to the board to approve our nomination, it is easier for them to compare us with other colleagues and choose us." (OA, Auren Israel chairman and Antea chairman, thesis interview)
Group 3	More legitimacy	"At some point, we had some meetings to discuss our integration in Auren for a brand positioning issue. (...) (but) to be Auren, you have two main requirements: multidisciplinary and expansion in the country." (JL, Global Tax PA LLC partner, thesis interview)

Group 3	No advantage	"From our point of view, I cannot see any way other than the independence of our firm being maintained. I do not see the benefit of linking up. (...) I would have to be convinced of what the benefit would be like to me. ANTEA, as a network, gives all the benefits without losing control." (GMC, Hugh McCarthy & Associates partner, thesis interview)
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Findings in the secondary sources show that associations also present legitimacy as one of their main advantages for convincing PSFs to join them. Therefore, whether being a member to be part of a network gives more legitimacy or not may be subject to discussion. Table 24 includes representative examples from the global associations' websites analysed, focussing on how the membership brings credibility to the member and may help achieve local competition.

Table 24

Examples From Global Association Websites About Offering Legitimacy to Their Members

Credibility	" CREDIBILITY . Enhance your business reputation. Being a member of one of the top accounting associations in the world, with 10% annual growth, you have the strength and capacity of a large, worldwide organization with technical depth and geographic reach impossible for a local firm alone". (PrimeGlobal, n.d.-c)
Credibility	"INAA members receive exclusive access to a platform to exhibit your finance expertise and be a part of an organization that demonstrates your credibility and reliability ." (INAA Group, n.d.)
Local competitive difference	"Lever a global brand to achieve local competitive difference ." (Alliott Global Alliance, n.d.-a)

5.4. Trust and Relationship Building Development within Auren and Antea members

The interview material and secondary sources show evidence of the vital role of referrals within AANs. Referrals include referring clients abroad because the PSF is looking to support their client's international needs and receiving clients or projects from abroad because the PSF has local knowledge in the market targeted and may provide the required service. These are two sides of the same coin (one member referring a client to another member). Moreover, they also show the importance of building trust and business relationships among AAN members to facilitate and boost the work exchange. For example, Tables 25 and 26 include representative examples from the interview material and secondary sources, respectively, stressing one or both aspects.

Table 25

Interview Examples Related to the Importance of Referrals Within Accounting Associations and Networks and the Need to Build Trust and Business Relationships to Boost the Work Exchange

Evidence	Examples of interview excerpts
Sending clients to other members	"A lot of our clients, I.T. in particular, were looking to grow outside Ireland. Traditionally that would be the USA or the U.K., although they were also kind of looking towards Europe. We started our search, looked at a number of organizations, and Antea was the best fit for us. It was strong in Latin America, had good firms in the USA, and were also strong in Europe. That was really what we needed for our clients at that time. " (GMC, Hugh McCarthy & Associates partner, thesis interview)

Receiving clients from other members	"Generally, the main benefit that ANTEA members expect to get is referrals , cross jobs. However, we always tell them that referrals grow depending on the proactivity of each firm. That is why we try to keep our members dynamic." (VC, Auren International executive manager, thesis interview)
The importance of building trust and business relationships	"I am starting to attend international conventions, and because of the structure of Auren / Antea, I try to get everyone involved. For it to work, the first thing that must exist is trust, and this is gained by attending conventions , knowing what is being done in other countries." (PB, Auren Spain partner, thesis interview)

Table 26

Secondary Sources Examples Related to the Importance of Referrals within Accounting Associations and Networks and the Need to Build Trust and Business Relationships to Boost the Work Exchange

Evidence	Secondary sources (global associations websites and IFAC survey)
Sending clients to other members	(Testimony of Bob Buckingham (partner at Allan Hall Business Advisors): " We can refer (the clients) with confidence to alliance members worldwide as they will receive the same level of service they receive from us (...) without this, we risk losing them to the Big Four." (Alliott Global Alliance, n.d.-b)
Receiving clients from other members	Benefits of joining a global association or network: attracting new clients scored the highest with 36% support . Other relevant answers: attractive to international clients (29%), retain clients expanding (28%), and strong networking opportunities (28%) (IFAC survey 2015)
The importance of building trust and business relationships	"The LEA Global Partner Program facilitates connection with the members of our community in individual regions and across the globe. Our program is about relationship first. While our partners do seek revenue opportunities, our approach is to develop and deepen relationships first and allow the rest to evolve naturally ." (Lea Global, n.d.-c)

However, the evidence regarding the importance of building trust and business relationships among members is more apparent in Antea and the global accounting associations reviewed. This is because all their websites include a section regarding the advantages of joining the organisation and a list of events/activities to promote networking. As seen previously, associations are more flexible (both regarding joining and exiting the organisation), and some of them may not require exclusivity nor oblige members to refer only to other members of the organisation. On the other hand, networks do imply more commitment. For example, Auren members have to refer only to other organisation members, except where they do not explicitly provide the service required in that area. Moreover, the Auren website does not have a section for joining the network, although it organises international events to meet and network.

5.5. Auren and Antea international geographical expansion and international activities during the Covid-19 pandemic.

Regardless of the Covid-19 movement restrictions and economic consequences, Antea has continued expanding, with new members joining the association. Table 27 shows fifteen new members from January 2020 to November 2021. As we may see, six (40%) are from Europe while the rest are split among Africa, Asia, and the Middle East. Moreover, according to Antea's 2019 directory, the organisation already had members in all the countries mentioned except Uganda and Thailand. However, for this section, the most relevant point is that Covid 19 effects are not stopping Antea's expansion.

Table 27

Antea's new Members From January 2020 to November 2021

Date	Europe	Africa	Asia	Middle East
January 2020	Luxemburg			
February 2020	Switzerland			
February 2020			Thailand	
March 2020	United Kingdom			
April 2020	Germany			
April 2020	Germany			
December 2020				Lebanon
December 2020	Germany			
December 2020		Uganda		
January 2021		Uganda		
June 2021		Egypt		
July 2021			Thailand	
July 2021		Tunisia		
September 2021			India	
November 2021				Turkey

Regarding Auren, there have not been any new incorporations since 2018, although, as indicated in previous sections, the network has more strict requirements, and their expansion is slower than Antea. I have not found any clear evidence regarding whether Covid-19 has affected Auren's international geographical expansion. However, in a newspaper interview, MAA mentioned in January 2020 that Auren was in advanced negotiations to incorporate two PSFs from Italy and Belgium into the network, although there has been no update.

In both organisations, all the international events have gone online from January 2020 to November 2021. International events are significant for these organisations, providing an opportunity for growing personal and professional relationships among the participants. They are also useful for branding purposes and "culture" building. On the positive side, attending events online provided an opportunity to engage more people. In presentational events, the travelling expenses and the time invested by the professionals who attend the event may be very onerous. Going online allowed the organisations to broaden the attendance by inviting more professionals. Creative solutions were found to boost the interaction among the participants (for example, in Antea's 12th World convention, they included a cooking workshop recipe panel).

There is evidence in the interview material about considering Covid-19 as a short-term problem that will not stop the expansion of the two organisations, although it may temporarily slacken its pace, and about facing the inconvenience of online events. Table 28 includes selected examples from the interviews supporting both lines of reasoning.

Table 28

Interviews Examples About Covid-19 Effects on Auren and Antea Internationalisation Expansion and Internationalisation Events

Effects on Auren and Antea	Examples of interview excerpts
Short term effect	"It seems to me that this Covid-19 crisis will have much less harsh effects in time than those of the famous financial crisis. It is a crisis caused by exogenous and not endogenous reasons, as was the case with the financial crisis. Therefore, when those reasons disappear, the crisis will also disappear. I am very optimistic. I think it will last

	until this summer, and from then on, there will be a clear recovery, so no, I do not think it threatens the expansion at all . We will have a couple of very tough years, but then we will continue on the normal path.”(MAA, Auren Spain Chairman, thesis interview)
Short term effect	“Globalization is here to stay. The world has evolved to more global and sustainable measures. Some countries are moving faster and others slower, but there is a trend. I do not see any particular threat, either to the expansion of professional firms or to other types of businesses. Even Covid-19 will eventually be resolved. ” (JYV, Auren Spain partner, thesis interview)
Events going online	“We at Antea used to hold four conventions a year, although in Spain we were present at two, the EMEA and World Conventions. There were two occasions a year to go to another country and interact with the members, which made subsequent contact much easier. Because of Covid-19, the last two events have been virtual. We also had the strategy of inviting candidate firms to the conventions to join Antea so that they could get to know the network and its members, but with the pandemic, we have not been able to continue doing this. ” (LLB, Auren Spain partner, thesis interview)
Events going online	“(…) the involvement between people is based on trust, which is earned face-to-face. Now we do not have this face-to-face. We have TEAMS and other virtual tools. However, for me, the feeling achieved in those international face-to-face meetings is not achieved with TEAMS meetings. In the end, both at Auren and Antea, you get client referrals because you have established trust. It is good that we have been able to organize the virtual events under the current circumstances, but we all miss that direct personal contact.” (PB, Auren Spain partner, thesis interview)
PSFs delaying decisions on internationalisation issues	“Any issue that affects the economy can also affect us on the rebound. For example, now the pandemic makes you focus more on what is closest to you and leave other important issues such as the international area.” (MEB, Auren Spain partner, thesis interview)
PSFs delaying decisions on internationalisation issues	“In 2021, there have been new members, but they have been few relative to the pace of other years due to the pandemic environment. It has taken twice the effort to get half the result. The arguments we have been given are that it is a difficult year, a rare year, and they will decide later. The process of approaching a firm and bringing them onboard takes time and is complicated.” (VC, Auren International executive manager, thesis interview)

5.6. Global accounting associations’ advantages for potential new members

Global accounting associations are more open than global accounting networks regarding looking for new potential members, and they tend to include in their websites specific sections or information explaining the advantages they provide for PSFs willing to join them. This information is interesting as a framework for the thesis because it offers evidence related to the research questions. Neither the Auren website nor that of the Big Four provide such information, focussing only on the advantages they may provide to direct clients.

According to Antea, (n.d.-a) website, the main benefits for its members are the following (listed in the order in which they appear in the text): 1) the firm remains independent, 2) improving technical and managerial skills, 3) support clients in their international needs, 4) new clients (referrals), 5) enhanced prestige/branding, and 6) all these advantages offered to members at a low cost. Numbers 3 and 4 may be considered as two sides of the same coin. The present section cross-checks these advantages in two ways, first by searching within other Antea sources and second by analysing the websites of ten international associations and the marketing material uploaded, examining whether they offer their members the same advantages as those mentioned by Antea. Nine were chosen because they are at the top of the

IAB (2021) list, sorted by their members' turnover as of December 2020. The tenth one is Alliot Global Alliance, the global association where Auren was a member before incorporating Antea. The ten associations listed by alphabetical order are listed in Table 29.

Table 29

Global Associations Sample Overview

Global Association	Abbrev	Contact office	Countries
AGN international	AGN	London, UK	+80
Allinial global	Allinial	Georgia (USA)	88
Alliot global alliance	Alliot	London (UK) and New York (USA)	82
BKR international	BKR	New York (USA)	81
DFK international	DFK	London (UK)	93
GGI global Alliance AG	GGI	Baar (Switzerland)	+126
IAPA international	IAPA	Surrey (UK)	+70
Lea global	LEA	Eden Prairie (USA)	+100
Praxity global alliance	PGA	Surrey (UK)	+110
PrimeGlobal	PG	Duluth (USA)	+100

The aim is to have a global point of view rather than offering a detailed analysis of the alliance's websites. In this sense, I do not explain all they do on the specific issue. For example, if the website mentions training programmes and best practice sharing among other training tools, I say so, but do not list all the other training tools they may offer. To make the comparison with Antea more apparent, I gather the analysis with the same structure.

Table 30

Crosschecking Antea Website Advantages With Other Antea Sources

Independence	The letter sent to potential members as Antea's presentation includes as a statement that the organisation gives firms the opportunity to remain independent but still gain the advantages of an international association (leveraging the member expertise, sharing the best practices, and offering to the member's clients access to the global resources). They also mention that "Antea is a possibility to serve clients locally and internationally whilst maintaining your own firm's identity."
Improve skills	According to Antea's association rules, the organisation's mission is "improving by sharing", and in article 2, there are three specific points related to technical and managerial skills: 1) to encourage members to observe the highest professional standards, 2) to pass technical information among the members as the need arises, and 3) to foster understanding between members of the challenges and opportunities facing their professions in their respective countries. Antea publishes two quarterly magazines called "International Comparison" and "International Business". Additionally, their corporate brochure states that the organisation also ensures a coordinated service with the following resources: 1) regional and worldwide conferences, 2) shared methodology, 3) technical commissions, 4) newsletters, and 5) web-based training.
International support & referrals	Article 2 of the rules of membership explains the objects of the organization, including two direct references to this advantage: 1) to support its members, providing them with a better and broader range of services to their international clients, and 2) to support its members in assisting their clients when they establish business and contacts in other countries. Antea does

	not insist on the referral of work exclusively among the alliance members, although Appendix 1 of the association rules states that the members have the duty to give Antea's members preference in the queries. Antea's strategy includes holding several events every year to boost its members' networking and provide information about the organization. The events occur in different countries each time, and the local member acts as the host. The Covid 19 pandemic affected the organization of these events, and in 2020 -21 all of them went online.
Branding	<p>The alliance does commercial actions that benefit all the members and pay attention to the sector's global rankings. The organisation position in the IAB lists is widely used in marketing material and public events. Further, any news regarding a member's reputation, reward, or recognition, is immediately uploaded to the web and spread both internally and publicly. As an example, in July 2021, they uploaded the following news: "30/07/2021 Antea continues to grow, being among the best international alliances in Morocco and Egypt. (...). In the case of Morocco, the alliance has obtained a 3rd position in both classifications, which implies a growth respective last year's result. In the Egyptian ranking, Antea has registered a 11th in terms of annual turnover, increasing 3 positions over last period while ranked a 4th in terms of professional staff. Congratulations to all members whom has participated getting these great results".</p> <p>The use of Antea's name and logo by its members is regulated in Article 4.3 of the association's rules. The members can use the brand for their business dealings, at their offices or reception entrance, and in various marketing materials (websites, corporate letterheads, business cards, among others). Any use beyond these purposes requires the Board of Directors' authorisation. Auren has a professional department in its legal area specialising in industrial and intellectual property, and it has taken care of Antea's brand protection. Up to July 2021, the name "Antea Alliance of independent firms" is registered in 69 countries, and in the process of being registered in 20 more.</p>
Low cost	<p>According to the presentation letter that the organisation sends to potential new members, <i>"the ethos of Antea is to run a low bureaucracy and low-cost base organisation. As a result, members pay low contributions which covers only essential costs."</i></p> <p>Antea is a non-profit organisation whose annual budget aims to obtain zero or minimum surplus. Its purpose is to cover the daily organisation activity.</p> <p>The membership fees depend on the member's number of offices, although a specific agreement may be made if the member has multiple offices. The exact amount has not been disclosed to respect confidentiality.</p>

Table 31

AGN International Advantages

Independence	According to (AGN International, n.d.-a), they present themselves as a worldwide association although their members are "separate and independent accounting and advisory businesses."
Improve skills	According to (AGN International, n.d.-b), their members meet to network and share expertise, learning about <i>"technical subjects and leadership in their firms"</i> . The section labelled "resources" (AGN International, n.d.-d) mentions tools such as publication, technical seminars, tax guides, programs designed to retain the professionals within the firm, business development training, case studies and several technical publications.
International support & referrals	<p>According to (AGN International, n.d.-a), their members cooperate to satisfy their clients' needs and improve their client service. To do so, the members share their experiences as commented in the improving skills advantage, and also the "knowledge, and understanding of each other's markets, as well as the needs of clients with cross border requirements."</p> <p>There is no direct mention of obtaining referrals as an advantage. However, the section labelled "resources" (AGN International, n.d.-d) explains how members may find each other and identify experts for specific specialities. They also mention the "client satisfaction & referral monitor" as a resource, although there is no additional explanation about it.</p>
Branding	According to (AGN International, n.d.-c), the organisation provides its members with tools that they may use to present themselves in front of their clients as leaders in their sector. They do not specifically explain what these "tools" are. However, the website includes branding material such as country guides, business opportunities bulletins, surveys, social media posts, and campaigns, so it may be inferred that this material will help enhance the member's image in front of their clients.

Low cost	(AGN International, n.d.-a) mentions that it is a not-for-profit worldwide association, and there is a reference on how the organization may offer their member's clients a high-quality service at an affordable cost. They mention it as <i>"an antidote to the complexity and cost of some global service providers"</i> .
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Table 32

Allinial Global Advantages

Independence	On their "about" section (Allinial Global, n.d.-a) present themselves as <i>"an accounting firms association of legally independent accounting and consulting firms"</i> . Also, (Allinial Global, n.d.-b) starts with a relevant motto: <i>"be independent, but don't go it alone."</i>
Improve skills	Mentions four specific benefits for members (Allinial Global, n.d.-b): 1) people (human resources tools and leadership training courses), 2) client service (mentioning the technical knowledge of their members and also that they have a dedicated technical support liaison), 3) growth (online portal, in-person events and virtual communities), and 4) firm management (best practices sharing and benchmarking tools). For example, the first benefit (people) mentions the RETAIN program (Retaining Employees Through Active Involvement Now).
International support & referrals	According to (Allinial Global, n.d.-b), their worldwide connections help their members win new business abroad and help their member's clients in their international business (i.e. finalize a deal or tax compliance). Moreover, they present the organisation events as "networking opportunities that are both personally and professionally rewarding" (Allinial Global, n.d.-b), which may indirectly refer to referrals. They organize about 200 events per year (both in-person and virtually), including conferences, fly-ins, training, roundtables and conference calls.
Branding	Their Homepage (Allinial Global, n.d.-c) has a square in the upper side specifying that they were named 2019 rising star association of the year and 2018 association of the year by the accountant and international accounting bulletin. It also includes the key figures about the number of member firms, offices, professionals and revenue
Low cost	It does not have a specific section about the membership fees or financial statements. There is a payment section (Allinial Global, n.d.-c) including credit cards, bank transfers, and a quick fee payment plan as payment options. This last one is for spreading the cost over three fixed monthly payments when the total amount is 3,000 USD or more.

Table 33

Alliott Global Alliance Advantages

Independence	In (Alliott Global Alliance, n.d.), there is a disclaimer as a website footnote that explicitly mentions that the organisation is an international alliance and its members are independent PSFs. In the same disclaimer, the organisation stresses that all its members are "legally distinct and separate entities which are not and shall not be construed to be in the relationship of a parent firm, subsidiary, partner, joint venture, agent, or network". Moreover, they emphasize that no member have any authority to bind the organisation or any other member in any matter and that all members render their services on their account (assuming the benefit and the risk).
Improve skills	There are eleven resources available to the members: 1) CPA Firm Benchmarking, 2) virtual events, 3) global practice groups, 4) meetings & conferences, 5) future leaders programme, 6) marketing toolkit, 7) think tank communities, 8) staff exchanges, 9) business development academy, 10) vendor discounts, and 11) DB Hoovers research tool. (Alliott Global Alliance, n.d.-b)
International support & referrals	In (Alliott Global Alliance, n.d.-b) mention seven reasons for joining the association. Among them: "grow firm revenues by expanding services to existing clients" and "gain new clients by developing relationships with firms in 80+ countries." As a testimonial, Jeff Berger (partner at Golenbock Eiseman Assor Bell & Peskoe) states the following related to referrals: "Since joining AGA in 2014, we have not only gained many new clients and expanded our referral network significantly but also won work from our clients who need assistance in foreign markets." Video in (Alliott Global Alliance, n.d.-b)
Branding	Among the mentioned seven reasons (Alliott Global Alliance, n.d.-b), they also include "lever a global brand to achieve local competitive difference." When explaining the marketing toolkit

	resource, they say it has “tools and templates to help you quickly leverage our brand to demonstrate to clients how they benefit from your affiliation.”
Low cost	As a testimonial, Dawn Brenner (managing partner at Grant Bennett Associates) states the following related to the membership fees: “We are generating average annual recurring revenue / ROI of 3.5-4 times our membership costs.” Video in (Alliott Global Alliance, n.d.-b)

Table 34

BKR International Advantages

Independence	They present themselves as an association of independent accounting and business advisory firms (BKR International, n.d.-b). According to (BKR International, n.d.-a), their mission is to assist the members in growing and making their practices stronger. The organisation provides international resources that will help their members, their member’s clients and their member’s potential clients.
Improve skills	In (BKR International, n.d.-d), they mention six membership advantages. Among them are “a full range of services to help improve profitability”, “sophisticated learning and networking opportunities”, and “BKR’s annual leadership programs to develop your emerging leaders”. A section for members only (BKR International, n.d.-a) states that the organisation services allow members to “better manage their practices and serve their clients.”
International support & referrals	Among the six mentioned advantages (BKR International, n.d.-d), it includes “global expertise to deliver world-class personalized services to your clients”. In the same website section, marketing material may be downloaded, including an infographic (BKR International, n.d.-c) mentioning “our ultimate goal is to promote confident collaboration and referrals between firms.”
Branding	There is no specific mention of gaining clients through branding and marketing. However, (BKR International, n.d.-a) starts emphasizing the importance of their brand when it states that the organisation is one of the top ten global accounting associations, also mentioning the number of members, offices and countries covered. “
Low cost	There is no specific mention of the association finances (membership fees or financial statements). However, (BKR International, n.d.-c) mention that their technology provides benefits that “keeps members’ dues low and service standards high!”

Table 35

DFK International Advantages

Independence	According to (DFK International, n.d.-c), they present themselves as an association of independent accounting, tax, legal, and business advisory firms. The independence feature is stressed when explaining that “each member is an independent legal entity in its own country, often owner-managed.”
Improve skills	There is a section labelled “committees” (DFK International, n.d.-b) mentioning six of them: 1) accounting and assurance, 2) information technology, 3) international marketing, 4) international tax, 5) international women in leadership, and 6) valuation special interest. These committees meet regularly, producing newsletters with technical updates
International support & referrals	According to (DFK International, n.d.-d), the organisation offers its members access to firms worldwide specialising in accounting, tax, legal and business advisory services. All of their members have a “similar ethos and commitment to meeting the needs of international clients”. The organisation also mentions that they provide an active environment rather than a reactive one, developing international business opportunities (which may be understood as an active search of international support & referrals). In (DFK International, n.d.-a) appears a mention against large networks (in general) and the importance of Relationship Building Development.
Branding	According to (DFK International, n.d.-b) they have an international marketing committee with two primary objectives. The first one is to help brand the name of the organisation worldwide. The second one is to identify and share best practices in marketing and business development among all their members.
Low cost	There is no specific mention of the association finances (membership fees or financial statements).

Table 36*GGI Global Alliance AG Advantages*

Independence	According to (GGI Global Alliance AG, n.d.-d), they present themselves as a group of international, independent firms providing audit, accounting, law and consulting services. The independence feature is also stressed in (GGI Global Alliance AG, n.d.-b), when they mentioned that the organisation allows “the best local independent firms” to act worldwide “without losing their independence”.
Improve skills	In (GGI Global Alliance AG, n.d.-e), they mention four reasons for being a member. One of these reasons is to share technical knowledge, practice management procedures, and experiences with other members worldwide.
International support & referrals	Among the reasons mentioned in (GGI Global Alliance AG, n.d.-e),), members may serve their clients better because the organisations provide a combination of global resources, business, and local market knowledge. It also emphasizes that the organisation promotes referrals among the members. In (GGI Global Alliance AG, n.d.-d), there is a testimony from Inna Deputat (Aksonova & Associates, Ukraine) that may indirectly show the link between relationships and referrals. She comments that her firm has received many referrals from the other worldwide members and has established strong ties with their worldwide colleagues. The statement does not mention how long it took them to develop these ties, and it does not say if the referrals started to come once the PSF had developed the strong ties or since the beginning.). However, is interesting that she has put both ideas in the same sentence.
Branding	There is no specific mention of gaining clients through branding and marketing. However, (GGI Global Alliance AG, n.d.-b) mentions that their organisation has consistently ranked among the ten worldwide leading associations. Also related to branding, there is a section labelled “awards” (GGI Global Alliance AG, n.d.-a) with four types: 1) firm of the year, 2) outstanding achievement, 3) firms that have accomplished ten years of membership, and 4) exceptional services excellency (this last one for non-GGI members).
Low cost	On the upper side of all the websites pages appears a FAQ section between contacts and member login (GGI Global Alliance AG, n.d.-c). It has some references to financial aspects. For example, when asking how much membership costs, they answer that it depends on two variables: 1) the gross national income per capita of the country where the member has its head office and 2) the member’s number of employees. The calculation is provided under a specific request.

Table 37*IAPA International Advantages*

Independence	According to (IAPA International, n.d.-c), they present themselves as a global association of independent firms providing accounting, tax, legal, advisory, financial immigration and technology services. In the same presentation, they advance two other features: 1) the organisation aims to support their members when providing services to their clients, and 2) the solutions provided are comprehensive (multidisciplinary) and cost-effective.
Improve skills	In (IAPA International, n.d.-d) mentions ten benefits for firms joining the association. Among them, they include attending webinars and conferences to gain knowledge. In their events section (IAPA International, n.d.-b). They stress the technical aspects and the Relationship Building Development of these events, mentioning that they offer the members three opportunities: 1) for brainstorming and exchanging information, 2) to discuss professional issues, and 3) to build relationships and trust.”
International support & referrals	Three other benefits mentioned in (IAPA International, n.d.-d) are: “attract new clients with International focus”, “confidence you will retain existing clients if/when they expand internationally”, and “inward & outward referrals”. There are also several testimonials in the case studies section (IAPA International, n.d.-a). Among these testimonials is one from Wayne Price from Castletons Accounting Services. In Wayne’s opinion, to assure the referral work inflow, it is necessary to create a platform that may connect the professionals involved. An easy and fast way to make this platform is to join an association (mentioning, in this case, IAPA membership as a testimonial).

Branding	Among the ten benefits in (IAPA International, n.d.-d), there is also “add value to domestic markets differentiating from competitors” and “raise your firm’s profile.”
Low cost	There is no specific mention of the association finances (membership fees or financial statements).

Table 38

LEA Global Advantages

Independence	According to (Lea Global, n.d.-b), they present themselves as a “unique alliance” that allow their members to maintain their independence while working internationally. The presentation also stresses that they aim to provide the member’s clients with an understanding of the cultural and commercial norms worldwide.
Improve skills	Testimonial in (Lea Global, n.d.-d) from Andrew Rich (managing partner at HW Fischer, UK), stating that: “members support each other and are willing to share best practice and knowledge to make each firm more successful”.
International support & referrals	Their “partner program” (Lea Global, n.d.-a) mentions three benefits, although none of them refers directly to support clients’ internationalization. In an introductory paragraph before the three benefits, they mention it indirectly, saying that they “seek to bring solutions to common stakeholders - our members and our member’s clients.” There is neither direct reference to referrals, but the first benefit mentions “gain access to the global community, which includes over 200 firms”. Collectively, it provides a distribution channel for your products and services.” Testimonial in (Lea Global, n.d.-d) from Alan Litwin (managing director at KLR), stating that “LEA has given us the capability of servicing clients worldwide and the confidence of knowing that they will be served with the same level of quality and dedication that we expect from our team at KLR.”
Branding	Brand visibility is also mentioned as a benefit (Lea Global, n.d.-a). However, it is presented more as a way to let know the firm’s services to the other members: “you can extend the reach of your brand to increase awareness and understanding of your products and services”.
Low cost	There is no specific mention of the association finances (membership fees or financial statements).

Table 39

Praxity Global Alliance Advantages

Independence	According to (Praxity, n.d.-a), the organisation purpose is to help their members to find the best solutions for their clients “through seamless collaboration within Praxity’s global alliance of independent firms.” In the same website’s section, they also mention that the alliance provides to their members with competitive advantages “while supporting unique and diverse cultures.”
Improve skills	According to (Praxity, n.d.-a) the organisation events include global and national conferences, tax forums and industry group meetings. More than 1,000 professionals from the organisation attend yearly to these events, “enabling them to share knowledge and best practice. ” There is also a section labelled “insights” (Praxity, n.d.-c) including articles, blogs, brochures, case studies, magazines, podcasts and videos, among other tools.
International support & referrals	According to (Praxity, n.d.-a) the organisation follows an active approach in selecting key strategic locations and emerging markets, allowing its members to provide services to their clients in these areas. As an example of these markets, they mention India, China and Latin America. In the case studies section (Praxity, n.d.-c), there is a testimonial from MNP, presenting themselves as the largest accounting firm in Canada outside the Big Four. The firm states that they have an ever-increasing client base with a need for international worldwide support. Providing these quality global services was critical for the firm. Joining the association allowed them to “connect and develop relationships with specialists in other firms, with a similar mindset, anywhere in the world”.
Branding	There is no specific mention of gaining clients through branding and marketing. However (Praxity, n.d.-a) includes awards recognition and prizes won, for example, the “Thought Leadership Initiative” (2020), the “Accounting Association of the year” (2019), or the “Campaign of the year “ (2018) as the more recents.

Low cost	According to (Praxity, n.d.-a), the organisation is a not-for profit entity, incorporated under the Belgium Law.
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Table 40

PrimeGlobal Advantages

Independence	According to (PrimeGlobal, n.d.-a), the association has more than 300 members in over 100 countries, and all of them are independent accounting and business advisory firms. In (PrimeGlobal, n.d.-c) they mention the independence feature again when stating that “our members retain their firm independence”, although with accessing the tools and resources of the association. Moreover, they include three sentences that stress further that the members are independent. The first one is “to be our member firms’ source for ideas” / without dictating their work practices”. The second one is “to provide access to expertise” / without telling them who their clients can be”. The third one is “to give them the world / without the legal liability of membership in a global network.”
Improve skills	(PrimeGlobal, n.d.-b): “Through strategic partnerships with some of the biggest names in the accounting industry members have access to exclusive training courses, certificates and resource libraries. With access to essential thought leadership, events, and resources, PrimeGlobal members have the tools necessary to learn, share, and grow, on the regional, national and international stage”.
International support & referrals	(PrimeGlobal, n.d.-b): “Through tools such as our peer requests, business referrals, and Special Interest Groups, members can connect, share and work together across borders.”
Branding	(PrimeGlobal, n.d.-c) includes an introduction about the firm, their commitments and their member’s benefits. It also has a rolling band with five images and short messages in a loop. One of the messages states the following (the word in caps appears in this way on the website): “CREDIBILITY. Enhance your business reputation. Being a member of one of the top accounting associations in the world, with 10% annual growth, you have the strength and capacity of a large, worldwide organization with technical depth and geographic reach impossible for a local firm alone”.
Low cost	There is no specific mention of the association finances (membership fees or financial statements).

6. CONCLUSIONS

This thesis has three main limitations, already reported in Section 2.6. The first relates to the use of the case study methodology for the research with consequent reliance mostly on qualitative data. The second relates to the limited number of interviews, all of them done within the Covid-19 pandemic movement restrictions. The third limitation is that the scope of the Psychic Distance factors research has been limited to the more apparent ones. Although the thesis conclusions may not be generalised without further research by other methods, I have taken measures to mitigate these limitations (secondary data, crosschecking, observation process, choosing the key interviewees, and stopping the interview process once data saturation was reached). The thesis findings are useful for approaching a specific research subject that has not been fully analysed yet: how Psychic Distance, trust, and Relationship Building Development are affected when PSFs use AANs for internationalising. The conclusions are structured in three sections. The first focusses on the research questions, the second on the theoretical implications, and the last on the managerial implications.

6.1. Conclusions related to the research questions

6.1.1. How do Psychic Distance factors affect when using Accounting Associations and Networks for internationalisation?

The first two research questions approach Psychic Distance factors at two levels: 1) how they affect AANs' international geographical expansion as organisations and 2) how they affect the interaction among their members. Using AANs for going global enables accessing several markets immediately and simultaneously, which is a common feature with the so-called Born Global companies (Knight et al., 2004; Weerawardena et al., 2007; Freeman & Sandwell, 2008). Despite this apparent advantage, the findings support the continued presence of Psychic Distance factors (at least culture, language, and business) at both levels. Besides the interviewees' opinions and secondary data supporting this conclusion, there are two relevant objective data. First, the geographical expansion of Auren and Antea till now is more apparent in European and Latin American Spanish speaking countries, all of them with close Psychic Distance factors with Spain (the founder's home country). Second, the referrals (as a reference of professional interaction among members) are also more relevant among members of these countries.

The thesis findings support the Uppsala model argument that internationalisation follows a gradual approach, accessing first markets with close Psychic Distance factors to the firm's home country (Johanson and Vahlne, 1977). The findings are also consistent with other scholars' research regarding the so called Born Regionals firms and how they focus on countries located in their own region despite having the opportunity to access markets worldwide (Baum et al., 2015; Lopez et al., 2009; Melén Hånell et al., 2019).

It may be argued that when AANs grow, the Psychic Distance factors may not be so apparent as in the Auren and Antea case study, because there may be simultaneously several "leading members". In the Auren and Antea case study, both organisations were incorporated in Spain, which still influence the organisations. However, in the future, members from other countries may have a more significant role, affecting the geographical expansion of the organisations and the relationship among members. For example, hypothetically, Chinese firms may join the organisations and become relevant players on their own in the future. Additional

research on Psychic Distance affecting ANNs with multiple leading members may be interesting and offer a complementary approach.

6.1.2. How do global accounting networks and associations differ in practice, especially regarding the legitimacy provided to their members?

The research shows evidence about how being an AANs member enables PSFs to present themselves as more extensive and trustworthy to their stakeholders. For example, the global associations' websites reviewed explain why PSFs may want to join them, with clear references in most of them to the legitimacy that the membership provides to their members. This evidence is in line with the research by several scholars (Aharoni & Nachum, 2000; Bills et al., 2014, 2016, 2018; Carson, 2009; Firth, 1993; Moizer, 1997; Post, 1996). However, the scholars' research has not focussed on the differences in the degree of legitimacy that each type provides to its members. For example, according to Morgan and Boussebaa (2015), internationalisation models include two types that fit the global accounting associations and networks. Still, their analysis focusses more on their coordination and integration, without mentioning the potential differences in the legitimacy provided to their members.

Among the reasons for incorporating Antea, Auren interviewees repeatedly mentioned that it was conceived as a pre-stage for interacting with other PSFs. Auren interviewees' opinions emphasise that a common brand and coordinated resources offer their members more legitimacy than in association, and therefore Antea members will look to integrate themselves at some point into the network. After Antea's incorporation in 2008, all new Auren international members have been members of the Antea's association earlier. Auren's strategy is working but does not prove that the rest of Antea's members see the network as the next stage. Interviewees who are members of Antea but not Auren expressed opposite points of view. Some complained that the strict requirements of the Auren network did not allow them to join it for the moment, while others emphasised that they were happy with their present situation and did not want to lose independence. As secondary sources, the market sees both types of organisations differently. For example, the IAB yearly rankings sort them into two different lists. Analysing the lists, we see that the Big Four are all networks, and far away from the other AANs regarding their members' turnover. However, excluding the Big Four from the analysis, we may see that the turnovers of global association members are not so much behind those of second-tier networks. Further research on this subject is recommended to understand the nuances of the legitimacy provided by the two types of organisations to their members.

6.1.3. How does global Accounting Associations and Networks legitimacy affect the Trust and Relationship Building Development among their members?

The thesis findings show that the relationship with the client is a relevant factor for PSFs' internationalisation, in line with other scholars' research (Roberts, 1999; Post, 1996; Post et al., 1998; Lenz & James, 2007; Greenwood et al., 2010). To support the PSFs' clients when they do business abroad and to obtain new international clients are key drivers for Auren and Antea members' internationalisation. All the interviewees remark this aspect in the interviews, and Antea's association rules mention both specifically. Moreover, I may argue that both drivers are

interlinked. When a member is looking for foreign support for one of their clients, the foreign member extending support will be obtaining a new client. The thesis findings also show how the legitimacy offered by AANs are vital when referring clients among the associations' members, and it is mentioned in the interviews as one of the main motives for PSFs joining Auren or Antea.

Trust and Relationship Building Development among Auren and Antea members are relevant, as reflected in how they present their yearly events as good networking opportunities. The findings are in line with the importance of the network approach in internationalisation that several scholars have researched (Coviello & Munro, 1995; Håkansson & IMP Project Group, 1982; Johanson & Sharma, 1987; Johanson & Mattson 1988; Johanson & Vahlne, 1987,1990; Loane & Bell, 2006; Rovira Nordman & Melén, 2008).

However, it is not apparent whether trust and Relationship Building Development differ between the two organisations. The evidence is far more apparent in Antea than in Auren. When reviewing other global AAN websites, it is also more evident in the global associations than in the networks. The primary reason may be that associations actively try to convince new candidates to join them, while networks adopt a more discreet approach. A second reason may be that some associations may not offer exclusivity to their members, and therefore have to "sell" themselves as reliable local partners to the other members. Further research on this subject is recommended to understand the nuances of trust and Relationship Building Development between the two types of organisations.

6.1.4. How does Covid19 affect Accounting Associations and Networks international expansion and international activities?

As the Covid-19 is an ongoing pandemic, there is no scholarly research about AANs' international expansion during the pandemic. The findings show that Auren held temporary projects related to their geographical expansion to Italy and Belgium. Antea managed to add 15 new members (four of them from two countries without the previous presence of Antea), although one of the interviewees' opinion was that it took more time to have fewer results than in previous years. Therefore, it seems that Covid-19 may have slowed but not stopped their international expansion.

Regarding their international activities, the findings show that Auren and Antea members changed to remote working in the first semester of 2020, and thereafter, they implanted hybrid solutions in their local offices, in line with other scholars' research (Papadopoulou & Papadopoulou, 2020; Jabin, 2021). Moreover, both organisations' yearly events went online in 2020 and 2021, although taking advantage of the new situation and opening up to all their members' staff as there were no travel expenses involved. Both organisations include IT solutions among their members' portfolio services, and the transition has been relatively smooth because there were already trends about distance working in the PSF sector before the pandemic (Empson, 2021; Lindh & Nordman, 2018). The international activity did not stop, as the incorporation of the Auren Spain Israel Desk in 2020 and new members addition by Antea in 2020 and 2021 show.

6.2. Implications for theory

Results from this research show that we need to look at PSFs using AANs for their internationalisation process as a specific way of going global with its own features. Scholarly research has focussed mainly on manufacturing companies or services firms opening offices abroad, while one of the main features for using AANs is precisely that the PSF does not need to open offices abroad.

Several scholars have done specific research about using AANs for internationalisation (i.e., Campbell and Verbeke, 1994, or more recently Bills et al., 2018) although focusing more on the resources provided to their members rather than how they may link with internationalisation theories as the Uppsala approach. This thesis works specifically about the role of several Uppsala approach concepts when PSFs use AANs for their internationalisation process. Moreover, it links with other research relating to the Uppsala approach done in different sectors and organisations (i.e., studies on the so-called Born Global done by Coviello and Munro, 1997; Knight and Liesch, 2016; Rovira Nordman and Melén, 2008).

The use of AANs implies a game-changing feature because the PSF does not need to open offices abroad and their members tend to act as a “federation” (networks) or a “club” (associations). Defining internationalisation as joining an AAN or working with international clients has unique implications. In line with the researchers of the Uppsala school, I understand internationalisation as a dynamic process that also applies to these unique features when using AANs. Psychic Distance, trust and Relationship Building Development are still present when using AANs, but there are nuances worth further research. For example, Psychic Distance when the AANs have multiple leading members, the differences between the legitimacy conferred by networks and associations, or how exclusivity areas to AAN members may affect both Psychic Distance and Relationship Building Development, are all potential and interesting issues for further research.

6.3. Managerial implications

The use of global AANs for PSFs internationalisation is a well-known phenomenon and plays a significant role in the accounting sector and the economy in general. The main AAN members turnover as of December 31st, 2020, amounted to about USD 241 billion, with 1.9 million professionals worldwide. One reason for their success is the apparent advantages they offer their members. Accounting bodies have analysed these advantages (IFAC, 2015, 2018; US-GAO, 2003, 2008) and scholars have studied how they provide legitimacy and resources mainly to SMPs (Ahn et al., 2019; Ai et al., 2018; Bills et al., 2014; Cassell et al., 2013). The membership of an AAN provides PSFs with the tools to compete, increasing their geographical reach and, in some cases, expanding the type of services they provide their clients.

PSFs managers lacking international experience may undervalue some academic concepts related to the internationalisation process when going global (Nordman & Tolstoy, 2014; Melén et al., 2021), making them fail in their expectations. One of these false expectations is the assumption that using AANs in their internationalisation strategies will enable them to interact immediately with other markets and professionals, avoiding the gradual approach suggested by the Uppsala Model (Vahlne, 1997). Although this may be a reasonable assumption, this thesis

shows empirical evidence that Psychic Distance, trust, and Relationship Building Development still play a relevant role in these situations and must be considered.

Finally, benchmarking among members from different countries may offer the possibility of expanding good practices worldwide and approaching global issues with standardised solutions (Kolk & Margineantu, 2009). Additional research on global AANs may help policymakers use these organisations to promote good international practices such as sustainability and corporate social responsibility among their members and their final clients.

7. REFERENCES

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8. Appendix 1: global accounting networks sorted by turnover

Rank	Name	Turnover	Year-end
1	Deloitte	47,600.0	Jun 20
2	PwC	43,032.0	Jun 20
3	EY	37,200.0	Dec 20
4	KPMG	29,220.0	Jun 20
5	BDO	10,263.8	Sep 20
6	RSM	6,268.5	Dec 20
7	Grant Thornton	5,757.1	Sep 20
8	Nexia International	4,490.6	Jun 20
9	Crowe	4,171.8	Dec 20
10	Baker Tilly Internationa	4,043.8	Dec 20
11	HLB	3,277.2	Dec 20
12	Moore Global	3,137.4	Dec 20
13	Kreston International	2,408.5	Oct 20
14	Mazars	2,262.7	Aug 20
15	ETL Global	1,819.8	Dec 20
16	PKF international	1,473.2	Jun 20
17	SFAI	728.0	Oct 20
18	UHY International	600.1	Mar 20
19	Russell Bedford International	593.6	Dec 20
20	ShineWing international	533.0	Dec 20
21	ECOVl International	479.1	Dec 20
22	TGS Global	255.1	Sep 20
23	Reanda International	234.3	Dec 20
24	Parker Russell international	176.6	Dec 20
25	IECnet	149.8	Jun 20
26	Auren	135.5	Dec 20
27	UC&CS America	115.5	Dec 20
28	SMS Latinoamerica	71.0	Dec 20
29	Kudos international	41.0	Dec 20
30	FinExpertiza	33.9	Jun 20
	Total	210,572.9	

Source: (IAB, 2021)

9. Appendix 2: global accounting associations sorted by turnover

Rank	Name	Turnover	Year-end
1	Praxity	6,956.0	Dec-20
2	Allinial Global	4,178.6	Dec-20
3	GGI	3,160.0	Dec-20
4	PrimeGlobal	2,926.0	May-20
5	LEA Global / Leading Edge Alliance	2,144.2	Dec-20
6	BKR International	1,524.1	Jun-20
7	DFK International	1,486.7	Dec-20
8	AGN International	1,338.9	Dec-20
9	IAPA	1,269.7	Dec-20
10	Morison KSI	977.9	Dec-19
11	MGI & CPAAI	945.0	Dec-20
12	MSI Global Alliance	807.6	Dec-20
13	Integra International	618.9	Dec-20
14	INAA Group	586.9	Dec-20
15	Daxin Global	381.8	Dec-20
16	Antea	311.1	Dec-20
17	Abacus Worlwide	306.0	Dec-20
18	GMN international	272.6	Sept-20
19	Inpact	268.4	Dec-19
20	EAI international	145.7	Dec-20
21	BOKS international	133.3	Dec-19
22	UC&CS Global	119.7	Dec-20
	Total	30,859.1	

Source (IAB, 2021)

10. Appendix 3: Questionnaire

Introduction

- Send the questions beforehand so the interviewee may be familiar with them.
- Treat interviews confidentially and ask for their formal authorization for recording them.
- Give the possibility to rephrase and make clarifications in the interview or later on.
- Assure the interviewee that information that might hurt him/her or the organization will not be given out.

Preliminary questions

- Please introduce yourself (personal and professional background)
- What is (or have been) your role in the organization's international expansion strategy?
- What are your professional experiences in other international expansion processes?
- How would you describe the organization's international expansion history during the period of time you have been involved?
- Which are the prospects now of the organization's international expansion strategy?

Main questions regarding WHY

- What are, in your opinion, the main PSF internationalization drivers?
- Please **rank** the following PSFs internationalization drivers:
 - Following local customers in their international expansion
 - Search for new foreign clients looking to do business in your country
 - Following the competitor's strategy ("if they do it, then we also must do it")
 - Prestige / Brand enhancement helpful in obtaining or retaining customers
- What do you think about networking / international alliances versus other ways of internationalization (i.e. opening direct offices in the country targeted)?

Main questions regarding HOW

- What are/have been the major setbacks/ challenges so far?
- Is there something that you think could have been done better in another way?
- How do you manage to balance the interests of all ANTEA members?
- How do you choose the countries where to look for new members?
- What do you think could threaten future expansion?
- How would you describe your freedom to act independently on business opportunities?

- Do you think that national firms/professionals should adapt their working methods when interacting with other ANTEA members?
- If you had full resources (money & time), would you have also chosen to be a member of an international alliance, or would you have preferred to do it on your own?

Main questions regarding RESULTS

- Please rank which services do you think benefit more from being part of an international network as ANTEA:
 - Audit & assurance
 - Legal / Tax
 - Consultancy
 - Corporate
- Mention three advantages and three disadvantages of being a member of an international alliance of independent firms?
- Do you think it is a previous stage for further integration, or is it better to retain the firm's independence?