



SELLERS' PERSPECTIVES ON CROSS-BORDER ACQUISITIONS: A CASE STUDY OF A SMALL 3D PRINTING SERVICE PROVIDER

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Abstract

Purpose. This research aims to investigate the decision-making processes of sellers in cross-border, 'opportunity-driven' acquisitions of small high-tech firms. Specifically, it examines the factors that influence executive-level interest in ownership transfer, the criteria used to evaluate and respond to investor proposals, and the perceived benefits of such acquisitions.

Design/methodology/approach. Given the exploratory nature of the research, a qualitative single-case study methodology was adopted. The study focuses on the acquisition of an Italian small firm specializing in 3D printing services by a Swedish group operating in the same sector.

Findings. The research sheds light on the motivations that drive the management of a small high-tech enterprise to accept an acquisition offer from a foreign firm. It also highlights the key factors influencing the acceptance or rejection of investor proposals and outlines the perceived advantages of the acquisition for the acquired firm.

Practical and social implications. The study presents valuable practical and social implications by enhancing understanding of the seller's decision-making process in cross-border acquisitions. The findings contribute to knowledge on how such transactions can support the economic development of small high-tech firms.

Originality of the study. The originality of this research lies in its focus on cross-border acquisitions involving high-tech SMEs from the seller's perspective. To the best of our knowledge, this is one of the first studies to examine this phenomenon.

1. Introduction

International acquisitions have received increasing attention in international economic and managerial literature due to their growing global significance and the substantial implications they hold for companies (Liu et al., 2024; Wiedemann et al., 2024). Cross-border acquisitions, in particular, can lead to profound changes, not only in the strategies, internal processes, and development trajectories of the firms involved but also in the economic dynamics of the regions where these firms are based (Barbaresco et al., 2018). An acquisition is considered international (or cross-border) when the acquiring firm (i.e. the buyer) and the target firm (i.e. the seller) are headquartered in different countries.

In recent decades, the intensification of economic globalization has coincided with an increase in the number of international acquisitions undertaken by firms across diverse geographic and industrial contexts (UNCTAD, 2021). This trend has prompted scholars to treat cross-border acquisitions as a distinct area of study, separate from domestic acquisitions (Shimizu et al., 2004; Wiedemann et al., 2024; Jain et al., 2025).

This distinction is warranted by the unique managerial complexities inherent in cross-border acquisitions, which arise from the geographic, institutional, and cultural distances between the home countries of the buyer and the seller (Reynolds & Teerikangas, 2016; Ghemawat, 2001; Galdino et al., 2022). Despite the pervasiveness of this phenomenon, research on cross-border acquisitions remains relatively limited compared to studies focusing on domestic acquisitions (Eulerich et al., 2022).

In the existing literature on cross-border acquisitions, two primary limitations can be identified. The first pertains to the size of the firms studied. Most studies have focused on acquisitions undertaken by large multinational companies. This focus contrasts sharply with the significant role small firms play in the economies of many countries, as well as their increasing involvement in cross-border acquisitions (Ziljia et al., 2023). In 2020, for example, 47% of global foreign direct investments were made by SMEs (UNCTAD, 2021). Additionally, a study by Deloitte recorded a 62.5% increase in the number of implemented cross-border acquisitions of Swiss SMEs between the first half of 2021 and the first half of 2020 (Zilja et al., 2023). The second limitation concerns the analytical perspective commonly adopted by scholars in this field of research. Most studies have focused on the decision-making processes of the acquiring firms, considering cross-border acquisitions a form of direct foreign investment that serves as an alternative to greenfield investment. This perspective emphasizes the strategic objectives of buyers, such as entering geographically or culturally distant markets and accessing strategic resources to enhance their competitive advantage (Georgopoulos & Preusse, 2009; Boateng et al., 2017).

The decision-making processes and strategic evaluations of the seller in cross-border acquisitions remain underexplored. Only in recent years have studies begun to examine the effects of such acquisitions on the performance of sellers (Barbaresco et al., 2018; Campagnolo & Vincenti, 2022). This emerging body of research contributes to an ongoing debate: on one side are those who view acquisitions of domestic firms by foreign companies as a potential source of economic decline in the target's home market, citing risks such as downsizing or closure; on the other side are those who see international acquisitions as opportunities to strengthen both the seller and the economic environment in which it operates. However, much of the existing research has primarily focused on the post-acquisition performance of target firms, largely overlooking the decision-making processes and strategic evaluations undertaken by the seller prior to the acquisition (Graebner & Eisenhardt, 2004).

Examining cross-border acquisitions among SMEs from the seller's point of view emerges as a particularly pertinent research topic. This is especially relevant in economies like Italy, where SMEs, including those associated with 'Made in Italy' industries, have garnered increasing interest from foreign investors. Recent estimates (EY, 2024) indicate that, over the last decade, acquisitions of Italian target firms by foreign entities accounted for 60% of cross-border acquisitions involving Italian firms, while only 40% of such acquisitions involved Italian firms acquiring foreign targets.

Analysing the seller's decision-making processes can provide valuable insights into the conditions under which the owner (or the shareholders) of a small business perceives the transfer of control to a foreign company as beneficial for the firm's further development.

Such situations may arise when the acquisition enables the seller to access new foreign markets, strengthen its presence in existing markets, enhance its bargaining power with suppliers and clients, or gain access to new competencies through the resources and support of the foreign buyer (Resciniti et al., 2015, 49). Moreover, the transfer of the firm's ownership to a foreign company could even avoid the closure of the firm in cases where generational succession is not viable and no domestic buyer is available (Lassini, 2005, 56).

This study attempts to address the identified research gaps by analysing the decision-making processes of a small Italian firm, specialized in 3D plastic printing services, recently acquired by a Swedish group composed of small firms operating in the same industry. The selection of the 3D printing sector reflects *the importance of gaining a deeper understanding of cross-border acquisitions in high-tech industries*. Notably, Kohli and Mann (2012) found that cross-border acquisitions tend to create greater value than domestic acquisitions when both firms operate in high-technology industries. Case studies, such as this one, can be particularly useful for understanding

the sources of greater value in this kind of acquisition. In particular, the specific aim of this paper is to increase our understanding of the seller's decision-making processes in 'opportunity-driven' cross-border acquisitions among small firms in high-tech industries. It focuses on the factors that may prompt management to consider acquisition by a foreign company, the criteria employed to evaluate and decide on investor proposals, and the perceived benefits associated with such acquisitions.

The paper is structured as follows: Section 2 outlines the theoretical background, Section 3 addresses the methodological framework, Section 4 presents the findings from the case study analysis, and Section 5 provides discussion and concluding reflections.

2. Theoretical background

2.1 Cross-border acquisitions and SMEs

Despite the growing role of SMEs in cross-border acquisitions, most of the literature has mainly focused on the decisions of large multinational companies, and there is still little research carried out on SMEs (Zilja et al., 2023).

The study by Sestu et al. (2023) analysed, for example, 770 entries into foreign markets (made between 2005 and 2015) and noted a preference of SMEs (compared to larger companies) for joint ventures, rather than for 100% control of the foreign firms. The study by Aureli and Demartini (2015), on the other hand, examined the role of stakeholders in the international acquisition processes of SMEs. Through the analysis of a case study, they demonstrated that the implementation of cross-border acquisitions is not always the result of autonomous decisions made by the firm's owner but is also influenced by external stakeholders, particularly local communities, which often perceive foreign investors as a threat to the local environment.

In contrast, Aghasi et al. (2023) focused on the factors that influence the retention of the CEO of the acquired firm within the organization formed after the acquisition of small high-tech companies by large publicly traded corporations. This study, based on a sample of 447 acquisitions conducted between 2001 and 2014, revealed that the retention of CEOs in the acquired firm results from a balance between the incentives provided by the acquiring firms to keep the acquired CEOs within the new organization and the opportunity costs faced by CEOs in remaining with the acquired company. Both factors tend to be higher as the cultural distance between the buyer and seller increases and are also influenced by the personal characteristics of the CEO and the specific context in which the firm operates.

Through an analysis of census data on cross-border acquisitions carried out by Norwegian SMEs between 2000 and 2013, Zilja et al. (2023) showed

that the wealth of CEOs in SMEs reduces financial constraints on the firm's international growth and increases its propensity for risk-taking. This, in turn, has a positive effect on the number of cross-border acquisitions undertaken by a firm and the number of countries involved in the acquisition processes. Additionally, CEO wealth influences the likelihood of acquisitions being directed towards target firms in countries with high political risk.

The merit of the cited studies lies in their emphasis on the need to consider the specificities of SMEs – such as financial resource constraints, risk propensity, and skillsets – in research on cross-border acquisitions. However, these studies remain limited by analysing the phenomenon of international acquisitions only from the buyer's point of view. As highlighted in the introduction, this paper aims to address this gap by examining a cross-border acquisition case involving two small firms operating in a technology-intensive sector, located in two countries on the same continent but geographically and culturally distant from each other.

2.2 The role of the seller in the literature on international acquisitions: a neglected actor

Despite the variety of theoretical perspectives adopted in the literature on acquisitions, researchers have predominantly focused on the acquiring firm as the key decision-maker, evaluating the success of the acquisition only from the perspective of this actor (Graebner & Eisenhardt, 2004; Kochura et al., 2022).

From the perspective of the buyer, the acquisition is a mode of external growth that enables the buyer to pursue a wide range of strategic growth paths, such as entering a new industry, accessing one or more foreign markets, consolidating its position within an industry, or gaining access to new technologies that are relevant for the future development of an industry (Bower, 2001).

The selling firm has often been implicitly recognized as having limited discretion in the acquisition process. Furthermore, being acquired by another firm has frequently been considered a sign of weakness for the target firm (Graebner & Eisenhardt, 2004).

Research has thus primarily focused on the buyer's objectives, with particular attention to the criteria sought in the target firm, the strategies employed to negotiate the deal, and the processes used to complete the acquisition (Kochura et al., 2022). However, there are situations in which the seller's decisions play a pivotal role in the selection of the acquirer (Mulherin & Boone, 2000). Proponents of the signalling theory, for instance, emphasized that the seller can be highly active in the acquisition process, taking a leadership role in screening potential buyers and even promoting the deal (Wu & Reuer, 2021).

Some scholars have thus highlighted the need to deepen our understanding of the acquisition phenomenon by shifting the focus to the decision-making processes of the seller (Kochura et al., 2022).

One of the most comprehensive analyses adopting this perspective is Graebner and Eisenhardt's (2004) study, which examined 12 acquisitions carried out by innovative firms in Silicon Valley. The authors highlighted that, in the context under study, acquisitions resemble a form of 'courtship', where both the buyer and the seller play active roles. In this scenario, the decision to sell is based not only on the sale price but also on strategic considerations grounded in a medium- to long-term vision for the firm's development. In particular, the decision to sell a business occurs when the management of the seller is 'pushed' towards the acquisition by a strong interest in being acquired and 'pulled' towards the acquisition by the presence of a buyer considered suitable (Graebner & Eisenhardt, 2004, 366). According to the study, the interest in being acquired arises when the firm is facing a 'strategic obstacle' in its development cycle, coupled with a strong personal motivation (on the part of the head or senior management) to divest the business. The term 'strategic obstacle' refers to an event in the firm's lifecycle (such as a sudden increase in sales, the replacement of the CEO, or access to new financing) that prompts the top management to reassess the situation and consider divestiture as a viable response to the event.

With regard to motivation, the risk of potential replacement, for example, may lead managers to oppose the decision to sell the firm. However, in several cases, Graebner and Eisenhardt (2004) observed a direct interest from the founder and the management in being acquired. This interest was driven by factors such as fear of failure, the desire to reduce stress caused by excessive working hours, or the difficulty of balancing work with personal life (Graebner & Eisenhardt, 2004, 36). For an acquisition to take place, the desire to be acquired must be accompanied by an offer deemed attractive by the seller. The study found that when evaluating buyer proposals, the management of firms considers not only the sale price but also the 'combinational potential', which stems from the similarity or complementarity between the activities of the two firms, and the 'organizational rapport'. Organizational rapport is influenced by factors such as shared values, compatibility in managerial styles, perceptions of the buyer's ethical conduct, and assurance that the buyer will address the needs of employees after the acquisition.

2.3 The heterogeneity of firms in cross-border acquisitions and the focus of the study

Acquisitions at both the national and international levels can be undertaken by different types of firms, each driven by specific motivations and occurring at various stages of the firm's life cycle.

For instance, private equity funds tend to focus on firms with modest profitability profiles but strong growth potential. These firms are supported financially and managerially, with the goal of later selling them once their market value exceeds the purchase price (Giannini et al., 2022, 70).

In contrast, corporate groups often target already high-performing firms, aiming to further improve these businesses through industrial development projects (Barbaresco et al., 2018, 97). This heterogeneity is also evident from the seller's side. The seller may be a private equity fund, an industrial group, or a single firm that may or may not have a family-owned structure. However, *the implications of this heterogeneity for acquisition research, particularly in the context of cross-border acquisitions, remain underexplored and warrant further investigation.*

Kochura et al. (2022) pointed out, for instance, a lack of studies on acquisitions conducted by industrial groups from the seller's perspective. In such cases, divestment results from a strategic corporate-level decision that identifies the business areas in which it is advantageous to invest and those from which it is best to disinvest (Lassini, 2005). However, in our view, *the research field on small-sized firms' decisions evaluating the perspective of being acquired by a foreign firm also appears to be neglected.*

Moreover, Kochura et al. (2022) underlined the usefulness of considering the results of studies conducted on the firm's disinvestment decisions to increase our understanding of the seller's role in international acquisition. These studies highlighted that a firm's decision to '*be acquired*' can vary significantly in terms of urgency (Lassini, 2005). In certain circumstances, the sale of the firm may constitute an '*obligatory*' decision within the developmental path of a firm (and is therefore more urgent), while in others, it may not be as critical and is thus undertaken by the entrepreneur (or by owners of small firms) only when a favourable opportunity arises.

In family businesses, which make up the vast majority of SMEs in major economies, the sale is an inevitable step when, for example, the entrepreneur (due to various reasons such as health issues, advanced age, or a lack of interest in the business activity) is no longer able to continue running the company and, at the same time, there are no conditions for a generational transfer¹. In these circumstances, it is reasonable to expect a reduced autonomy of the firm in deciding the '*whether*', '*when*', and '*by whom*' it should be acquired. A similar sense of urgency occurs when a firm is facing a crisis that can only be overcome with the help of an external partner who can bring in new capital and management skills (Giannini et al., 2022, 69).

¹ As highlighted by Lassini (2005), entrepreneurial succession is hindered not only when a business owner has no heirs but also when heirs are present but unwilling to continue the family business or when their personal qualities are not well-suited to effectively and efficiently managing the business.

On the other hand, the situation is quite different for a firm that remains dynamic in terms of technology and the market, which, at a certain point in its life cycle, considers the possibility of being acquired by another firm *to secure greater growth opportunities*. In this case, the decision does not constitute a compulsory option but rather reflects a deliberate and well-considered choice.

As the firm can continue operating independently, it will have complete autonomy in deciding ‘whether’, ‘when’, and ‘by whom’ it will be acquired, and it will decide to be acquired only when it receives an advantageous offer, capable of providing the firm with new growth opportunities and strengthening its ability to cope with changes in the competitive context (Lassini, 2005). In this case, the sale is not ‘necessity-driven’ but ‘opportunity-driven’.

The focus of this study is on the second category of sale, with the aim of understanding the factors that may trigger an interest in the management of the firm in transferring ownership to a foreign firm, the criteria for accepting or rejecting investment proposals, and the potential advantages perceived from the sale.

The seller’s strategic considerations are particularly relevant in ‘opportunity-driven’ acquisitions, where the management of the firm has full autonomy in deciding ‘whether’, ‘when’, and ‘by whom’ to be acquired. This decision to sell the firm is important because it inevitably affects the ‘future development opportunities of the business’ and, on a theoretical level, it should be evaluated through a ‘not easy’ comparison between the growth prospects the firm would have by accepting the acquisition proposal and those it would have by continuing to operate independently.

In summary, this study focuses on opportunity-driven acquisitions in small firms where the entrepreneur, typically both sole owner and CEO, chooses to transfer ownership—often to a foreign buyer—to access the resources and capabilities needed for business growth.

3. Methodology

3.1 Objective of the study and case selection

Given the exploratory nature of the study, the single-case study was considered a suitable research approach to examine the decision-making processes of sellers in ‘opportunity-driven’ cross-border acquisitions among small high-tech firms.

This study focuses on the factors that may trigger an interest of the management of the firm in the possibility of being acquired, the criteria for

rejecting and/or accepting offers from potential foreign investors, and the perceived benefits of the transaction.

The single-case approach allows the researcher to provide a more detailed and comprehensive description of the phenomenon under study. This approach is also appropriate when examining a phenomenon that is still underexplored and characterized by limited empirical evidence, such as the one addressed in this study (Eisenhardt, 1989; Yin, 1994). A single-case study is a flexible method that allows for the development of theoretical insights and new knowledge through the observation of specific contexts. However, for this knowledge to be generalized, it must be tested in broader contexts (Siggelkow, 2007).

Since the study also aimed to explore cross-border acquisitions among SMEs in a sector where technology played a significant role, a firm from the Marche region of Italy, specializing in 3D printing services, was selected. This firm was acquired in 2021 by a Swedish company operating in the same industry.

The selected case was considered appropriate, particularly considering the geographical and cultural distance between the buyer's and seller's countries.

Another unique aspect of the study is its focus on the acquisition between small firms from two economically advanced and technology-driven countries. According to data from the European Innovation Scoreboard, Sweden is, in fact, the most innovative country in the European Union.

3.2 Data collection

The authors of this research began engaging with the firm under analysis in 2017 as part of a research project focused on Industry 4.0 and Additive Manufacturing. In particular, the firm's evolution has been observed over the past seven years, thanks to various collaborations with ALFA², primarily centred around coaching master's theses. This collaboration enabled the research team to gain a deeper understanding of the complexity of the sector and the characteristics of the technologies used by ALFA.

However, much of the primary data used to analyse the case was collected through six in-depth interviews conducted both before and after the acquisition. Specifically, two semi-structured interviews, each lasting an hour and a half, were conducted on-site in 2018: the first with the founder of ALFA, and the second with the CEO of the firm, to understand the company's history, the nature of the 3D printing technologies, the adopted business model, and the key inter-company relationships relevant to the business.

²Disguised name.

Two additional one-hour interviews were conducted in 2022 (i.e. immediately after the acquisition) with the CEO of ALFA remotely to gain insights into the process that led to the acquisition, the company's development plans, including those abroad, the offers received from potential international buyers, and the process that led to the identification of the foreign part.

In 2024, two additional remote interviews were conducted to explore the implications of the acquisition two years after its implementation. The first was conducted with the CEO of ALFA, while the second was with the firm's Marketing and Communications Manager.

Each interview, which lasted approximately one hour, was recorded, and the content was transcribed, codified individually by each author, and discussed among the researchers to enhance the rigour in the interpretation of the data. Moreover, to triangulate the data, in addition to the interviews, secondary data on the characteristics of the industry and the firm were collected from various sources, such as the specialist press, business newspapers, and the websites of the firm.

4. Case study analysis

4.1 *Introducing ALFA's evolution and business focus*

ALFA was founded in 2003 with the aim of providing rapid prototyping services to companies across various industrial sectors using 3D printing technologies. It is a small family-driven company employing 30 people, with a sales turnover of roughly 5M Euro in 2024. 3D printing represents a relevant technology not only for rapid prototyping or rapid tooling but also for *producing small series of components and products*³. A key strategic objective for ALFA over the next years would then be to further increase its activity in the production of small quantities of components, which currently accounts for over 50% of its revenues. ALFA's involvement in the 3D printing business stems from the founder's specific interest in advancing traditional product development processes. The idea was to work especially on the additive manufacturing of plastic polymers rather than metal powders. The potential market size of plastic polymers was considered larger and more promising in terms of business results. In the first phase of its development, ALFA acted *as an intermediary* between 3D printing ser-

³ Rapid prototyping is crucial *for developing new products*, as it allows for verifying whether the aesthetic features of 3D CAD models align with the client's expectations and for assessing the functionality and proper assembly of the parts designed using CAD.

vice providers and customers seeking rapid prototyping services to accelerate the launch of their new products⁴.

Initially, the firm had a very simple organizational structure, consisting of a technical department and commercial support, but it did not allocate significant resources to the activity of marketing and sales.

A few years after its establishment, ALFA's CEO developed a strong interest in the application of 3D printing technologies in the industrial sector.

As emphasized by the CEO, *'In subcontracting activities, the company faced few difficulties, as the people who approached us were already familiar with our work and managed customer relationships. As a result, we didn't need to take major actions, making the supply process simpler'*.

With the development of its own 3D printing applications, ALFA's original production facility became inadequate. As a result, production was relocated in 2015 to a larger facility where new 3D printing machines based on SLS technology were introduced and additional qualified personnel were hired⁵. However, the firm struggled to expand further into a highly innovative market niche that remained largely unknown to potential clients.

In 2016, a new commercial role was introduced within the firm, charged with taking a more proactive approach to clients and developing a more active market presence, to move away from the 'subcontracting model' and fostering the firm's commercial growth. To 'emerge from anonymity' and gain greater visibility among customers, the company strengthened a series of activities, such as participation in industry events and trade fairs. As the CEO stated, *'Through proactive efforts, we had to work hard on getting ourselves known, because, although many of the clients we approached were indirectly our clients, and therefore familiar with our products and services, they did not know us'*.

⁴ Larger prototyping centres typically outsource certain activities to other service companies *when the demands of their clients exceed the production capacity of their internal processes, or when the commissioned activities require technologies not available in-house*. Furthermore, when the prototyping work involves complex products made up of numerous components (such as an automobile or a household appliance), to reduce transactional burdens, commissioning firms prefer to entrust all prototyping tasks to a single specialized operator. This operator should be able to provide the client with a comprehensive prototyping service, thanks to the ability to rely on contributions from other centres acting as subcontractors for prototyping services, such as ALFA (Bellagamba et al., 2019).

⁵ SLS, or *Selective Laser Sintering*, is a 3D printing technology that uses thermoplastic polymer powder and a laser beam to build an object layer by layer. A layer of powder is spread across the build platform and selectively fused by the laser beam at specific points, causing the powder to solidify. The laser-fused particles solidify, while the remaining powder supports the overhanging parts of the object. This process is repeated until the object is fully constructed.

In 2018, a salesperson joined the company to expand ALFA's presence in the European market by identifying geographical areas where the firm's offerings could be competitive in terms of both price and service⁶.

Since 2020, ALFA has increased its visibility among key domestic customers. The company has also achieved greater diversification in its customer base through the development of additional services.

Although ALFA historically served industries such as mechanical, lighting, and automotive, it has also approached the biomedical sector since 2020. In this latter industry, ALFA reached an important milestone by developing the first 3D implantable bronchus in Europe.

4.2 Challenges in ALFA's growth trajectory

Some years after the development of the company, ALFA's management was not entirely satisfied with the economic results achieved. The CEO found it difficult to continue operating and growing in the high-tech 3D printing sector characterized by rapid machinery obsolescence and a high level of investment in machinery and tools. Also, ALFA's lack of robust financial capability resulted in a burden. The CEO's 'vision' revealed a clear intention to enhance the business results by exploring several options. Initially, the company's CEO was keen on developing new business relationships with key and strategic partners to let ALFA grow in a rather complex scenario. However, due to its limited size and marketing capabilities, one option was to look for potential buyers of the company's assets through *a learning process driven by interactions with several potential investors who expressed interest in the firm*.

This strong growth orientation was further supported by *the CEO's longer-term career prospects within the firm*. The CEO realized that, while retaining ownership would allow for certain development scenarios, these would be limited, especially given *the financial constraints affecting the company's growth*. ALFA was founded as a family business, and personal guarantees allowed investments to be made, but only within certain limits.

However, the idea of being acquired was not the first option considered. As previously pointed out, *the management of the firm aimed to find a partner who could strengthen the company financially*. In this context, ALFA decided to participate in a crowdfunding campaign in 2019 organized by a local platform specializing in capital acquisition for SMEs and innovative startups.

⁶ The French and German markets were the first to be targeted, with the firm using trade fairs as a tool to present its offerings to potential clients in both markets. The decision to focus on France was driven by its geographical proximity and the relatively low competition, while the choice of Germany was motivated by the industrial significance of its economy, despite the higher level of competition.

The underlying goal was to attract minority shareholders who could add value through their expertise. However, participation in the platform did not yield the expected results. *ALFA was unable to find, among the potential investors, a company with an industrial vision to align with.*

A significant issue primarily arose from the investors' expectations. Most of them viewed the investment from a purely speculative standpoint, focusing almost exclusively on short-term financial performance. Additionally, potential investors had limited knowledge of the 3D printing sector. The management of ALFA considered these expectations to be misaligned with the underlying dynamics shaping the 3D printing industry. In fact, this sector was still much smaller than the plastic moulding industry and has been considered a 'niche market', despite its promising growth prospects.

As a result, ALFA decided to leave its crowdfunding initiatives. However, crowdfunding somehow contributed to increasing ALFA's visibility in the context of high technologies. Between 2020 and 2021, ALFA received several acquisition proposals, both from industrial groups and private equity funds.

The experience gained from participating in the crowdfunding initiative led the CEO to exclude offers from investors with whom there was no potential for synergies, both technically and commercially. The management of the firm considered it essential to avoid bringing in a partner expecting disruptive development and, therefore, a rapid and immediate return on investment. Once the CEO pointed out, *'establishing the new technology would take time, and the return on investment would not necessarily be quick'.*

The difficulty of formulating reliable and achievable goals was perceived as a potential source of critical issues in the long run with reference to private equity funds. Since 3D printing technologies were primarily used for prototyping, forecasting sales and planning were difficult to manage.

Initially, the management considered it appropriate to develop a partnership with a financial firm. However, the challenges that emerged from discussions with investors led to a strategic shift, *moving towards a partner profile that was more industrial in nature, with the necessary expertise and infrastructure to enable the company to enter specific markets.*

The idea of transferring ownership also became clear *in response to ongoing changes in the sector.* Several 3D printing service providers were acquired by other companies, particularly by suppliers of 3D printing technologies and materials. As a result, early signs of structural changes in the industry began to emerge, and the management of ALFA decided that the good occasion had arrived *to seek a form of agreement with other companies, which would allow the firm to strengthen itself, also from the point of view of the corporate dimension, to face the new competitive landscape that was starting to materialize.*

4.3 Developing a relationship with the buyer BETA

ALFA received over time several purchasing proposals from industrial groups, which were considered inadequate for several reasons. For instance, in one case, the buyer made an offer that was rejected by ALFA as the buyer operated in a niche market that did not fit well with ALFA's overall market strategy. Rather, ALFA's growth has been based on diversifying its customer base across different industrial sectors.

Another factor that influenced ALFA's decision to not accept purchasing proposals related to the buyer's lack of experience within the 3D printing industry. In this situation, ALFA would have become the sole entity responsible for driving the innovation process without the support of the buyer. Nevertheless, suddenly in 2020, one suitable proposal arrived from a Swedish manufacturer (company BETA) of polymer components. BETA was seeking a partner to expand its presence in Southern Europe and identified ALFA as a potential target in the Italian market. BETA was suggested to explore Italy by one of its major suppliers of 3D printing machinery and materials (the German company GAMMA). Interestingly, GAMMA – a leading company in the development and manufacturing of complex 3D printers, – supplied ALFA. The role of GAMMA in connecting ALFA with BETA was clearly a key one.

ALFA initiated a negotiation process by carefully analysing the proposal, in order to understand the strategic vision and business model of BETA. As highlighted by the CEO of ALFA, *'This proposal represented the best possible scenario for us, as BETA would embody the 'perfect' fit with our organization: BETA is both a financial partner and a well-established manufacturer of innovative products, with a deep understanding of 3D printing industry's dynamics'*.

The type of activities carried out by the group was among the first aspects identified as significant. BETA⁷ is a multinational that includes a number of small and specialized companies dealing with diverse businesses such as injection moulding, 3D printing, and vacuum casting. Moreover, as pointed out by ALFA's CEO, *'BETA is made up of individuals who perform the same work as we do, with whom open communication is possible, fostering both professional and technical growth'*. This indicates a strong alignment between the two companies, particularly in terms of the technologies employed, the technical challenges addressed, the shared mindset, and the strategic vision.

⁷ BETA was born in Sweden almost 100 years ago and among the first European companies developing a laboratory for creating polymer prototypes. One of the big challenge of BETA lies in the use of 3D printing for large-scale productions.

BETA's long-term goals were closely tied to its commitment to industrializing and developing viable alternatives to *injection moulding*, which aligned seamlessly with ALFA's vision.

ALFA also positively evaluated the BETA approach of selecting firms with high-level competencies and strong profitability in each foreign market where it aimed to expand its presence.

4.4 Dealing with the acquisition process from ALFA's viewpoint: some initial effects

The assessment of BETA's acquisition proposal took nearly a year for ALFA's management. In addition to conducting a straightforward analysis of BETA's assets, which relied on a set of documents and reports, ALFA initiated direct interactions with BETA's management to gain insights into its managerial practices. For instance, ALFA realized that BETA had significant experience in executing business acquisitions across Europe. Furthermore, ALFA's CEO visited BETA's facilities and engaged with both middle and senior managers to collect detailed information about BETA's sales, marketing, and HR processes. During this process, it became evident that BETA granted a high degree of autonomy to its affiliated companies and refrained from imposing substantial changes to staff and organizational practices⁸. This approach was viewed favourably by ALFA's CEO, as it aligned with ALFA's own management philosophy.

However, the acquisition would affect ALFA's CEO responsibilities and slightly change part of the tasks. This change was somehow perceived as positive: *'Being the manager of a family-owned company has its dynamics, but being one within a multinational presents different and much more challenging dynamics'*.

To sum up, the proposal from BETA was perceived as a 'unique opportunity for ALFA'. Formally, the deal between ALFA and BETA was finalized in 2021, when ALFA officially became a new entity owned 100% by BETA. Between 2022 and 2023, ALFA revenues increased by 44% more than before 2020. Moreover, the marketing and communications manager of ALFA stated, *'In my opinion, this acquisition has created strong stability in our venture. The trust that customers put in us has also increased'*.

⁸ The topic of subsidiary autonomy within multinational enterprises has been extensively studied, beginning with the seminal work of Birkinshaw & Morrison (1995). In our study, BETA has pursued its international development through a strategic approach focused on maintaining the top management and organizational structures of newly acquired subsidiaries while granting them a substantial degree of autonomy. In particular, BETA's management recognizes that the subsidiaries of the firm operate in country-specific markets characterized by distinct features and practices. Accordingly, BETA's management grants them significant autonomy to operate effectively in markets with which they are more familiar and where they have established a leading position.

The acquisition enabled ALFA to better increase its international presence in new European markets. ALFA benefits from BETA's large network of small and medium customers. Furthermore, multiple companies within the group can collaborate on joint commercial actions to serve multinational firms at the local level, particularly those with production facilities spread across multiple countries.

The study revealed that the acquisition had various effects on ALFA's management processes, which were perceived positively by the management. These effects are attributed to the company's integration into a group characterized by strong specialization, significant technical know-how in additive manufacturing, substantial financial capacity, and a presence with production facilities distributed across multiple foreign markets.

The interviews revealed various key aspects, positively evaluated by the firm's management, which can be summarized as follows:

a) *Investment opportunities.* The companies within the group have the ability to finance themselves internally, as the holding company has an investment fund that finances all operations that are budgeted annually. Previously, each decision (such as investing in machinery or hiring new employees) was made with very short-term planning (i.e. day by day), and every idea was evaluated based on the available financial resources at that time. However, in an industry where technology plays a critical role (such as 3D printing), companies need to make significant and ongoing investments. Therefore, the firm management viewed the entry into the group as an opportunity to 'grow when needed, rather than, when possible', based on a strategy planned over longer horizons and with a broader perspective.

b) *Purchasing conditions and availability of raw materials.* The acquisition resulted in an increase in bargaining power with suppliers. As emphasized by the CEO, '*the group has contributed to negotiations with suppliers to secure materials and services at more competitive prices*'. Now, all materials are purchased to meet the needs not only of ALFA but of *all the companies within the group, allowing for important economies of scale in procurement*. The benefit, however, extends beyond purchasing conditions to include the availability of raw materials. As stated by the CEO, '*Being part of the group has protected us, as the agreements with suppliers, much stronger now, are based on larger quantities, which ensures the availability of raw materials*'⁹.

c) *Portfolio of technologies and materials offered to clients.* Integration into the group has allowed ALFA to expand this portfolio. Today, if a client requests a technology not available within the firm, ALFA can rely on the services and technical expertise of other firms within the group. Each firm

⁹ Immediately following the acquisition, for instance, one of ALFA's suppliers failed to deliver raw materials within the expected timeframe, resulting in a production halt. The group promptly intervened by dispatching a stock of raw materials from Sweden, enabling ALFA to resume regular production.

can act as a supplier to other firms within the group. Moreover, during technical-commercial discussions with clients regarding technology selection, each company can consult with the most competent technicians across the entire group to address the client's specific needs. As emphasized by the Marketing and Communications Manager of ALFA, *'It is now essential for salespeople from the individual companies within the Beta group to be able to explain and sell not only their own company's technology, but also the technologies of other companies within the group'*.

d) *Customer evaluation of the firm's offer.* Corporate management has observed a positive effect on the evaluation attributed to the firm by some clients in the Italian market. According to the CEO of ALFA, integration into the Swedish group has benefited the company in *'securing certain high-profile clients who evaluate suppliers from every possible perspective'*. She added, *'When you are part of a larger organization, it provides a guarantee of supply stability and service quality. More structured clients also require certifications and evaluate you from various angles. Being part of a group is viewed positively'*. Today, additional assurance for the clients of the group's firms (including ALFA's clients) arises from the fact that BETA has become one of the key partners within GAMMA's end-to-end production network¹⁰. This helps improve the firm's reputation in the eyes of its customers.

e) *Knowledge sharing among the managers of the different functional areas across firms.* For each functional area (administration, marketing, procurement, technical department), dedicated teams have been established, consisting of managers from the same functional area in each company. These teams meet periodically to exchange information, coordinate activities, and address specific issues within their respective managerial domains. For instance, if a company decides to implement new materials, it can request a technical representative from another company to visit its facility and assist the internal staff with the application of the material.

¹⁰ GAMMA is one of the leading suppliers of machinery and materials in the additive manufacturing industry, with major companies (such as Boeing, Volkswagen, and Sauber) turning to this longstanding and reliable supplier to assess the feasibility of producing certain components via 3D printing. If a GAMMA's client (after evaluating component samples) deems additive manufacturing to be a viable production method, they may either purchase the machinery to produce the component in-house or, more frequently, inquire with GAMMA about where the component can be printed. To meet these needs, in 2022, GAMMA established a network of validated 3D printing centres located in various geographic regions, capable of adhering to stringent production standards. The BETA group was the first partner to join this "end-to-end production network" established by GAMMA.

5. Discussion and conclusions

This study contributes to the ongoing academic debate on cross-border acquisitions by emphasizing the importance of examining not only the motivations and decision-making processes of buyers but also those of sellers.

The case analysis revealed that, in ‘opportunity-driven’ acquisitions, the seller – despite being a small firm – plays an active and strategic role in the acquisition process. Rather than being passive, the seller retains full autonomy in determining ‘whether’, ‘when’, and ‘by whom’ to be acquired. In such scenarios, the decision to sell can be understood as *a strategic move for development*, particularly when it is motivated by the desire to grow the firm by partnering with a buyer who can *provide access to new opportunities and alleviate the constraints typically associated with small firm size*.

In this case, the decision to sell was strongly influenced by the top management’s personal motivation to expand the company, the recognition that achieving this growth required finding a suitable partner, and the broader transformations occurring within the 3D printing sector. However, the decision to sell was not immediate but rather a gradual process, reflecting the challenges of identifying an appropriate partner. What most distinguished the seller’s behaviour was *the attention and thoroughness with which the company’s leadership evaluated the proposals of potential investors*.

Several investors approached the company with acquisition proposals; however, despite their suitability in terms of financial contributions, they were ultimately rejected. The primary reasons for this included their *over-specialization in niche sectors and insufficient knowledge of the 3D printing industry*. In contrast, the Swedish group’s proposal was accepted due to several key factors: the strong alignment of their production activities with those of ALFA, their strategic vision, and their well-established approach of preserving the management structure of acquired companies while granting them significant autonomy.

Positive outcomes observed two years after the acquisition, in terms of revenue and profitability, appear to be closely linked to several benefits identified by ALFA’s management. These advantages include access to new investment opportunities, improved purchasing conditions for raw materials, a broader range of technologies available to customers, and the potential for enhancing management practices through continuous knowledge-sharing among managers across the group’s various functional areas.

The study also enabled the identification of several implications stemming from the international nature of the acquiring firm, which merits a brief consideration.

Assuming that cultural and geographic distances are the two main factors distinguishing international acquisitions from domestic ones, in the case under examination the international nature of the acquisition appears

to be more closely related to geographic distance than to cultural distance. With respect to the latter, the CEO of ALFA initially perceived the cultural gap to be relatively pronounced. However, through direct interaction with managers from both the acquiring firm and other subsidiaries within the corporate group, she came to recognise that, while Northern Europe displays a certain degree of cultural heterogeneity, these differences did not hinder effective collaboration during either the pre- or post-acquisition phases. As she observed: *'We were able to work very well with the managers of the Swedish company and the other subsidiaries, despite the cultural differences'*. A comparable sentiment was echoed by ALFA's marketing and communications manager, who remarked: *'I feel very close to my Swedish colleagues. I do not feel different from or separate to them'*, and further noted that *'the cultural differences mainly concern more trivial aspects, such as working hours [...]. These are simply different lifestyles'*.

By contrast, in the case under consideration, the geographical distance between the companies, combined with their distinct technologies and areas of expertise despite operating in the same industry, effectively reduces competition within the group. This separation *fosters an atmosphere of trust and cooperation, facilitating the exchange of best practices among the firms*. If the buyer had been a domestic firm operating in the same sector, the risk of potential competition between the activities of the two companies would have been real. Instead, this risk is reduced—or even entirely absent—when the firms are not only small in size but also operate in geographically distant markets and such conditions also tend to foster a climate of trust and collaboration between the parties¹¹.

A further consideration concerns the implications of the cross-border dimension of the acquiring company for the seller's internationalization policies. Interview data indicate that the cross-border nature of the acquisition positively influenced ALFA's export performance. The acquiring multinational group operates subsidiaries across several Northern European countries, and these subsidiaries not only market their own technological offerings but also promote those developed by affiliated companies within the group. This intra-group synergy facilitated ALFA's entry into new foreign markets. It is plausible that a domestic acquisition—by an Italian buy-

¹¹ These dynamics are clearly reflected in the interviewees' statements. The marketing and communications manager of ALFA stated, for example: *'Competition ends when geographical areas are involved. It is clear that we are responsible for the Italian market. If there were Italian clients previously served by one of our sister companies within the group, following the acquisition, those clients located in Italy are assigned to the Italian branch—just as we do with the UK and other countries [...]. So, there is no competition. It doesn't make sense. The geographical boundaries are clearly defined'*. She also emphasized that this lack of internal competition fosters a collaborative environment among the companies, thereby facilitating the exchange of information and best practices.

er—would not have generated comparable internationalization benefits, given the absence of such a transnational organizational infrastructure.

The results of the study provide several useful managerial implications, which can be summarized as follows: a) for a cross-border, opportunity-driven acquisition to effectively drive business development, it is essential that the management of the seller possesses a strong personal motivation and interest in expanding the company; b) prior to accepting an offer from a potential investor, the seller should have a clear and well-defined understanding of the characteristics of the ideal investor; c) the evaluation of proposals should not consider only the offered price but also other critical factors, such as the potential synergies between the companies' activities and the alignment of the investor's vision, resources, and capabilities with the seller's vision and development objectives.

This study is subject to the typical limitations of a single-case study, which allows for an in-depth understanding of a phenomenon in a specific context. Consequently, the findings are valid primarily within this context. To generalize these results, it is necessary to replicate the research in other settings. There is thus considerable potential for future research on international acquisitions from the seller's perspective. The behaviour of this actor is still relatively underexplored, and therefore it would be beneficial for future research efforts to focus on this direction (Graebner & Eisenhardt, 2010). Further research is needed, for example, to explore the seller's decision-making in contexts similar to those considered in this study, specifically, *the opportunity-driven cross-border acquisition of small high-tech companies*. The motivations and decision-making processes of the seller may vary depending on several factors, including company size, industry characteristics, ownership structure (e.g. family-owned businesses), the nature of the acquisition (opportunity-driven versus necessity-driven), and the specific characteristics of the home countries of both the buyer and the seller. *All of these factors remain underexplored in the current literature.*

It would also be valuable to investigate the spread of 'opportunity-driven' acquisitions across different industrial sectors and to assess whether the growth trajectory, such as that experienced in the case of ALFA, occurs as the size of the selling firm increases—from small to medium enterprises—and as ownership becomes more diversified.

Another promising avenue for future research could involve examining the relationship between the seller's pre-acquisition behaviour and post-acquisition performance. This would allow for an assessment of how decision-making patterns regarding 'whether', 'when', and 'by whom' to be acquired might influence post-acquisition performance from the seller's perspective.

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