Implementing organisational change through modification of a practice management system in the context of international franchising: an action research case study

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Expansion to overseas markets is increasingly recognised by Australian franchisors as an essential business development strategy. With the Australian market having a total population of less than 22 million people and providing limited opportunities for growth, more than 25 percent of Australian-based franchise firms have now expanded internationally. As a recent graduate from a business management program and an honours student I had an opportunity to become involved in the implementation process of a pilot franchise unit in Russia while employed by an Australian company that is currently expanding through franchising. This paper reports on the design, process, and preliminary findings of the five-month action research project as well as the outcomes, reflections from the experience and implications for future research.

The purpose of this research project is to find practical solutions for complex change problems that I encountered as an employee of an Australian company in the process of establishing a pilot franchise unit in a foreign market. This paper reports research-in-progress and presents preliminary findings based on the data collected and analysed during two phases of the project. I have structured this paper around a reflective inquiry process by describing series of critical incidents that shaped my understanding of the research issues, which in turn led to improving   the effectiveness of my actions as a facilitator of change. This structure recognises that the research is data-driven and that understanding of the problem is evolving as the research proceeds. This is in line with a grounded theory approach which I used for data analysis (Charmaz, 2000), where the literature is reviewed as it becomes relevant; being treated with the same status as data (Dick, 2005).

I.   BECOMING FAMILIAR WITH THE CONTEXT

As an honours student I am working part-time in an Australian company that operates in private health services industry as a health service provider as well as a manufacturer of orthodontic appliances sold worldwide. As the Company is undergoing a process of international expansion through business format franchising, I had an opportunity to engage in a project of launching a new franchise unit with a partner company in Moscow (Russia). This project was initiated by the Australian Company and implemented by the Partner Company as part of the franchised concept of a Practice management system of Clinics specialising in early orthodontic treatment for children aged between 5 and 15.

Being originally from Russia and speaking fluent Russian, I was perceived by my employer as most suitable candidate to establish rapport with the key stakeholders in the Partner Company, and was appointed as a facilitator for the implementation of this pilot franchise. This meant that I would first provide Australian-based support to the Partner Company with their project through various communication media. I would then go to Russia and communicate directly with their staff and management to support them in the implementation process. At the time of my first contact with the

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Partner Company the project had been partially implemented. However, initial inquiry revealed that the Partner Company was having difficulties in following the operations manual, leading to a need to initiate change and make improvements to current situation. I was interested in better understanding how a business model for a medical practice developed in Australia could be transferred to a Russian market context and be successfully implemented there.

Recognising the need for a strategic and systematic approach towards solving this practical problem, I have committed myself (as part of my honours thesis) to the task of developing an effective scientific approach, which will facilitate both rigorous research and relevant practical solutions. Action research has been selected as a methodology enabling these requirements to be met (Perry & Zuber-Skerritt, 1992). I have structured the research process into two phases. 'Remote facilitation' was the first phase where all support activities were conducted from Australia via various communication media. 'Direct facilitation' was a second phase where I spent one month in Russia and engaged in face-to-face contact with the participants. During the first phase of the project it became apparent that adaptation of the Australian business model was required to suit local conditions in Russia and facilitate its successful implementation. Second phase revealed the concrete differences leading to specific changes to be implemented.

II.   CURRENT TRENDS IN INTERNATIONAL FRANCHISING IN AUSTRALIA

Expansion to overseas markets is recognised increasingly by Australian franchisors as an essential strategy in their quest for global recognition, growth, profits and shareholder value creation (Aliouche, Schlentrich, & Frazer, 2010). More than 25 percent of Australian-based franchise firms have now expanded internationally (Frazer, Weaven, & Wright, 2008). The Australian market with a total population of less than 22 million people provides limited opportunities for growth, therefore, international expansion by Australian franchise systems can offer access to larger size markets with significantly greater number of potential customers (Aliouche & Schlentrich, 2009b; Aliouche, et al., 2010). In addition, international franchising has been recognised as a method of entering foreign markets involving less risk than other forms of internationalisation (Altinay & Miles, 2006).

The majority of Australian franchisors have chosen Australia's closest neighbour, New Zealand, as the host country for their international franchise units. Besides that, the geographical proximity as well as that of cultures and heritage makes New Zealand a popular destination for international expansion of Australian franchise-based firms. Nevertheless, New Zealand offers little opportunity for franchise system growth with its population being only 4.1 million. The United Kingdom and Canada are also attractive choices for Australian franchisors exporting their systems (Aliouche, et al., 2010). International expansion to South-East Asia by Australian Franchisors is less common, however some Australian franchisors have recently entered China, India and other Asian countries with varying success (Frazer, et al., 2008).

Russia is not identified as a country of preference for Australian franchise firms' overseas expansion (Aliouche, et al., 2010). However, it represents the most profitable market for the Company in terms of the sales volume in absolute figures. Expansion into the Russian market undoubtedly poses numerous risks, however it also represents significant opportunities (Alon & Banai, 2000; Anttonen, Tuunanen, & Alon, 2005). On the one hand, legal, economic and political instability can create numerous obstacles for foreign investors (Swerdlow, Roehl, & Welsh, 2001). On the other hand, social and demographic factors, such as large cohorts of younger population and growing middle class, can be viewed as largely favourable (Anttonen, et al., 2005). Moreover, the total population of Russia is nearly 140 million people, with the population of Moscow, the capital city of Russia, exceeding 17 million people (CIA, 2010); the market size alone representing a considerable opportunity.

III.   OVERVIEW OF FRANCHISING LITERATURE AND THEORY

An increasing trend for expanding business operations beyond national boundaries helped to promote a rapid growth in business format franchising as a vehicle for entering foreign markets (Teegen, 2000). Business format franchising can be defined as a conditional grant of exclusive rights for a predetermined

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financial return by a franchising company (franchisor) to its franchisees, entitling them to make use of complete business and marketing systems, including training, ongoing support and the use of a trade name, which enables them to operate their own businesses to the same standards and format as the other units in the franchised chain (Grant, 1985; Schaper & Volery, 2004). Originating in the USA, franchising emerged as a powerful way of facilitating the growth of service organisations such as fast food restaurants, automobile repair and rental, and professional services such as hotel management and real estate services (Altinay, 2004; Teegen, 2000). Similarly, international business format franchising involves a franchisor firm that undertakes to transfer a business concept that it has developed, with corresponding operational guidelines, to a non-domestic party for a fee (Teegen, 2000). International franchising is being increasingly recognized as a successful method of international business expansion (Petersen & Welch, 2000), and involves less risk than some other methods of internationalisation, especially foreign direct investment (Altinay & Miles, 2006; Aydin & Kacker, 1990).

The majority of research in the franchising domain has focused predominantly on domestic franchising activity and the US market has been the major focus of investigations (Forward & Fulop, 1993). Two theories can be said to dominate this literature, namely resource scarcity theory and agency theory (Fulop & Forward, 1997). The former stream of research explains franchising as being a response to a shortage of the necessary resources required for organisational expansion, such as financial capital, managerial talent or local market knowledge (Minkler, 1990). On the other hand, scholars who are informed by agency theory argue that although franchising gives the franchisor the opportunity to reduce the level of risk inherent in a direct ownership activity, the agency problem arises due to a divergence of interests between the agents (franchisees) and the principals (franchisors) (Eisenhardt, 1989; Elango & Fried, 1997). That means that franchisees will behave opportunistically and pursue their own goals at the expense of those of the franchisors. A central issue for the franchisors, therefore, is to recruit franchisees who will adopt a system-wide perspective for their individual activities and will contribute to the system-wide goals (Altinay, 2004).

In contrast to domestic franchise activity, the internationalisation of franchising has received limited academic attention (Altinay, 2004). There are two examples in particular which take a behavioural perspective, utilising exporting and international marketing literature (Eroglu, 1992; Karuppur & Sashi, 1992). Karuppur and Sashi (1992) propose the use of transaction cost analysis to examine internal and external antecedents of international franchising and develop hypotheses accordingly. Eroglu (1992) makes a contribution to knowledge by taking existing descriptive research on international franchising and combining it with export literature to develop a conceptual model. This model describes the driving and restraining forces influencing top management's decision to franchise internationally.

The commonly adopted approach in international franchising literature is usually limited to examining macro-environmental factors when assessing a country's profile regarding its favourability for franchising. The current academic research on Russia would be addressing economic, legal, demographic and political environments based on previous research, historical facts (that can also be interpreted with some degree of subjectivity) and publicly available statistics in order to assess the viability of franchising into Russia and making a somewhat more informed decision by taking into consideration those factors (Alon & Banai, 2000; Anttonen, et al., 2005; Swerdlow, et al., 2001). Some earlier studies looked at specifics of post-soviet environment and challenges it presented for international franchisors (Christy & Haftel, 1992, 1993; Kellman, 1989; Welsh & Swerlow, 1991), however they lost their immediate relevance due to fast changing environment in post-soviet Russia (Anttonen, et al., 2005).

Aliouche et al. (2010, p. 11) present the measures in the literature to date that were used to assess external environment. This table helps to understand the trends in academic literature regarding the assessment of external factors.

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TABLE I.   MACRO-ENVIRONMENTAL MEASURES OF COUNTRY RISK ASSESSMENT

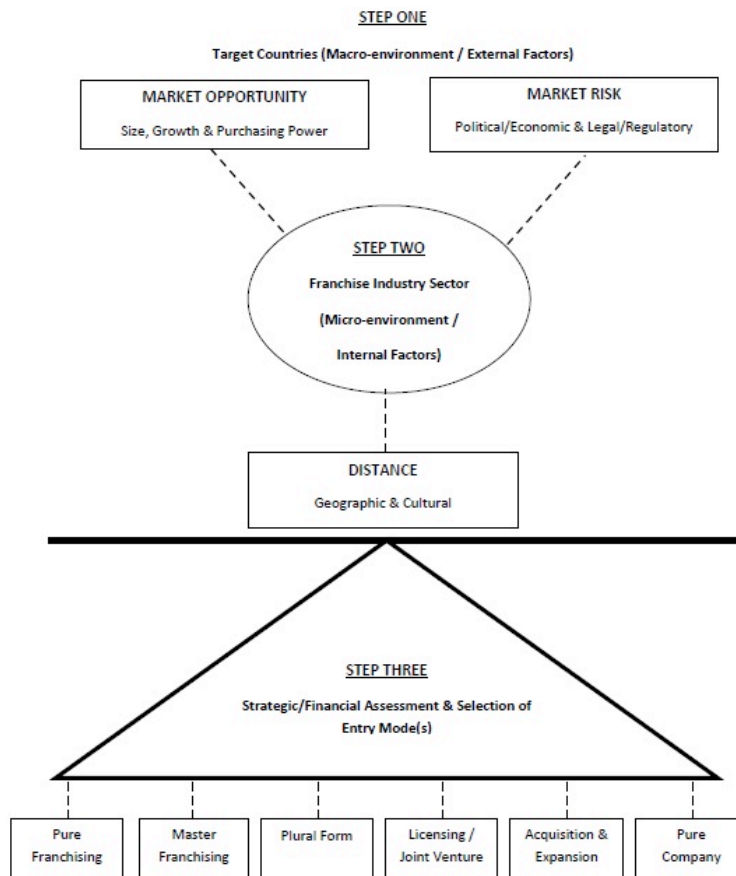| YEAR	AUTHOR(S)	MEASURES
1992*	Eroglu	Political, Economic, Cultural Distance, Currency
1992*	Huszagh et al	Legal-Political, Macroeconomic, Socio-Cultural, Technological
2001	Han and Diekmann	Political, Economic, Cultural/Legal, Technical
2003*	Justis and Judd	Political, Economic, Legal, Market Demand
2005	Erevelles et al	Political, Economic, Socio-cultural, Financial
2005	Vij	Political, Economic, Social
2006*	Alon	Political, Economic, Distance, Demographic
2006	Rothaermel et al	Country Risk, National Culture, Market Size
2008	World Economic Forum	Geopolitics, Economics, Society, Environment, Technology

*Franchise-specific study

Source: Aliouche, et al. (2010, p. 11)

The International Franchise Expansion Model, developed by Aliouche and Schlentrich (2009a) represents a rare piece of academic investigation in the field that integrates the findings of theoretical research and business practice. It adopts a coherent strategic approach to international franchise expansion and provides a framework for decision-makers. The model suggests assessing the expansion strategy in three steps, sequentially conducting analyses of (1) external factors, (2) internal factors and (3) entry mode.

Figure 1.   The International Franchise Expansion Model

Source: Aliouche and Schlentrich (2009a)

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This model offers an operational framework for understanding what factors could have an influence on this project. Serving primarily as a pre-entry assessment tool, this model cannot be fully applied as in our case the market and the mode of entry had already been selected. However, reconsidering external and internal factors subsequent to the process of critical reflection has the potential to reveal new factors that were previously imperceptible and may lead to an improved understanding and action.

Generally, previous research in international franchising has taken two mainstream directions. First it is based on hypotheses testing and large sample quantitative studies that contribute to understanding of the key trends in decision-making but lack qualitative insight. A second direction is a qualitative approach that provides comprehensive perspective *about* a particular practice, rather than research with practitioners, or research *on* people, rather than *with* people (Bradbury-Huang, 2010). It would seem that the trend in current research is to provide *a diagnosis without a treatment plan*, which would offer no guidance to practitioners as to how they could approach problems encountered in their everyday practices. I aim to contribute to knowledge using action research processes in this project by providing actionable findings for the franchise under consideration and generalise them for application in broader organisational contexts.

IV.   RESEARCH METHOD AND DESIGN

Action research was selected as an overarching methodology that, unlike traditional approaches, such as those informed by positivist philosophy, allows for addressing complex problems and finding practical solutions in collaboration with people directly affected by change and improving current practice whilst at the same time conducting rigorous research (Perry & Zuber-Skerritt, 1992; Zuber-Skerrit & Fletcher, 2007). This approach suited my research situation as it would withstand the degree of subjectivity inherent to the researcher being an employee of the Company and would also enable me to work in collaboration with other staff in the Company and with the key stakeholders in the Partner Company on the project (Altrichter, Kemmis, McTaggart, & Zuber-Skerritt, 2002). Action research has been commonly recognised to provide dual outcomes of action and research and thus, be used 'by professionals who want to use research to improve their practices' (Denscombe, 1998, p. 57; Dick, 2002), which satisfied my requirements where an 'insider' perspective was necessary. Bradbury-Huang (2010) describes action research as an orientation to knowledge creation that arises in a context of practice and requires researchers to work *with* practitioners. Unlike traditional research methodologies, its purpose is not solely to understand social arrangements, but also to create desired change as a way of generating knowledge and empowering stakeholders (Bradbury-Huang, 2010). My purpose was to engage stakeholders in a reflective process on their everyday work practices so that collectively we could improve our understanding as to what changes would be necessary for an Australian practice management system to work effectively in Russia.

Taking into consideration the divergence among AR scholars as to what constitutes action research, in designing my study I followed the three requirements of action research elaborated by Grundy and Kemmis (1981) as they seemed to provide a robust framework for my research but be simple enough for a novice researcher to follow and rely upon. They are as follows (1) the subject matter of the project is a social practice susceptible to improvement and strategic action; (2) the project proceeds through a spiral of cycles of planning, acting, observing and reflecting, where each of these activities is systematically and critically implemented and interrelated; and (3) the project involves the participation of those responsible for the practice and implies collaboration with them (Grundy & Kemmis, 1981).

The research is grounded in the reality of the workplace where understanding what constitutes best practice evolves through systematic inquiry, application and evaluation of current management practices resulting in improved outcomes. The second requirement is satisfied through the continuous and iterative process of action and reflection recognising critical incidents as a driving force for alternating subsequent action (Fletcher, Zuber-Skerritt, Piggot-Irvine, & Bartlett, 2008). The third requirement is met by involving participants in this reflective process.

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V. DATA COLLECTION

The participation of the key stakeholders was achieved by involving them in group discussions and one-on-one conversations, thus working with them through posing problems and collectively elaborating solutions and answering questions (Altrichter, et al., 2002). The project group was comprised of management, administrative and clinical staff of the franchise unit in Russia, who I was able to communicate with directly during second phase of research 'direct facilitation'.

It was also important to involve two other groups of stakeholders: doctors (i.e. dentists, orthodontists) and customers (i.e. patients and their parents). Ensuring participation of all stakeholder groups was complicated by a number of factors. Firstly, we were dealing with doctors, who are contractors and therefore only come to the Clinic when they have appointments to see patients. Most discussion where doctors participated occurred when waiting for a patient or in the times between patients. It was important to include doctors' perspectives in the discussion, as they are the closest to the initial evaluation of the patients and responsible for the treatment plan. However, I was able to engage in regular discussions with other clinical staff such as clinical assistants, consultants and administrative staff. The importance of their input is determined by the fact that they see a larger flow of patients and are often able to identify behavioural trends that doctors do not necessarily become involved in.

Talking to parents and patients was also an important way of ensuring all stakeholders' views were taken into account. Patients and parents could provide valuable feedback being on the recipient side of services, however their input was restricted by time constraints. I would only talk to parents and patients when I could see that nothing would prevent them from feeling at ease and that they were willing to discuss their experiences with me.

Qualitative data were collected through the following sources: meetings, conversations, group discussions, email correspondence, observations, reflective journal and memos. I was unable to use audio recording due to ethical considerations or in order to avoid undue pressure on the participants, thus notes were taken during meetings and were expanded upon as soon as was practically possible after the meetings (Dick, 2005). At the end of each day with the participants I documented the events and conversation themes in my research journal. Using *systematic diary reflection process* (Fletcher, et al., 2008) was helpful in reviewing the journal on a weekly and monthly bases and culling information that was no longer relevant. This contributed to the process of critical reflection and identification of emerging themes that became the focus of further inquiry.

VI. ANALYSING DATA

Grounded theory approach (Glaser, 1998) in data analysis was employed in this study. This method aims to building substantive theory that emerges from data and reflects some facet of professional practice (Merriam, 2002). Dick (2002) suggested that using coding methods of grounded theory is a useful way for action researchers to make sense of the data collected. Grounded theory provides a set of clear guidelines regarding an analytic process of development, refinement, and interrelation of concepts from which explanatory frameworks could be built (Charmaz, 2000). This approach best suited my intention of going into the research setting with an open mind, with no particular guiding theory or initially predefined categories (Silverman, 2010). Having no preconceived ideas at the outset was important in order to understand often confronting views of different stakeholder groups and fully appreciate them, thereby achieving a deeper understanding of the research situation (Dick, 2002). Only then, based on the data collected, codes and categories were developed in order to build substantive theory.

VII. CRITICAL INCIDENTS

Identifying and recognising critical incidents is an effective method of reflection in action research inquiry (Fletcher, et al., 2008). Critical incidents can be any event that causes a re-evaluation of the direction or actions that are being undertaken in managing the change process. Critical incidents were

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documented in the reflective journal with evidence shown in other sources of data. The tables below illustrate a series of critical incidents that occurred during 'remote facilitation' and 'direct facilitation' phases. They have been selected to describe how my own understanding of the work I was doing developed as I encountered unexpected events that caused me to rethink my role in the work I was doing.

TABLE II.   CRITICAL INCIDENTS DURING 'REMOTE FACILITATION' PHASE OF THE PROJECT

Event	Critical incident	Reflections
Telephone conversation with the Russian Practice manager about the practice layout, 14th April 2010	J. said that they will not follow our advice as it contradicts their priorities in the implementation process. She said: 'You cannot just use the same approach across the border [...]. You have to accommodate for inherent differences in Russian reality.'	This theme has emerged before but this incident has really influenced my approach to dealing with the Russian part. This further fuelled my thinking as to the importance of cultural differences between Russia and Australia. It is inevitable that some changes to the system will be necessary.
Meeting with current franchisee (with Russian background) in Australia about a training activity in Russia, 29th April 2010	Dr X assured me that he thinks that Russian doctors will not be willing to learn the content of the training workshop as their mentality is such that they see it as a job of junior clinical staff.	There must be a difference between how dentists and orthodontists work in Australia and Russia. This might mean that staff roles in the operations manual will have to be adjusted for Russian Clinics.
Attending Franchise Forum 2010 in Brisbane, Southbank, 16th June 2010	The turning point was the presentation of Dr Trung (who owns a franchise chain of fast food restaurants in Vietnam) speaking about his experience in expanding his franchise to Hong Kong. He explained: 'Every franchise concept needs to be modified in a foreign market, otherwise it is not working. This is not the way I thought in the beginning. I was so conservative. I wanted no change. [...] My Hong Kong franchisee changed my concept beyond recognition and he has had huge success. Now, that I earn so much in royalties and supplies, I changed completely my approach. I am very flexible now and I want change!' (presentation notes, 16 June 2010).	The presentation of Dr Trung made me confident that the direction my research was taking was the right one. Primarily, the franchise concept has to work with and *for* the foreign market. Dr Trung pointed out that local knowledge has to be fully appreciated and local expert is to be trusted. This is an important lesson learned and changes my approach to the franchisee.
'A group of critical friends': meeting with 4 local ALARA members in Brisbane, 11th June 2010	One week before my trip to Russia I was at the point where I was unsure how to approach all the points of difference that emerged and probably hundreds of those about to emerge. The discussion with ALARA members helped me fuel my critical reflection and thanks to Geoff Coffey's (meeting held 11 June 2010) suggestion I was able to formulate four questions that were guiding my further research as well as my conversations and group discussions with participants.	Four questions that will help me in working in Russia are: 1) What are the points of difference between Russian practice and Australian practice? 2) What are the changes to the business model that derive from these differences? 3) Why are they necessary? 4) How did they become evident?

During data analysis of the 'remote facilitation' phase of research I found that the cultural, mentality, and staff role differences between the country of the franchisor and the country of the franchisee emerged as central themes. At that stage I believed that these concepts might have an effect on some intrinsic characteristics of the business model and need to be taken into consideration when implementing a franchised model in a foreign market. The Practice management system developed by the Company has been successfully implemented and replicated in Australian and American markets but had not previously been transferred to Russia. I was able understand that there is a need to encompass local cultural differences and, thereby, this improved understanding affected the planning stage of the next research phase - 'direct facilitation'. I have committed myself to investigating what are the differences between Russian and Australian practice.

The presentation of Dr Trung at the Franchise Forum 2010 served as a critical incident for my understanding that the success of a franchise enterprise in a foreign market largely depends on local knowledge which has to be trusted. It made me go back to the literature to look for confirming or disconfirming evidence where the theme of cultural adaptation of franchised business models would be discussed. Teegen (2000) argues that franchise systems that are proven to be effective in a domestic market have to be 're-proven' in each local market entered, therefore the value of a franchised business system must be country-specific. He asserts that the failure by either the franchisor or a franchisee to recognise the need for an appropriate fit between systems and the environment is likely to result in flawed implementation. Doherty (2007) also found in a series of interviews that franchisees were adapting the operational manuals that originated from a different country to suit their market needs. When franchise formats are transferred overseas, they must be adapted to suit local conditions and the needs and demands of local consumers (Kedia, Ackerman, & Justis, 1995). These studies provided further insight about my research situation and supported my findings.

The meeting with local ALARA members in Brisbane helped me define the direction of my further action and research: discussing my ideas with *a group of critical friends* significantly stimulated my critical reflection process. Based on Geoff Coffey's (meeting held 11 June 2010) suggestion I was able to formulate four key questions (see Table 2) to guide further research in 'direct facilitation' phase of the core project conducted in Russia. As my understanding changed, the focus of the next phase of this action research inquiry developed around the process of modifying a business model used in Australia to fit the requirements of the Russian market. This differed radically from the way I initially looked at the problem with my focus being helping Partner Company align their practices with our model and comply with our standards. Not only my understanding changed but also the CEO of the Company, to whom I was reporting on my progress, came to realise that 'it has to work for them'. It was important for me to have the support of my employer in using participative approach to my activities with our Russian Partner Company. I was intending to engage them in critical thinking about their everyday practices and asking questions: 'What works well in the system? What does not work well? Which system tools make your work easier/harder? What are external factors that complicate your work? What makes it difficult for you to follow the procedure?'

TABLE III. CRITICAL INCIDENTS DURING 'DIRECT FACILITATION' PHASE OF THE PROJECT

Event	Critical incident	Reflections
Visit to a state ENT (Ear-Nose and Throat) diagnostic centre with the management of the Partner Company, 1st July	The weight of this meeting indicated concern at the state level about health of paediatric patients. The head paediatric ENT doctor of Moscow expressed her willingness on the behalf of the Centre to collaborate with the Partner Company to improve the overall health of paediatric patients by providing preventative treatment of ENT disorders early to avoid surgical treatment.	The apparent rise in ENT disorders among paediatric patients could indicate that a large proportion of patients at the Clinic might also have ENT disorders. What does it mean for our project here? Is this proportion large enough to mean that changes to the Practice are needed?
Meeting with Dr S.	Dr S. described the process of collaboration with ENT specialist that she has at her own paediatric dental practice. When I asked how often she has to refer patients to END doctor and what were the trends she saw in ENT disorders she said: 'I see these problems all the time. Kids just get sick all the time because of our climate I suppose... and then it becomes chronic. [...] I assume that about 90% of my patients have some sort of ENT problems, 50% of which are chronic disorders.' (meeting held 14 July 2010)	ENT disorders have certainly become a recurring theme. Demand for ENT treatment among orthodontic patients indicates that it has to be reflected in the way the franchised Clinic in Russia provides services. This is a point of difference which I need to explore further. What are the implications?

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I found that the proportion of patients with recurring ENT disorders in Russia was significantly greater than that in Australia. In a rare case of encountering a patient with an ENT problem in our Clinics in Australia, the patient would be commonly referred to an ENT doctor. In Russia it seemed to be a prevalent trend. According to clinical staff 80 to 90% of patients have or have had ENT disorders, some attributed it to climate, some to severe pollution levels in Moscow. I also had a chance to look through some patient files where on the initial evaluation form there would be a note if a patient was suffering from any kind of ENT disorders. Out of 32 files reviewed 12 patients had a tonsils or adenoid surgery in the past, 10 had recurring airway infections, and 7 had 'mouth-breathing due to nasal airway obstruction' indicated in their evaluation forms.

The next stage involved me asking the four questions elaborated in the first phase of research and working together with the participants to find solutions to this problem. Constantly referring patients to ENT doctors would mean that patient would have to make an appointment and travel across the city to see a specialist. There was an ENT specialist that would occasionally come to the Clinic on the condition that there are at least 4 patients booked in. I was also told that this doctor also complained that there are no facilities to conduct her usual treatment and examination procedures. This caused significant inconvenience to both patients and the doctor. In one of the group discussions with the clinical staff a new theme emerged. The solution developed (group discussion, 16 July 2010) to have an especially assigned room and facilities for ENT consultations and treatment and an ENT specialist available to see patients on any given day. This would mean that changes needed to be made to initial practice management system to accommodate for local conditions and requirements that would result in improved service for the patients.

TABLE IV.   ANSWERING THE FOUR QUESTIONS

What are the points of difference between Russian practice and Australian practice?	Difference in overall health of the patients - Prevalence of ENT problems among children aged 5-15 in Russia.
What are the changes to the business model that derive from these differences?	Room and facilities for ENT specialist to consult and carry out treatment ENT qualified staff available
Why are they necessary?	Most Clinic's patients suffer from some sort of ENT disorders, which drives the demand for ENT examination and treatment in addition to myofunctional (early orthodontic) treatment.
How did they become evident?	Visit to the state ENT diagnostic centre; watching the video recordings of Cross-disciplinary conference on treatment of paediatric patients with soft tissue dysfunction (held on 1st June, Moscow); conversations and group discussions with staff and doctors; talking to parents/patients; observations; examining patient files.

VIII.   DISCUSSION: LESSONS LEARNED

The research reported in this paper is a work-in-progress where initial findings have contributed to success in the first two phases of the project. While there remains considerable more work to be done, the lessons I have learned have potential in guiding future ventures in this field. They are:

The continuous and iterative process of action and reflection employed by action research was an effective approach in dealing with complex situation of exporting a franchise concept to a foreign market. It allowed gaining deeper understanding of the research situation and accounting for the different perspectives held by distinct stakeholder groups. I was able to achieve understanding and improved action through reflection on everyday practices, being a careful observer, recognising critical events and continuing to ask myself questions as well as engaging the participants in this reflective process.

The standard approach to franchising where a franchise concept has to be replicated without modifications will not work in international context. The mere fact that it is working in one country does not mean it will work in another country. Idiosyncratic contextual demands need to be recognised and accommodated. It is the demand and local conditions that need to determine the direction of the change. A

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collaborative and participative process involving direct communication where all stakeholders have a say is a way of discovering the specifics of the demand and the local requirements.

In conducting macro-environmental analysis to assess the favourability of a particular country for international expansion and adapt a business model to suit local conditions not only political, economic, social, technological factors need to be evaluated but also climate and the ecological conditions. Among the range of literature presented earlier in this paper (see Table 1) only one, World Economic Forum (2008), named environment as a key measure for assessment. However none of the franchise specific studies has considered this factor, while its importance is rising worldwide. The changing anthropogenic environment is increasingly becoming a factor that can no longer be disregarded.

For franchise concepts that have standard structure, product and service at the core, it becomes apparent that not taking into account difference in climate and local ecological situation when exporting a franchised concept to another part of the world might result in flawed implementation. I suggest that for future research in franchising as well as other forms of international expansion it should become a standard practice to consider ecological conditions and climate as well as other macro-environmental factors. Using the Model (see Figure 1) developed by Aliouche and Schlentrich (2009a) to extend their assessment framework by adding this environmental factor would benefit practitioners in planning their strategy for international expansion.

Finally, this paper itself constituted a reflective process that deepened my understanding of the research situation and helped me identify areas that have to be researched further.

IX.   FURTHER INVESTIGATION

The subject of further investigation still remains pertaining to the causes of ENT disorders in paediatric patients. The findings rely on the tacit knowledge of health professionals, however to confirm or disconfirm their propositions academic literature in medical field has to be reviewed. The current research is to be examined to quantify the trends in causes of ENT disorders and how much can be attributed to degrading anthropogenic environment or the idiosyncrasies of the climate and weather.

X.   LIMITATIONS

Limitations of this research relate to the context bound nature of action research, which may limit the generalisabilty of findings. The results of this research are highly contextualised in terms of industry, culture and organisation. The benefit that arises from such highly contextualised research is that it reflects authentic experiences of a complex work environment and leading to improvements to the researched situation. Further, it offers possible solutions that need to be investigated across a range of contexts.

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