

Business-to-Business Marketing, an Entrepreneurial Process!?

A research on constructing and applying a framework for Business-to-Business marketing as an entrepreneurial process in the North West European Offshore Industry



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Cover: A gas production facility and a windturbine are installed on the North Sea. Both are placed on a fixed steel structure.

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Abstract

Smaller enterprises acting as a representative for offshore fabrication contractors in the European offshore market for offshore structures, have difficulties acquiring customers or contracts for their represented. These smaller enterprises often have no insight in which activities to conduct in their role a representative. Also they often lack the insight which resources and competences are available within their organization to conduct these activities. In the research described in this report a framework is constructed and demonstrated, which can be used for giving an insight in Business-to-Business marketing activities in smaller companies acting as an offshore contractors representative in the European market for offshore constructions. Also this framework gives an insight in the resource and competences within the entrepreneurial process of these smaller companies to conduct these activities. In this way the framework is a two dimensional approach which can lead to a better development of business-to-business marketing activities in smaller enterprises by linking these activities to the entrepreneurial process.

The research consists out of three parts. The first part describes the construction of a combined framework out of the Business Marketing Management framework and the 4S Model. These theoretical frameworks capture the two different theoretical perspectives of Business-to-Business marketing activities and the entrepreneurial process. By examining how these frameworks replenish each other, they are combined in a new framework. The combined framework for Business-to-Business marketing as an entrepreneurial process.

In the second part the constructed combined framework is demonstrated by applying it in a practical case. The company used for this demonstration is the smaller enterprise Focus Oil and Gas Group B.V. This company acts as a representative in Europe for the Chinese offshore fabrication contractor PJOE. The application of this combined framework gives an insight in the activities to be conducted by Focus in its role as representative in North West Europe, as well as the resources and competences of Focus to conduct these.

Out of both insights conclusions are drawn and recommendations are provided on Focus' activities as a representative for PJOE. These conclusions and recommendations demonstrated how the combined framework can be used to develop or enhance representative activities.

The first conclusion is that, although several different activities can be conducted in the role of representative, the most important activities for Focus in its role as repetitive will be understanding markets segments, customers and competitions in North West Europe and delivering this information to its represented offshore contactor. Also the representation activities of delivering information to the (potential) customers in the form of capabilities and competences of its represented offshore contractor is important. Concrete examples of the activities are monitoring released tenders and prequalification rounds and actively establishing and maintaining contacts with oil and gas operators, wind farm developers and other offshore fabrication contractors. It is concluded that several of Focus' resources and competences are insufficiently developed to conduct the representation activities. Especially the resources and competences in the form of Human and Cultural Capital and Social Capital are insufficient developed.

Recommendations are provided which can be used to develop Focus resources and competences used for its representation. It is recommended to determine goals and objectives for the representation activities and allocate the resources and competences which are available to these representation activities. Also it is recommended that Focus educates and trains employees in these representation activities. In this way knowledge and skills, which is available in the organization, can be spread through the enterprise and experiences build up. Simple technology will have to be developed for storing information, knowledge and experiences, on the representation activities.

The last part concludes on the theoretical and practical relevance of the combined framework in this research and gives options for further research on the subject of Business-to-Business marketing out of an entrepreneurial perspective. The reflection mentions that the use of the combined framework can help to structure Business-to-Business activities in these smaller enterprises which act as a representative. The practical relevance can be seen in the demonstration of the framework in the case of Focus. In this case the use of the framework led to concrete conclusions and recommendations. It is mentioned that the combined framework is most suitable for developing not yet existing Business-to-Business marketing activities. Further research can be done on the usage of this framework to identify crucial resources and competences when conducting Business-to-Business marketing activities or the use of the combined framework in other industries or segment markets.

Samenvatting

Kleinere ondernemingen die fungeren als vertegenwoordiger voor offshore fabricage aannemers in de Europese markt voor offshore constructies hebben moeite met het verwerven van contracten of klanten voor hun vertegenwoordigde. Deze kleinere ondernemingen hebben vaak geen inzicht in de activiteiten die moeten worden uitgevoerd in de rol van vertegenwoordiger. Ook missen deze vertegenwoordigers vaak het inzicht in hun middelen en competenties om deze activiteiten uit te voeren. In het onderzoek beschreven in dit rapport is een raamwerk opgebouwd en gedemonstreerd. Dit raamwerk kan worden gebruikt voor het geven van inzicht in Business-to-Business marketing activiteiten in kleinere ondernemingen, welke fungeren als een vertegenwoordiger in de Europese markt voor offshore constructies. Ook geeft dit raamwerk een inzicht in de middelen en competenties aanwezig in het ondernemende proces van deze ondernemingen. Door deze activiteiten te koppelen aan het ondernemende proces geeft het raamwerk een twee dimensioneel aanpak die kan leiden tot het ontwikkelen of verbeteren van business- to-business marketing activiteiten in kleinere ondernemingen.

Het onderzoek bestaat uit drie onderdelen. Het eerste onderdeel beschrijft de opbouw van een raamwerk uit twee afzonderlijke theoretische raamwerken. Deze theoretische raamwerken omvatten de twee verschillende theoretische perspectieven van Business-to-Business marketing en het ondernemende proces. Door te onderzoeken hoe deze raamwerken elkaar kunnen aanvullen, zijn deze gecombineerd in een nieuw raamwerk. Het gecombineerde raamwerk voor Business-to-Business marketing als een ondernemend proces.

In het tweede onderdeel wordt het gecombineerde raamwerk voor Business-to-Business marketing als een ondernemend proces gedemonstreerd door het toe te passen in een casus in de praktijk. Het bedrijf dat is gebruikt voor deze demonstratie is de kleinere onderneming Focus Oil and Gas Groep B.V. Dit bedrijf fungeert als vertegenwoordiger in Europa voor een Chinese offshore fabricage aannemer. Het toepassen van dit gecombineerde raamwerk geeft een inzicht in de activiteiten die moeten worden uitgevoerd door de vertegenwoordiger Focus, in Noord West Europa alsmede de middelen en competenties van de vertegenwoordiger Focus om deze activiteiten uit te voeren.

Het derde onderdeel trekt conclusies en geeft aanbevelingen uit beide inzichten uit de case Focus. De eerste conclusie is dat, ondanks dat er verschillende activiteiten kunnen worden uitgevoerd, het begrijpen

van markten, klanten en concurrentie in Noord West Europa en het leveren van deze informatie aan de vertegenwoordigde offshore aannemer de meest belangrijke activiteiten voor Focus zijn. Ook het aanleveren van informatie aan de (potentiële) klanten, in de vorm van de capaciteiten en competenties van de vertegenwoordigde offshore aannemer is van belang. Concrete voorbeelden van de activiteiten zijn het monitoren van uitgegeven aanbestedingen en pre-qualificatie rondes, het tot stand brengen en onderhouden van contacten met olie en gas operatoren, wind park ontwikkelaars en andere offshore fabricage aannemers. Het is ook geconcludeerd dat verscheidene van Focus middelen en competenties onvoldoende ontwikkeld zijn om deze activiteiten uitvoeren. Vooral de middelen en competenties in de vorm van Human and Cultural Capital and Social Capital zijn onvoldoende ontwikkeld.

Aanbevelingen zijn aangegeven die kunnen worden gebruikt om Focus middelen en competenties voor de vertegenwoordiging te ontwikkelen. Het is aanbevolen om doelen en objectieven te stellen en middelen en competenties toe te wijzen aan Ook is het aanbevolen dat Focus' zijn werknemers opleidt en traint in de activiteiten voor de vertegenwoordiging. Op die manier kunnen kennis en vaardigheden worden verspreid in de onderneming en kennis worden opgebouwd. Simpele technologie zal moeten worden ontwikkeld voor het opslaan van informatie, kennis en ervaringen omtrent de activiteiten voor de vertegenwoordiging.

In het laatste hoofdstuk worden de theoretische en pathische relevantie van de conclusies van dit onderzoek besproken. De theoretische reflectie bespreekt het raamwerk op een zestal criteria. De praktische reflectie geeft aan dat het gecombineerde raamwerk kan helpen om een Business-to-Business activiteiten in kleinere ondernemingen die fungeren als vertegenwoordiger te structureren. De praktische relevantie kan worden gezien in de demonstratie van het raamwerk in the casus van Focus. In deze casus leidt het gebruik van het raamwerk tot concrete conclusies en aanbevelingen. De opmerking is geplaatst dat het raamwerk het meest geschikt is voor het ontwikkelen van nog niet bestaande Business-to-Business marketing activiteiten. Verder onderzoek kan zich richten op het identificeren van cruciale Business-to-Business middelen en competenties en het gebruik van die raamwerk in andere industrieën of markten.

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1 Introduction

In the European offshore industry large offshore structures change hands between offshore fabrication contractors and oil and gas operators or wind farm developers. These structures are used for the production of oil and gas on offshore locations, as well as foundations for offshore wind turbines, which are used for the production of electricity. The process of exchanging these structures is not executed by offshore fabrication contractors on a daily basis and is a complex issue. Because of this complexity and the number different processes in this exchange, several parties are involved in making these exchange processes a success. In the European offshore industry smaller companies are active in these exchange processes as an offshore fabrication contractor's representative. These smaller companies emerged out of a market demand for small flexible companies which can provide the industry with knowledge about local markets, concepts, ideas and several supporting activities on the exchange between customers and suppliers. By using these companies as representatives for initializing the exchange activities, local and non local offshore contractors can present their capabilities as an offshore contractor in a larger part of the European market.

Because of the specific characteristics of the European upstream market in terms of lack of competitive dynamics and the controlled competitive environment, the exchange process of offshore structures is very formalized. The formalization of this process makes it difficult for these smaller enterprises, despite their knowledge of and contacts in these local markets, to initialize contact with customer organizations and present their offshore fabrication contractor as a suitable supplier of offshore fabrications. When no contact is initialized by these representatives, no follow up this contact can be established. Which means no contract is awarded by a customer to the offshore fabrication contractor.

Expectation are that the competitive environment in the European offshore market is likely to change. This expectation is based on the fact that oil and gas exploration and production is rapidly expanding to meet energy demand of merging economies like China and India. *"World oil demand increases by 47 percent from 2003 to 2030. China and India, accounts for 43 percent of the increase"* and *"The natural gas share of total world energy consumption increases from 24 percent in 2003 to 26 percent in 2030"* (US government, 2006). The major European offshore locations hold large oil and gas reserve in shallow waters where oil and gas can relatively easily be extracted. New offshore structures will have to be installed on these locations to meet this extra demand. Besides the increase in demand of structures for offshore oil and gas production an

increase in the relatively new market of offshore windturbine foundations is expected as well. *“For the production of alternative fuels European policy prescribes the development of offshore wind farms, with a total capacity of 30,000 MW in the year to 2020. European offshore wind farm developers will be racing to meet this demand because only minor project have been developed”* (EWEA, 2006). Projects in which several different offshore windturbine foundations are used, have been recently developed. This increase in demand for offshore structures combined with an expected lack of fabrication capacity by local fabrication contractors means that a gap between offering and needs will occur. Companies acting as representative can use this to present their offshore fabrication contractor to these new customers. Now is the chance for these companies to present their offshore contractor in a way which leads to the award of contract.

In smaller companies which act as representative, it is reckoned that the trends in the market will lead to easier access to customers, but if they want to be successful also asks for a closer look at their representing activities. These representation activities mainly consist out of marketing activities. Until present marketing isn't a largely discussed topic in the offshore industry. The equilibrium between demands and offerings made customers and suppliers established long-term relations to be safe of supplies or contracts. Now it is expected that conducted marketing activities to present the capabilities of new offshore fabrication contractors in this expanding market by representatives will pay off.

The problem that is the motivation for this research is that a several of these smaller companies do not know how to conducted these representation activities successfully. In literature not much discussion can be found representing or Business-to-Business activities by (smaller) entrepreneurial companies in the offshore market. Because this recent development in the market, the practice does not yet provide us with successful benchmarks on representing activities in Europe on this subject either.

To specify the identified problem, section 1.1 describes backgrounds the of the problem of acquiring customers or contracts occurring in the smaller company Focus Oil and Gas Group B.V. (Focus) in the Netherlands, acting as the exclusive representative of the Chinese offshore contractor Penglai Jutal Offshore Engineering Ltd. (PJOE) in Europe. It is determined that backgrounds of the problem on their representation activity in this organization are a good reflection of the problems occurring a other smaller companies acting as a representative. Section 1.2 translates these backgrounds of the problem identified at Focus into a more general research problem and a goal for this research. In Appendix 1 and 2 a brief overview of Focus respectively PJOE is given.

1.1 Backgrounds of the problem identified at a representative

In September 2006 the company Focus has been awarded with the exclusive representation of PJOE. Being a commercial organization Focus wants to make this activity of representing PJOE in Europe a profitable activity by earning a percentage of contracts awarded to its offshore fabrication contractor. Until present Focus' efforts have not led to the acquisition of any customers or contracts for PJOE yet. In several occasions contact has been established with European customers or representing parties of these customers, but these contacts or meetings have not led to a follow up or an award of a contract by any of these customers.

The initial problem described by Focus is a consequence of causes which are present within the company Focus or might be present in the environment of the company. Causality is used to assess the initial problem in more detail. Out of the observation of - and participation in the present representation activities of Focus at this moment and the discussions with owners/employees several causes for the problem defined by Focus were identified. Some of these causes relate to - or enhance each other. Through the use of a problem tangle (Heerkens 2001) the relations between these causes are visualized. This visualization of the causality of the problem is given in Appendix 3. Four fundamental causes were identified as the basis of the problem defined by Focus which are determined to be familiar for several companies acting as representative:

- (1) The company has no insight in the activities which have to be conducted as representative in the process of exchanging offshore structures between its represented offshore fabrication contractor and customers in the European market for offshore constructions.*
- (2) The company has no insight in its resources and competences for representing activities and how these can be used in conducting the representation activities.*
- (3) Some customers are interested in the capabilities of the represented offshore contractor but do not award fabrication contracts at this moment.*
- (4) Some customer do award fabrication contracts at this moment but the capabilities of the offshore fabrication contractor do not fit their needs.*

If customers award contracts or if the capabilities of offshore contractor, when presented properly, fit the needs of customers is an internal affair of these customer respectively the offshore fabrication contractors. Because the last two causes can not be influenced by the representative of an offshore contractors, this research will focus on the first two causes identified in the problem tangle, which can be influenced.

1.2 Research problem , central research question and research goal

Out of the background identified in the “pre search” at Focus the following research problem is determined. The research problem only defines problems which can influenced by smaller companies acting as representatives. This research chooses to examine the two perspectives of activities and resource and competences, embedded the problem. Some literature is developed on representation activity of often smaller companies, but no specific literature is developed on developing these activities out of the entrepreneurial perspective. It is determined that smaller companies have characteristics in forms of resources and competences which will influence Business-to-Business marketing activities. By linking these activities with resources and competences of smaller companies this research will provide a literature on this subject. This choice is for this link is also made because it is determined that by only examining one dimension lead to a outcome of this research which is more useful in practice.

In this research the following research problem is defined:

*Companies which act as representative for offshore fabrication contractors in the European market offshore structures have (1) no insight in the activities which have to be conducted as representative **and** have (2) no insight in their resources and competences available for these representation activities.*

The central research problem that arises out of this research problem is:

In what way can an (1) insight be given in the activities which have to be conducted as representative and can (2) insight be given the resources and competences for these representation activities to companies acting as a representative in the European market for offshore structures?

Out of this central research question the following research goal is set:

*Provide companies which act as representative for offshore fabrication contractors in the European market for offshore structures with a method to give (1) an insight on in the activities which have to be conducted as representative **and** (2) an insight in their resources and competences for these representation activities.*

1.3 Report layout

This research is build up out of in three parts. All three parts provide a separate part of the central research question stated in 1.2. The first part will address a scientific approach to construction of a framework which can be used as a method to given an inside in the Business-to-Business activities which have to be conducted an insight in their needed for these activities resources and competences and how these can be used to conduct these activities in this exchange. The method that will be provided will be presented in the form of a framework which cover both Business-to-Business marketing activities as well as resources and competences to conduct these. By using this two dimensional approach it is determine that a better tool can be provided to these smaller enterprise for developing Business-to-Business marketing activities. Chapter 2 introduces the theoretical perspectives and constrains , research objectives , the outcome of this research, the research model and sets the research questions.

After the research model is discussed the research will be divided into three parts. In the first part, Chapter 3 addresses the construction of a framework. This framework will be constructed by combining a theoretical framework on Business-to-Business marketing with a theoretical framework on the entrepreneurial process.

The second part of the research will apply the constructed framework in the practical case of the representative Focus Oil and Gas. This application will be used to demonstrate the combined framework out of Chapter 3 to draw conclusions and give recommendations in a practical case. Chapter 4 gives insights in the Business-to-Business marketing activities in the North West European market for fixed steel offshore constructions. Also Chapter 4 will give insights in of the resources and competences of the smaller representative Focus to conduct these activities. Chapter 5 draws the conclusions and gives recommendations out of these insights out of Chapters 4 in on the representation activities of Focus.

The last and third part will give conclusions on the theoretical relevance of the framework and its ability when, applied in a practical situation, to provide a enterprise with conclusions and recommendations on its representation activities. Also this chapter will discuss possibilities for further research on Business-to-Business marketing as an entrepreneurial process.

2 Modelling the research

To give a solution to the defined research problem and reach the desired research goal, this chapter constructs a conceptual research model (Dodewaard, Verschuren, 2005). In Section 2.1 the theoretical perspectives embedded in the research problem are explained, as well as the constraints of the research. These theoretical perspectives and constraints determine the approach, respectively the boundaries of the research model. Section 2.2 sets three specific research objectives out of the defined research goal and the theoretical perspectives and constraints. Also this section gives a visualization of the research model. This visualization shows the links between the theoretical perspective, constraints and the research objectives. Section 2.3 addresses research questions which cover specific parts of the research objectives. Section 2.4 determines a research methodology to answer the research questions, as well as the plan of actions executed in the research.

2.1 Theoretical perspectives and Constraints

Two separate theoretical perspectives are identified in the research goal. The perspective of Business-to-Business marketing is used for determining activities which have to be conducted as representative in the process of exchanging offshore structures between the offshore fabrication contractor and customers in the European market for offshore constructions. The perspective of the entrepreneurial process is used for identifying resources and competences in (smaller) entrepreneurial companies acting a representative. Constraints are set to define the boundaries of the case study that will be used in this research.

2.1.1 Business-to-Business marketing

The activities that have to be conducted as representative can be described as marketing activities. These marketing activities should lead to the exchange of offshore constructions between an offshore fabrication contractors and (potential) customers. The representatives active in this exchange process will not be conducting physical exchanges of goods in the form of offshore constructions. Companies in a role as representative are mainly concerned with initializing this process of exchange of the offshore constructions by providing the customer or potential customer with information on the contractors capabilities, services, concepts and ideas on offshore constructions and how these can be executed by the offshore contractor. Demonstrating these abilities of the offshore contractor in a attractive way will lead to the acquisition of these customers or their contacts. On the other hand representative will also be concerned with providing their represented with information on requirements and preference of customer

or groups of customers in the market. Morris et al. (2001) state that *“marketing is concerned with the exchanges between and among buyers and seller, and such is an attempt to match supply and demand. This subject of exchange might be goods, service, technologies, business systems people, information, concepts or ideas. While the buyer traditionally is viewed a some household member purchasing finished goods through a retailer, in many instances a company or institution is doing the buying. When this is the case – where both parties to the exchange are organization our focus becomes industrial marketing also referred as Business-to-Business marketing or organizational marketing”*. The representation activities are concerned with initializing the exchange process of offshore structures. The definition of Morris et al.(2001) places the representation activities of these representing companies in the theoretical perspective of Business-to-Business marketing activities.

2.1.2 The Entrepreneurial process

Smaller companies acting as representative provide offshore fabrication contractors with their needs for assistance in the marketing process in terms of knowledge about - and contacts in the local market. The term entrepreneur is often used for someone who bridges the gap between these needs and the offerings. In this context these companies in the offshore industry can be defined as entrepreneurs or (a) team(s) of entrepreneurs. An organization in which (a) entrepreneur(s) with or with out employees conduct their activities is often of referred to as an enterprise and the process in a enterprise of bridging the gap between needs and offerings as the entrepreneurial process. The entrepreneurial process involves all the functions, activities and actions associated with perceiving opportunities and creating organizations to pursue them (Bygrave, 2003). The representation activities of these smaller enterprises for their represented offshore fabrication contactors can be seen as signalling opportunities in the market and creating an organization which can exploit these by making a customer award a contract to their offshore contractor.

Lyon et al., (2000) state that entrepreneurship is where unique packages of resources are brought together to exploit market place opportunities. Resources are a vital part of the entrepreneurial process and a key role of the entrepreneur is to determine, access and employ the necessary and appropriate resources (Firkin, 2001) These definitions show that the success of entrepreneurial of process is determined by the way the entrepreneur or the team of entrepreneurs use(s) its (their) unique package of necessary and appropriate of resources and bringing the together and employing them to perceive and pursue marketplace opportunities. In this research assessing these resources for the representation activities of

these smaller companies and the way their accessed or employed in their process in the form of competences is approached out of the perspective of the entrepreneurial process.

2.1.3 Constraints

In this section the constrains of apply the framework in the practical case in this research are addressed. The following constrains form the boundaries of this case: Business activities as a representative, North West European offshore market and Fixed steel offshore constructions

Business activities as a representative – Most smaller companies acting as representative in the European offshore industry conduct more activities than solely the activity of representing an (local) offshore fabrication contractor in Europe. Also it is signaled that representatives use these activities to present their own capabilities to conduct to conduct other activities. In this research only the role of conducting Business-to-Business marketing activities for offshore fabrication contractors are taken in to account.

North West European offshore market – In Europe several major offshore regions can be identified. All regions will have their own specific characteristics in terms of competitive dynamics and thus marketing activities. This research examines only the North West European offshore market. This constrain is used because in this market large developments in both oil and gas offshore production construction as well as offshore wind farm development can be identified. Using this as a constrain means only Business-to-Business marketing activities to serve the exchange in the offshore market of Norway, Great Britain, the Netherlands, Germany and Denmark are assessed.

Fixed Steel offshore constructions – Several different structures are used for offshore production of oil and gas an the generation of electricity through wind power. The constructions range form concrete gravity based structures, floating concrete and steel structures or fixed steel offshore structures. In this research only marketing activities are examined for fixed steel offshore constructions. These structures, which are fixed to the seabed by several forms of anchoring, are most commonly used the shallow waters the of the North West European region. Also Danish research determined that these fixed steel structures where the most economical for wind turbine foundation and are most likely to be used in large numbers in Europe.

2.2 Research objectives and outcome

In the introduction the main research goal was determined. Out of the research goal and the identified scope and boundaries the following specific research objectives has been set:

(1) Construct a framework which gives an insight in Business-to-Business marketing activities as an entrepreneurial process - by combining a framework which gives an insight in Business-to-Business marketing activities with a framework that gives an insight in resources and competences in the entrepreneurial process.

By applying this framework in a case study, it can be shown how the framework can be used in providing recommendations on Business-to-Business marketing activities as an entrepreneurial process in a segment of the European offshore market in practice. The enterprise that is used in this case, is the enterprise which was mentioned earlier in the research, Focus Oil and Gas Group B.V. For the case study three research goals are set:

(2) Apply the framework to provide the enterprise Focus with an insight on Business-to-Business marketing activities in the North West European market for fixed steel offshore constructions and an insight on its resources and competences to conduct these activity as representative.

(3) Use these insights to provide the enterprise Focus with conclusions and recommendations on its activity as a representative in the North West European market for fixed steel offshore constructions.

The research objective implies a research which constructs a framework which can be used in Business-to-Business marketing activities the North West European market for fixed steel offshore constructions and applies a framework to demonstrate how it can be used to give recommendations in a specific practical case. The relation between the concepts, constraints and research goals of this research is shown in figure 3.1.

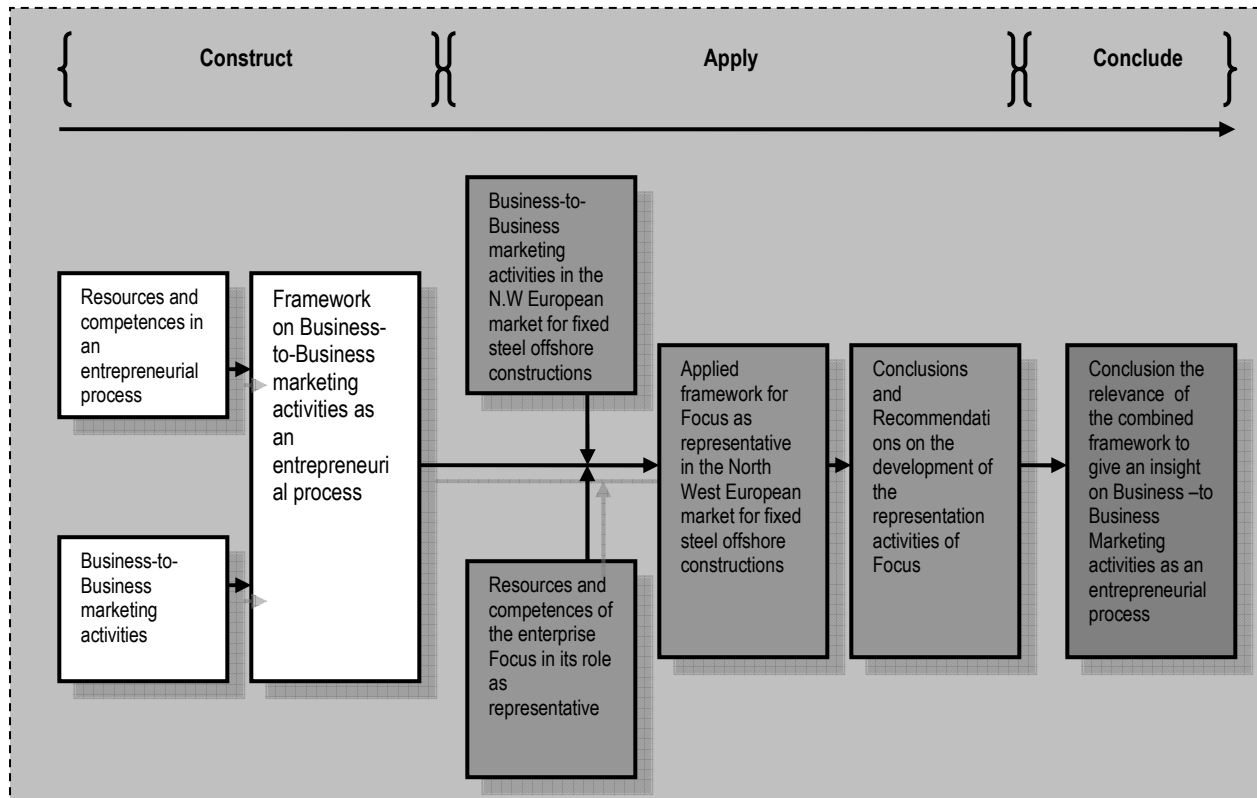


Figure 3.1: Conceptual research design

The outcome of the research will contain:

- (1) *A framework which gives insight in Business-to-Business marketing activities as an entrepreneurial process.*

The first research goal leads to a framework which can be applied in the case of Focus to draw conclusions and give recommendations on its representation activities:

- (2) *An insight Business-to-Business marketing activities in the North West European market for fixed steel offshore construction and an insight in the resources and competences of the enterprise Focus to conduct these activities in its role representative.*
- (3) *Conclusions and recommendations on the development of the activity as representative of the enterprise Focus in the North West European market for fixed steel offshore constructions*

After the framework is constructed and applied the theoretical and practical relevance of this framework can be concluded and recommendations will be provided. The three previous research goals will determine the relevance of the framework.

2.3 Research questions

To reach the research objectives, three main research questions are set. The following research questions are answered in this research:

Research goal 1 – Constructing a framework

1 What framework can be constructed for giving an insight in Business-to-Business marketing activities as an entrepreneurial process?

(1.1) What suitable framework can be identified for giving an insight in Business-to-Business marketing activities?

(1.2) What suitable framework can be identified for giving an insight in resources and competences in an entrepreneurial process?

(1.3) How can the two identified frameworks be combined for giving an insight in Business-to-Business marketing activities as an entrepreneurial process?

Research Goal 2 and 3- Applying the framework

2 What insight can be given in the resources and competences of Focus as a representative in the North West European market for fixed steel offshore constructions, by using the combined framework?

(2.1) What insight can be given in Business-to-Business marketing activities in the North West European market for fixed steel offshore construction?

(2.2) What insight can be given the resources and competences of the enterprise Focus to conduct activities in its role representative?

3 Which conclusions and recommendations can be given on Focus' representation activity in the North West European market for fixed steel offshore constructions out of the insights?

(3.1) Which conclusions can be drawn on the resources and competences of Focus in its role representative in the North West European market for fixed steel offshore constructions?

(3.2) Which recommendation can be provided to Focus on the development of its representation activities in North West European market for fixed steel offshore constructions?

2.4 Research Methodology

This research contains four main phases. In these phases the research questions are answered by obtaining data out of different resources. The phases will all answer a separate research question set out of Section 2.3. After the description of these phases figure 2.2 will visualize the phases in a plan of actions and .

Answering research question 1

- 1.1 **Identification of a suitable theoretical framework.** Through a desk study a theoretical framework is searched which determines Business-to-Business marketing activities.
- 1.2. **Identification of a suitable theoretical framework.** Through a desk study a theoretical framework is searched which determines resources and competences in an entrepreneurial process.
- 1.3 **Combining the two identified frameworks.** The framework will be combined by determining how the these can be an addition to each other.

Answering research question 2

- 2.1 **Giving an insight in specific Business-to-Business marketing activities in the North West European offshore market for fixed steel offshore constructions.** In this phases are obtained through market reports and released tenders, interviews with experts on marketing in the offshore industry and participation in the representation activities
- 2.2 **Giving an insight on the development of the resources and competences of Focus in its role as representative.** In this phase data on resources and competences of Focus in its role as representative is obtained through discussions with owners and employees, attending management meeting in the enterprise Focus and participation in Focus' representing activities.

Answering research question 3

- 3.1 **Providing conclusions on the resources and competences of Focus to conduct its activities as a representative in the North West European market for fixed steel offshore constructions.** The conclusion will be drawn out of the insights out of phase 2.1 and 2.2.

- 3.2 **Providing recommendations on the representation activities of Focus in the North West European offshore market for fixed steel offshore constructions.** These recommendations will be provided based on the insight on Focus' resources and competences in its entrepreneurial process as a representative in the North West European market for fixed steel offshore constructions.

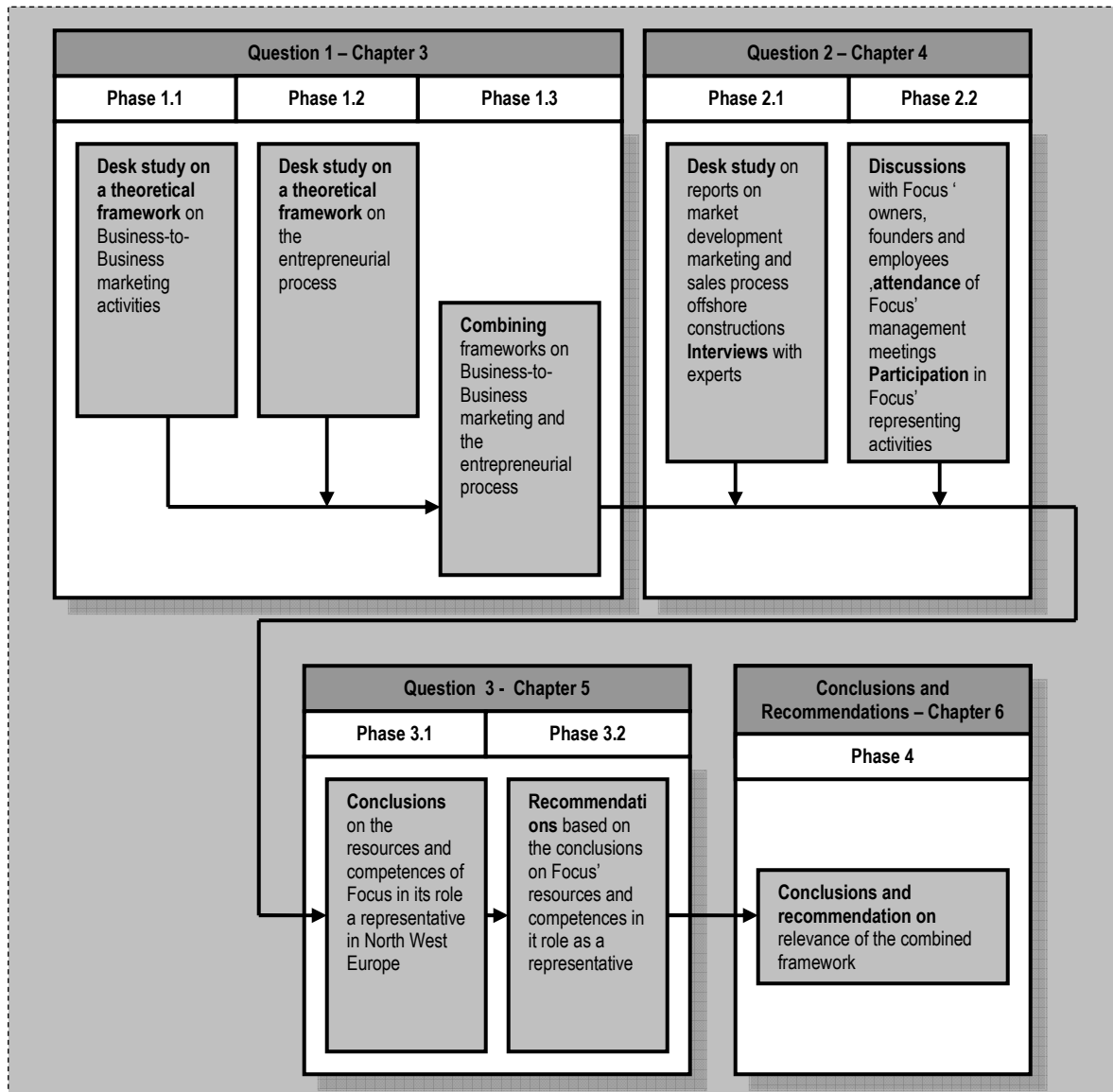


Figure 2.2 - Plan of actions

Part I

3 Business-to-Business marketing as an entrepreneurial process

In this chapter a framework for giving an insight in Business-to-Business marketing activities as an entrepreneurial process is constructed. Section 3.1 describes the identification and choice for the use of the Business Market Management framework to give this insight in Business-to-Business marketing activities. Also this section gives a brief description of this framework. In Section 3.2 the identification and choice for the 4S model to determine the resources and competences in an entrepreneurial process is described. Also this section gives a brief description of this framework. Section 3.3 discusses the combination of these two framework to construct a framework for Business-to-Business marketing activities as an entrepreneurial process. This section concludes with a visualization of the combined framework for Business-to-Business marketing as an entrepreneurial process.

3.1 A Business-to-Business marketing framework

3.1.1 Exchanging value and information in Business-to-Business marketing

Business-to-Business marketing is a very broad perspective and been the subject of intensive research. Many theoretical frameworks are constructed to support this perspective and many activities in the process of exchange between supplier and customer are mentioned in these frameworks. The basis of these frameworks is establishing a mutual relationship between suppliers and customers to exchange a combination of goods, service, technologies, business systems people, information, concepts or ideas (Anderson and Narus, 1999). The form of these relationship can differ. At the one extreme there is a single dyadic relationship between one salesman and a buyer. The other extreme is to be found in a vast network of interlocking contacts (Håkansson, 1982). This definition shows that Business-to-Business marketing does not only consist out of one-on-one relationships between companies can also be concerned with a network of between suppliers and customers, for example through the use of a representative.

Although the form of the established relationships or networks between supplier and customers can differ they all have to lead to the exchange of value in some extent. This value in business markets can be described as the worth in monetary terms of the economic, technical, service and social benefits a customer organization receives in exchange for the price it pays for a market offering (Anderson et al. 1993). Desarbo et al (2001:846) defined customer value as the “trade-off between (customer-perceived) quality and (customer-perceived) price” Both definitions show that the value that has to be exchanged in this customer-supplier interaction is determined by the customer and not by the supplier and that the incentive to purchase is related to this value and the price the customer has to pay for obtaining it.

Parts of the interaction consist of exchange of information (i.e. business communication) and parts of it can be labelled as exchange of value, i.e. exchange of products (goods/services) vs. money (Axelsson, Melin, Goldkuhl, 2002). Axelsson et al. (2002) show that in Business-to-Business marketing not only value is the subject of this exchange. Where value is exchanged from supplier to customer, information is exchanged from supplier to customer and customer to supplier. Although the exchange of information is not the purpose of Business-to-Business marketing activities it is necessary to facilitate the process of exchanging value. The exchanged value determines which information about the exchange value will be exchanged between supplier and customer. In some cases information may even be of value itself.

The customer may determine the value and the worth of information in this exchange, and if both are beneficial for their organization, but the process of exchanging value and information has to be beneficial for both the supplier and the customer. To conduct this process of exchanging value and information for their own benefit, suppliers develop a business marketing strategy where as customer developed business purchasing or procurement strategies. Anderson and Narus(1998) determine that the development of a business marketing strategy is a long term process of suppliers understanding this value to strengthen performance and create a competitive advantage. An organization gains an advanced position compared to competitors by; the design of the organization (1) the whole positioning in the environment; (2) the characteristics of products; (3) the positioning of the products on the market(4) (translated from Blaauw, 2005) . Out of this definition it can be determined that the competitive advantage of a supplier from the Business-to-Business marketing perspective will be its ability (1) to outflank its competitors(2) by offer a higher **value** to price ratio (3) and present this in a way (exchange **information**) that makes the customer purchase this offered value(4). In this research the concept of exchanging value and information is used for activities conducted by representative in combination with the company they represent to create that competitive advantage. Being successful in create a competitive advantage for its represented by acquiring customers means the representative creates a competitive advantage for its self.

3.1.2 The choice for the Business Market Management framework

Now that the importance of exchanging value and information out of the Business-to-Business marketing perspective is explained a theoretical framework is searched which embeds these exchanges. In this research three different theoretical frameworks were examined for business- to-business marketing activities based on exchanging value and information. All three frameworks are based on interaction activities between businesses to exchange value and information between suppliers and customers. The frameworks approach the process and activities of exchanging value and information between organization out of different theoretical angles. In Appendix 4 the frameworks for exchanging value and information as a Business-to-Business marketing activity and the activities mentioned in these frameworks are further addressed. In table 3.1 a comparison of these framework is given. To select one of the frameworks, these frameworks are compared on two criteria.

- The framework will have to accentuate the importance of establishing a broad range of relationships and business networks to conduct Business-to-Business activities. It is determined that when acting as a representative companies will have to establish relationships with customers or representatives of these customers. These relationships will not only be established with customer directly, but also with other actors in the environment of the representatives in the form of business networks.
- The selected framework will have to identify the importance of assessing and allocating resources in its processes. It is determined that when the framework identifies the importance of assessing or allocating resources and competences to the processes it will be more suitable to combine with a framework which identifies these resources and competences in an entrepreneurial process. Not identifying these resources and competences to conduct these Business marketing activities make it hard to determine concrete goals and objectives for an business marketing strategy.

In table 3.1 a comparison of these framework is given. On these criteria the framework for Business Marketing Management by Anderson and Narus (1999) is selected because:

- The Business Market Management framework accentuates the establishment of relationships and business networks. As mentioned, one of the roles of representatives in sustaining relationships with customers for new sales as well as acquiring new customers through its business network. In its role the representative will be situated in the midst of a business network or relationship

between customers and a supplier. The other two frameworks do mention the establishing relationships between customers and the suppliers but these are focussed on one-on-one relationships between customers and suppliers. The Business Market Management framework accentuates the building up of relationships and business networks in which more actors than only suppliers and customers can be involved (mentioned in the network of interlocking contacts by Håkanson, (1982)).

- The Business Market Management framework mentions the importance of assessing and allocating resources and competences available in organization to conduct the process of exchange of value and information. This shows a connection with the entrepreneurial process in which resources and competences are determined. The other two frameworks do not cover of allocating resources or competences to conduct exchange activities and the importance of this determination and allocation. For this reason it is considered that the Business Market Management framework will be more suitable to combine with a framework for the entrepreneurial process which determines these resources and competences. *(remark : the business market management framework does not determine what these resources or competences are. That is way a addition to the framework is needed to construct a framework which give both insights. In this case an framework for the entrepreneurial process)*

Framework	Business Action Theory	Demand Chain Intergrated Marketing	Business Marketing Management
Author (s)	Axelsson, Melin, Goldkuhl	Jüttner, Christopher, Baker	Anderson, Narus
Year	2002	2005	1999
Based on	Business Process Phases (Goldkuhl, 1998)	Integrating Demand and Supply Chain Management and Marketing theories (e.g. Jarworski and Kohli , 1993, Kohli & Jaworski, 1990)	Integrating Business Market Process and Business Marketing Processes (e.g. Anderson et al , 1993, Anderson and Narus, 1998)
Processes or activities in exchanging value and information	Offer - Desire and demand , Delivery Promise - Order , Delivery Payment	Awareness, Evaluation, Decision, Purchase, Consume	Understanding Value, Creating Value, Delivering Value
The establishment (dyadic) relationships and Business networks	Only the establishment of dyadic relationships between one customer and supplier, no Business Networks	Only establishment of dyadic relationships in the form customer/ supplier cycle, no Business Networks	Dyadic relationships between different sorts of actors , interlocking contacts and business networks
Mentions the importance of assessing , allocating resources and competences	No	No	Yes

Table 3.1 Frameworks on Business-to-Business Marketing

The remark can be made that the Business Market Management framework founded by research on American companies might not be applicable for giving an insight in European Business-to-Business marketing activities. This remark is refuted by the fact that in European Business-to-Business marketing literature or frameworks (especially when value based), the Business Market Management is used as a starting point for identifying Business-to-Business marketing processes or activities. Research on Business-to-Business marketing by Ritter (2006) and Hallin et al. (2006) of respectively Copenhagen University, Denmark and Jonkoping University, Sweden use the Business Market Management framework to identify concepts for exchanging value in Business-to-Business markets in Europe. In these researches the theoretical perspective of Anderson and Narus (1999) was applicable for European markets.

An other remark which can be made is that the Business Market Management framework is constructed as a management tool and that it is less applicable for scientific purposes. Also this remark is refuted by the use of this framework in the mentioned scientific researches of Ritter (2006) and Hallin et al. (2006). Also the framework is developed by the scholars J.C. Anderson and J.A. Narus and based on their scientific research on Business-to-Business marketing (e.g. 1993, 1998) It is determined that because of being a management tool it is perfectly suited for applying in a practical cases.

3.1.3 Describing the Business Market Management framework

Business Market Management is described as the process of understanding, creating and delivering value to targeted business markets and customers (Anderson and Narus, 1999 pp.4). The purpose of these processes is to increase the difference between value and price by increasing this value and delivering this to the customer. This value can be increased by creating value in the form of tangible products, in the form of information exchange between supplier and customers or even the in the way the tangible products or information can be obtained. Business Market Management framework identifies three separate process which all hold their own unique activities. These processes and activities are visualized in the Business Market Management framework figure 3.1.

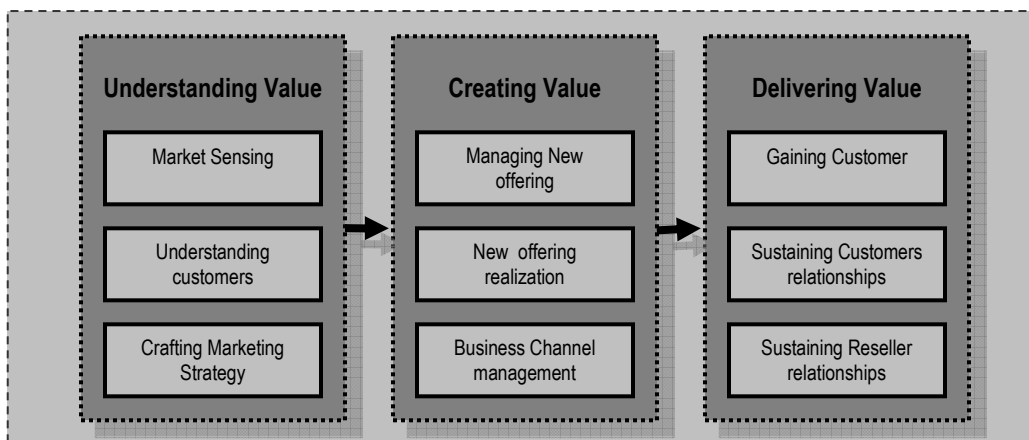


Figure 3.1: Business Market Management Framework (Anderson and Narus,1999)

Understanding Value - Understanding value is concerned with determining which customers or groups of customers to focus on when offering value. Before approaching customers, teams should think through what it will need from the customer and that the customers will gain, and be prepared to offer an incentive (Anderson and Narus, 1998) The process of understanding value inventories what customers determine as value in specific markets or segments, how they decide what value they are going to purchase, what their intentions of this purchase are and how to develop a strategy to let customers purchase this value at the supplier company.

Market Sensing - The process of market sensing is the first step in understanding value needed by specifying markets or customers. Focusing on these customers or groups of customers means markets have to be segmented, competition has to be monitored to determine the difference between value and

price of competition. Internally the abilities of the supplier has to be assessed to create this difference between price and value. Also customers feedback has to be gained how this the difference in value and prices can be increased by better fulfilling their requirements and preferences.

Understanding Customers - All organizations that purchase goods or services from other organizations, purchase these products with a different orientation. This means that all organizations use a different way of acquiring value form outside to be use for the benefit of the organization. Despite the fact that all organizations use their own specific ways, three basic orientations can be identified. Understanding and determining these orientations means understanding the way organization purchase goods. The Business Market Management framework identifies three general orientations, buying orientation, procurement orientation and supply chain orientation.

Crafting Marketing Strategy - Crafting marketing strategy is the process of studying how to exploit an organizations resources to achieve long-term and short term marketplace success (Anderson and Narus 1999). Crafting market strategy uses information out of the previous processes of market sensing and understanding organization as customers, together with the available resources and competences of organization. After the resources and competences of the organization are being defined these can be used to determine goals and objectives in which resources and competences are allocated to develop a long or short term based path for success.

Creating Value - Creating value corresponds to process competence, i.e. the efficient and effective way to produce the value for customers (Ritter, 2006). The processes described the Business Market Management framework to create value are managing market offerings , realizing new market offering and business channel management. Mention that creating value is not concerned with the actual physical production of products or service but translating these information on demands in concepts for market offerings.

Managing Market Offerings - Managing market offerings is the process of putting products, services, programs and systems together to create the greatest value for the targeted customers.(Anderson and Narus, 1999) This processes create extra value, which is called incremental value. This incremental value is based on the principle that synergy between the products, services, programs and systems creates extra value for less costs. In this phase resources and competences have to be allocated to specific processes in creating parts of the value. Important in this process of managing market offering is to exchange information though al part of the organization or between organizations involved in the process of creating value in the form of market offerings to obtain this synergy.

New Offerings Realization - The process of new offerings realization is about developing new core products or services, which are brought together by managing market offerings and can later be delivered to customers in the market. (Anderson and Narus, 1999) Realizing these market offerings is based on the new or expected *demand or needs* of customers and the resources and competences that can be allocated within an organization to meet this demand. In the realization process of new offerings, companies determine how to configure their resources and competences to create value which is beneficial for the customer. These resources and competences can be acquired inside the organization but often they have to be acquired outside the organization as well. Resources and competences to develop new offerings can be technology, people, knowledge or money etc. These new offerings can meet the demanded requirements and the preferences of the customer, but also can create new demand in the market by being a new offering of which the customers have not determined the value yet.

Business Channel Management - Through Business Channel Management, processes or physical logistic systems are developed that fulfill the requirements and preferences of targeted market segments and specific customers. In this process, value is created through direct sales forces, logistic systems and constructing marketing offerings for resellers that build market equity. Although the main task of business channel management is to give the customers access to the value created in the previous phases, Business Channel Management is added value itself. The way the customer can get access to the goods or services will determine the willingness to purchase these and in that way create value.

Delivering Value - Delivering value is concerned with establishing relationships and business networks through which customers can be reached and value and information can be exchanged. Slater (1997 pp.164) argues that: "Superior performance is the result of providing superior customer value; it is not an end in itself". This shows that establishing relationships and business networks is important for a supplier to deliver more of its created value to the customers than its competitors and through that create a competitive advantage.

Gaining Customers - The first step in delivering value to the customer is gaining the actual customer. The process of gaining these customers can be described as prospecting for new business relationships, assessing the mutual fit between prospected customer requirements and the suppliers offering, making the initial sale and fulfilling the initial order to the customer's complete satisfaction. Through prospecting leads out of the market can be acquired. After leads out of the desired market segment are identified the

leads in the purchasing companies are made aware of the presence of the supplying company and the value it is offering. Interesting those specific customer can be done by inquiring customers on their general requirements and preferences. If these requirements and preferences match the abilities of supplier this lead can be pursued. When the customer is interested in the product, because it determined its value can be used for the benefit of its organization, the customer has to be confined into purchasing the product. In meetings and dialogues information on the benefits of the value can be presented to meet the requirements and preferences. To initialize more sales the supplier can also make recommendations to meet those requirements and preferences.

Sustaining Reseller Partnerships - The relationship between the supplier and the customer can be seen as a direct marketing channel. Sometimes it is needed to work together with other parties to fulfill the order of the customer. This sustaining of reseller partnership can give suppliers better access to customers in the segmented market, but all so add extra value. The business marketing model describes the processes of sustaining reseller partnerships as (1) a supplier and reseller fulfilling commitments they have made to deliver value to customers organizations (2) strengthening this delivered value, and (3) working progressively together to continue to fulfill changing marketplace requirements and preferences .

Sustaining Customer Relationships - After the first purchase is made by the customer, a supplier wants the customer to order it next purchase at its organization. For that reason, the last phase of delivering the value to the customers is building up and sustaining a strong customer relationship. A relationship is not only in the interest of the selling company, but also in the interest of the purchasing party. Selling companies with a good relationships with their collaborate customers will offer goods and service with extra value. Key to a successful collaborative relationship is communication. Through communication with customers, suppliers can give information about products and services which can be beneficial for its customers and in that way initialize new purchases. Also customers on their way can give feedback on the products and service which will increase the value of these products or services and provide the supplier with forecasts on futures procurements.

3.2 Identifying a framework for the entrepreneurial process

3.2.1 Capital in the entrepreneurial process

Groen (2005) describes the entrepreneurial process as the process in which entrepreneurs see (a) business opportunity (ies) , develop it to (a) business concept(s) and bringing these (this) into exploitation. In literature the term capital is often used as resources to feed this process. In its common usage, capital is taken to represent material wealth that is owned, or that can be used to generate further wealth, and to normally describe the monetary value of that wealth (Bullock et al., 1988). However, prefacing of the term capital with various descriptors allows it to encompass a range of non-financial assets and resources that might be used in the entrepreneurial process”(Frikin 2001). Coleman (1990) states : it (a resource) becomes “capital” if it is used by actors in concrete situations. This means capital can be describes as resources combined with some sort of process which uses these resources in a way which is beneficial for the entrepreneurial process. Scholes and Johnson (2002) state that when resources are deployed in to separate activities of the organization and into the process through which these activities are linked together competences are created. It can be determined that only possessing resources and not using them or developing through competences will not contribute to the entrepreneurial process. The term “capital” is used in this research a the combination of resources and competences held by the entrepreneur or enterprise.

3.2.2 The choice for the 4S model

In this research three frameworks for the entrepreneurial process were examined. All these frameworks identified resources and competences, or identified forms of capital contributing to the entrepreneurial process. In Appendix 5 a brief explanation of these other framework is given. The selection of a framework is based on two criteria:

- The framework has to identify several different forms of capital out of the dimensions of the entrepreneurial process. This research is not trying to identified or enhance one specific form of capital, but tries to identifies several forms of capital which can be used in the entrepreneurial process. The capitals can range form money to skills and technologies or contacts.

- The framework has to cover the importance of social capital to establish relationships and business networks with actors in the entrepreneur's environment. It is determined that as a smaller entrepreneur, especially as an representative, establishing relationships and business networks will be important to acquire customers, but also to obtain forms of capital which aren't available within the organization. A framework which covers the importance of social capital will be more suitable to combine with the Business Market Management framework which mentioned in the network of interlocking contacts (Håkanson, (1982) to establish relationships and business networks.

In table 3.1 a comparison of these framework is given. On mentioned criteria the 4S model(Groen, 2005) is chosen as the theoretical framework on the entrepreneurial process because:

- The 4S model is a multidimensional view on the entrepreneurial process. This means it contains four dimensions of entrepreneurship. It states that four forms of capital have to be maintained or developed in these dimensions of the entrepreneurial process. The other two frameworks are also multidimensional in identifying resources and competences, but identify less specific forms of capital than the 4S model. In this way the 4S model is considered as more complete. A concrete example is that both these frameworks do not mention strategic capital.
- The 4S model covers the importance of establishing a social network to support the entrepreneurial process. This social networking can be used for obtaining resources and competences for recognizing, developing and exploiting business opportunities, which aren't available within the organization. The other two frameworks, do cover forms of social resources and competences or forms of social capital, but do not cover the importance of using this social capital to enhance other forms of capital. For example, the framework developed by Firkin (2001) mentions the use conversion of social capital into other form of capital, but does not use this conversion in a framework to build up a business network.

Framework	Resourced-based conceptualization of the entrepreneurial process	The Entrepreneurial Process	4S Model
Author (s)	Frikin	Bygrave	Groen
Year	2001	2003	2005
Based on	The resource based view on the entrepreneurial process (Bush et al. , 1997)	Entrepreneurial Behaviour (Moore, 1986)	The Social System(Parsons 1965)
Processes or steps in the E.P.	Creation, Development and Maintenance of an enterprise	Innovation, Triggering Event, Implementation, Growth	Opportunity Recognition, Opportunity Development, Opportunity Exploitation
Identified forms of Capital	Economical, Social, Human and Cultural (3 forms of Capital)	Personal, Social, Organizational (3 forms of Capital)	Strategic, Economic, Human/Cultural and Social Capital (4 forms of Capital)
The importance (a) social network(ing)	Mentions Social Capital, but not the importance of its role in the entrepreneurial process	Mentions Social Capital, but not the importance of its role in the entrepreneurial process	Mention Social Capital and Social Networking as an important factor for the success of the entrepreneurial process

Table 3.2 Frameworks for the entrepreneurial process

3.2.2 Describing the 4S model

The four 4S Model is a framework to determine forms of capital to recognize, develop and exploit business opportunities. These processes of recognition, development and exploitation lead to the creation of value which can be delivered to actors in the network of the enterprise or entrepreneur. The 4S Model developed by Groen (2005) is based on Michael Parsons' social system. Parson argues that:

"...a social system consists in a plurality of individual actors interacting with each other in a situation, which has at least a physical or environmental aspect, actors who are motivated in terms of a tendency to the " optimization of gratification" and whose relation to their situations, including each other, is defined and mediated in terms of culturally structured and shared symbols"

(Parsons 1964,pp.5-6)

Groen (2005) identifies four mechanisms within this definition. (1) interaction between actors; (2) striving for goal attainment; (3) optimization of processes; and (4) maintaining patterns or type of processes. All of the mechanisms can be related to a specific dimension of the entrepreneurial process. The four dimensions defined in the 4S Model are scope, scale , skill and value and social network.

1. The dimension *scope* relates to the way the entrepreneur or enterprise develops a strategy to aim at, create possibilities, develop and exploit them successfully. Important issues in this scope are the attitude of the enterprise of entrepreneur toward business opportunities.
2. The dimension of *scale* relates to optimization of processes through the availability of financial resources and the efficient use of these financial resources within the entrepreneurial process.
3. The dimension of *skill and value* relates to maintaining patterns or types of processes through the use of skills, experiences, knowledge and technology. Such entrepreneurial resources are a combination of knowledge and skills held by entrepreneurs and employees themselves and the way the enterprise maintains and develops these capabilities. The patterns or types of processes can be described by examining how the enterprise is organized and develops and maintains its organization.
4. The last dimension of *social network* relates to interaction between actors of the organization. This dimension is also the dimension which bridges between the internal and external environment of the organization. This social network determines how capital which isn't available within the organization, can be obtained through persons or other organizations outside the enterprise. Also the social networks determines how the value created in the entrepreneurial process can be delivered to other actors in the network.

Each of the dimensions has to be provided with its own capital in the form of resources and means of interventions to contribute to the entrepreneurial process. These (resources) can be: strategies, knowledge, personnel, different sorts of financial means and different sorts of contacts (Groen 2005) Means of intervention are the processes of "deploying" these resources in entrepreneurial process. For example the resource of power and the intervention of using power are mentioned by Groen(2005). The method of interventions is using this resources power to influence other organizations or persons in a beneficial way for the entrepreneur. In this way this the resource of possessing power is deployed in to a process of influencing the organization or persons are made into a competence. In table 3.3 the relationship between the dimensions, mechanisms, capital, resources and the means interventions that can be made to influence these mechanisms is shown.

Dimension	Relates to	Capital	Resources	Some interventions or competences
Scope	Strategic Goals	Strategic Capital	Power, authority, influence, strategic intent	Using Power
Scale	Economic Optimization	Economic Capital	Money	Using financial incentives, Cost cutting
Skill and Value	Institutions and Patterns Maintenance	Human and Cultural Capital	Values, organizations, knowledge skills experience, technology	Training education, Team building, Organizational systems, New technology
Social Network	Interaction pattern/Process	Social Capital	Contacts	Relation management, Changing network structure, Using brokers, Supply chain management

Table 3.3 The dimensions of the entrepreneurial process (Groen, 2005)

All forms of capital have to be developed and maintained to contribute to a successful entrepreneurial process. Groen(2005) argues that no single form of capital is more important. What is mentioned that focusing on the development or maintenance of one sort of capital leads to a sub-optimal solution. For example optimizing the process by using an large amount of money on marketing activities, but on the other hand neglecting the development of skills and experience of humans who have to contribute to those activities will not lead to the creation of extra value in the entrepreneurial process. In figure 3.2 a visual representation of the 4S model is given.

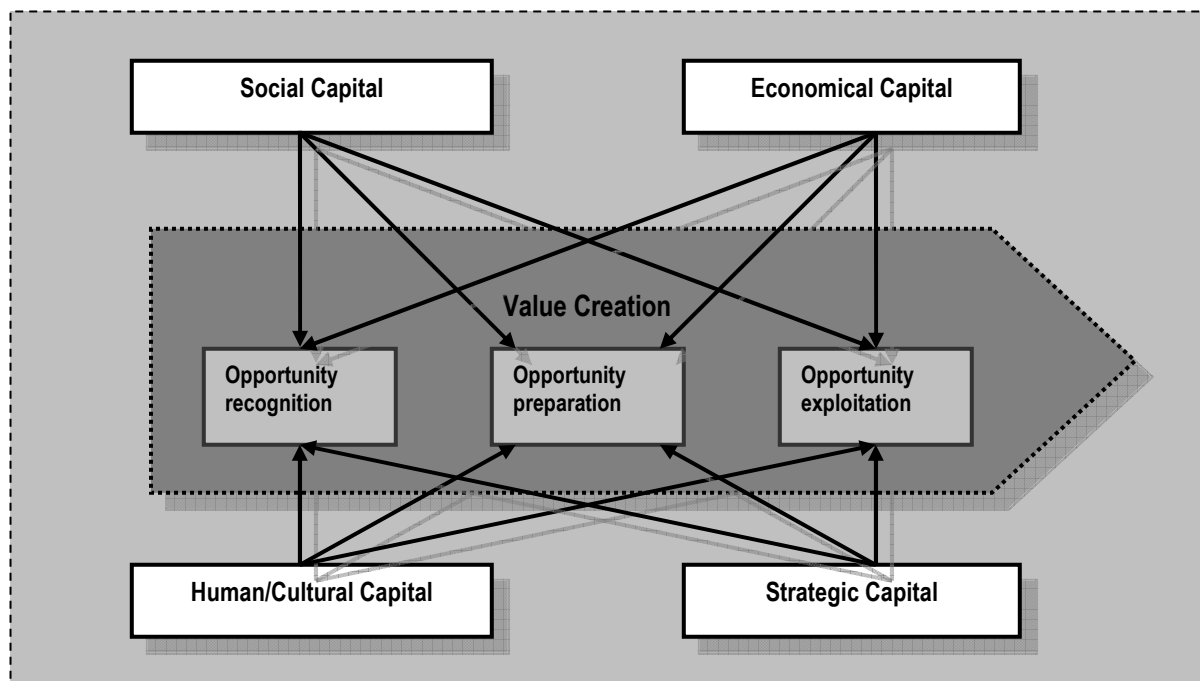


Figure 3.2 The 4S Model

The 4S model does not identify threshold levels for forms of capital to be successful in exploiting business opportunities. Nor does the model provide the specific resources which are crucial for recognizing, developing and exploiting specific business opportunities. These resources can differ per enterprise or market it is active in. Groen(2005) argues that although no threshold levels can be identified for certain resources or sorts capital, having more of the four capital will lead to better performance in creating value in the entrepreneurial process.

Social Networking - The 4S model points out that social capital of an enterprise can be used to support the other forms of capitals. To meet his challenge the entrepreneur has to develop a network, which results in connections to resource providers (clients, partners, consultants, governments etc.) Groen(2005). By connecting the social network of an enterprise or entrepreneur to the social network of other actors, power or authority, money, skills etc. can be acquired outside the enterprise and integrated in the process of the enterprise or entrepreneur. These actors can be other small or medium size enterprises, but also larger less entrepreneurial companies or single persons. Several actors in the network can be used to acquire different sort of resources outside the organization. Maintaining and developing this social network is done by interaction with actors through communication and establishing links with other organizations. Groen(2005) calls this process of communication and establishing links to obtain resources

outside the enterprise, *social networking*. The role social networking in integrating external capital is visualized in the figure 3.3.

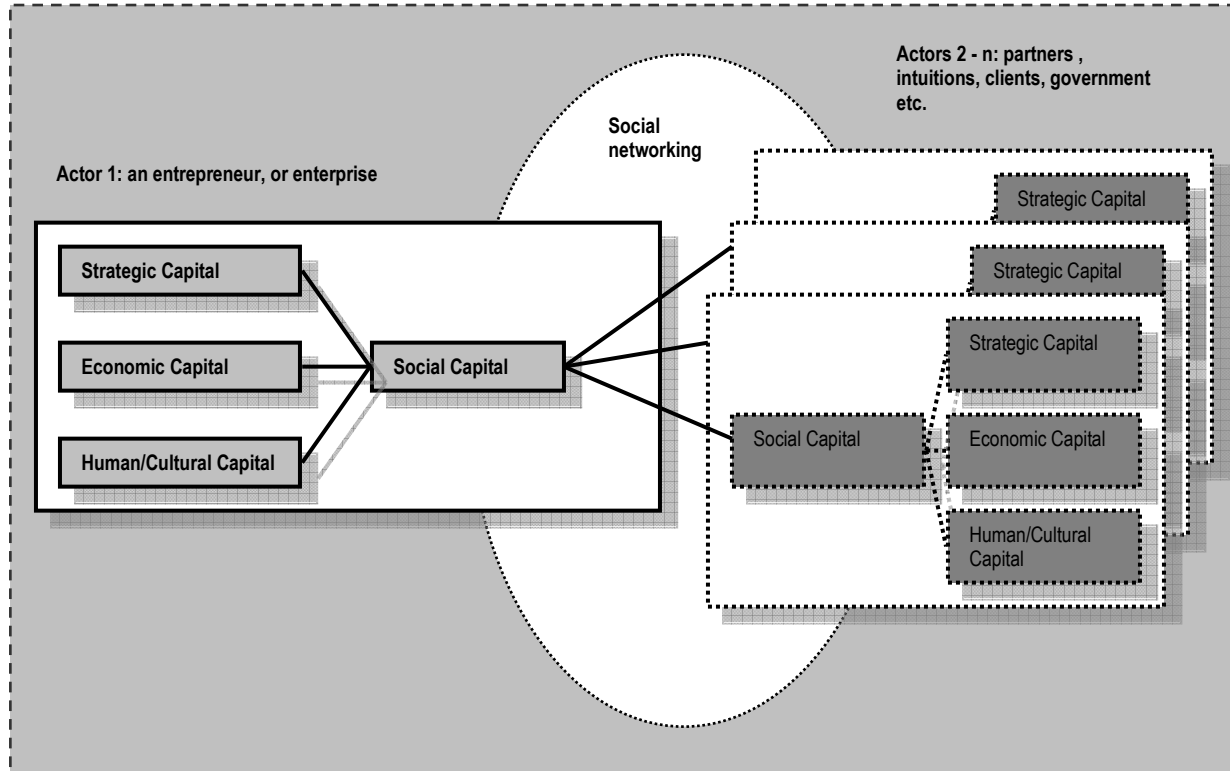


Figure: 3.3 A multi -actor social network (based on :A Two-actor Network Model of Actors in a Social System Perspective , Groen 2005)

3.3 The combined framework

3.3.1 Marketing and entrepreneurship

Chapter 1 mentioned that no specific literature on Business-to-Business marketing activities as an entrepreneurial process was determined. However the significance of combining marketing in general and entrepreneurship has been mentioned in literature. Literature also reconns how the differences in these disciplines can be used to replenish each other. Collinson and Shaw(2001) discusses literature in which this relevance between marketing an entrepreneurship is mentioned. *" Marketing has much to offer to the study on entrepreneurship (Murry 1981, Hilles, 1987) and likewise the study of entrepreneurship can look to marketing as a key function, within the organization, which can compass innovation and creativity. Omura et al.(1993) perceive the interface between the two disciplines as having distinct areas of both difference and overlap"*(Collinson and Shaw, 2001).

Morris et al.(2001) determine that Business-to-Business marketing is a specific form of marketing which happens between organizations. Literature shows that the relevance for combining marketing with the entrepreneurial process exists and thus the relevance for combining Business-to-Business marketing with the entrepreneurial process exists too. However it is mentioned that smaller enterprises or entrepreneur differ form their larger less entrepreneurial counter parts in their approach to marketing issues. *"The basic differences affect the planning process the management structures and the way in way marketing is implemented (Carson et al 1995). In addition to the organizational structures, the entrepreneurial personality has direct affect on the way which management is undertaken(Chell 1986) . Entrepreneurs by their nature , will focus on various opportunities at once and are not easily convinced by the sequential, structured approach to management, which is the focus of most marketing texts(O'Brien and Hart 1999")*. (Collinson and Shaw, 2001).

Collins and Shaw(201) show that the relevance of marketing in entrepreneurial organizations exists, but a different approach is needed compared to their large counterparts. It is determines that this combination of marketing, in this case Business-to-Business marketing in the form the Business Market Management framework , with 4S model will lead to this more structured approach on Business-to-Business marketing in (small) enterprises. In that way it gives a different approach to marketing than used in the large counter parts of (smaller) enterprises.

The relevance of combining a framework which gives insights in both Business-to-Business marketing activities and resources and competences in a entrepreneurial process was given in the pre-search at Focus. In this pre-search it was identified that both insight on activities as well as insight on resources and competences was lacked. It is determined that by combining these two insight a more structured way of business marketing as an entrepreneurial process can be developed.

3.3.2 Combining Business Market Management and the 4S Model

To be able to combine the Business Market Management framework with the 4S Model it has to be determined how the frameworks can be linked together. It was mentioned in the previous section that overlap and difference exist between the both theoretical perspective of Business-to-Business marketing and the entrepreneurial process. These overlap and differences are also mentioned in the identified frameworks. This overlap can be used to link the two framework, whereas the difference can add features two both framework in a way to make them more complete and lead to a more structured approach.

Both framework use value as the backbone of their structure. In this backbone an overlap in both frameworks is signaled. The Business Market Management framework uses the terms of understanding, creating and delivering value where the 4S model uses value in a more general term of creating value throughout its process. Linking these processes of understanding, creating and delivering value to the processes of recognizing, developing and exploiting business opportunities will lead to a solid combination of the frameworks.

Both frameworks identify the importance of networking or building up relationships. In the Business Market Management framework these relationship or business networks are build up to understand, create and deliver value. The 4S model mentions social capital and social networking as important to maintain and develop these relationships and business networks, but also to develop and maintain other forms of capital. The fact that both frameworks cover the importance of relationships and business networks backs up the choice made in Section 3.1 and 3.2 to use the Business Market Management framework and the 4S model for the construction a framework for Business-to- Business marketing as an entrepreneurial process.

Difference can be seen in how the frameworks provide input to these processes. The Business Market Management Framework identifies processes and activities which have to be conducted in Business-to-

Business Marketing. It also mentions that allocation of resources and competences to these processes or activities is of important, but the framework does not identify the resources and competences which have to be developed or maintained to “feed” these processes or activities. The 4S model does identify resources and competences to recognize, developing and exploiting business opportunities, but does not identify which process can be conducted in recognizing, developing and exploiting business opportunities when conducting specific business-to business marketing activities. Both frameworks add features to each other which are lacked by the other. In this way linking both additional framework constructs a framework which gives a more complete insight in conducting Business-to-Business marketing activities and an insight in resources and competences in the entrepreneurial organization which can be used to conduct these activities.

Linking the frameworks - The frameworks are linked by examining how both frameworks are structured. Understanding value can be related to the recognition of an opportunity for acquiring new customers or new markets by understanding market, customers and competition and crafting this in to a market strategy. Creating value can be related to the process of developing an opportunity in a way that value can be created for groups of customers or a specific customer by managing process of creation, realization of new offering and channels to distribute them. Finally delivering value can be related to the process of exploiting the opportunities in a way that customers are acquired and opportunities can be made into a profit by gaining the customer and letting the purchase the offering. The term of understanding, creating and delivering value are use as the backbone of the combined framework instead of solely creating value, by recognizing, developing and exploiting business opportunities because its give a more complete view on the processes specific for Business-to-Business marketing. The way the forms of capital are linked to the processes of understanding, creating and delivering value is shown in figure 3.4

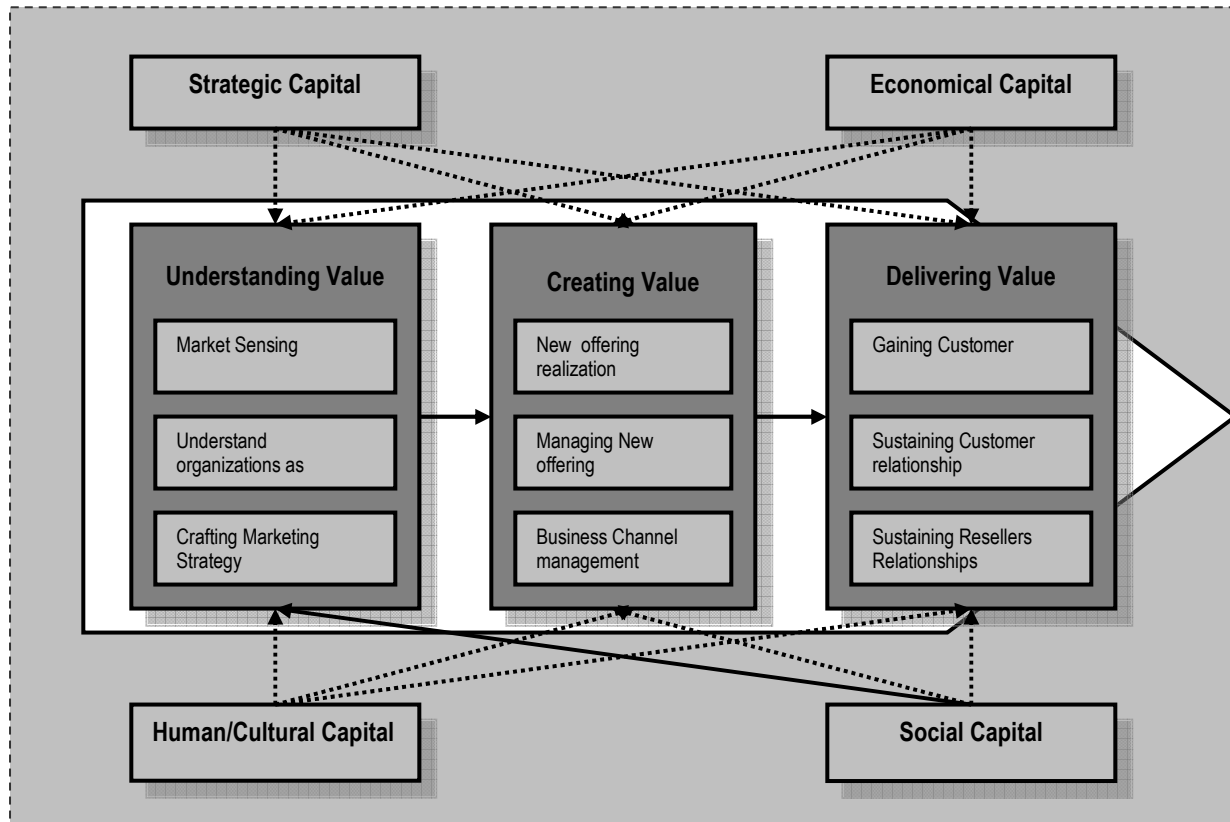


Figure 3.4 Business-to- Business Marketing as an entrepreneurial process

Part II

4 Applying the combined framework in the case Focus

The combined framework for Business-to-Business marketing as an entrepreneurial process is applied in this chapter in two phases. In the Section 4.1 addresses the specific Business-to-Business marketing activities in the North West European market for fixed steel offshore constructions. In Section 4. 2 the forms of capital in entrepreneurial process of Focus oil and gas acting as representative are addressed.

4.1 *Business-to-Business marketing activities*

By examining market reports on developments in the market, released offshore fabrications tenders and participation in Business-to-Business marketing process of the small representative Focus, a general view on Business-to-Business marketing activities in the market is obtained. Though interviews with experts on Business-to Business marketing in offshore fabrication contractors and branch organizations these activities are verified and additions are made. The justification of the interviews is addressed in Appendix 6.

4.1.1 Understanding Value

Market Sensing - The way the demand for fixed steel offshore constructions will develop in North West Europe is determined by the expected development of oil and gas reserves in shallow waters and the development of offshore wind farms. These development can be monitored by market surveys released by market monitoring companies and released exploration and development licenses on oil and gas and wind energy by governments, in press releases, at branch organizations and governmental institutions and procurement and forecasts of oil and gas operators or wind farm developers. Monitoring releases of these information resources is executed by offshore contractors already active in the market.

The amount of competition within the market can easily be assessed because of the small number offshore contractors active in Europe. Contracts awarded to these local contractors can be easily identified through, customers information, press releases or the internet. Policy of most customers is to give concrete feedback in their purchasing procedures to offshore contractors which weren't awarded with a contract. In this way contractors can monitor competition and the reasons why contracts have been awarded to this

competition and not to them. Difficult will be to identify which local contractors will be active in the rapidly expanding market segment of wind farm foundations. Some offshore contractors have fabricated foundations for offshore projects, but civil steel fabrication contractors are active in the market as well. This makes competition in this market more numerous. An expectation is that more non European offshore contractors will be active on the market because of the lack of capacity of local parties. Monitoring these new entrants will be difficult because it is hard to determine what the specific intentions of these non local contractors are in terms of the North West European market in terms of market segments.

An issue mentioned earlier and verified in several interviews is that the market for offshore constructions is very regulated by policy of the European Union. This protection leads to operators and developers being simulated to close their contracts with local offshore fabrication contractors and protect their own industry. Because customers awarded their contract to established local parties and the number of local fabrication contractors is a fixed number, not much dynamics on the market is signaled. This has large effect of the role of Business-to-Business marketing activities like sensing markets. In one interview it was mentioned: *"Business Marketing is not a big issue at our company we just monitor, fill in tenders and pre-qualifications to obtain orders"*

Understanding Organizations as customers - In the market segments of offshore oil and gas production structures and offshore wind turbine foundations, two major groups of customers can be identified, oil and gas operators and wind farm developers. The biggest difference between these two is the phase of development of these customers. Oil and gas operators are active in the offshore market for about 40 years (when the first oil field were developed in the North Sea), whereas offshore wind developers are active for maximum of 10 years (when the first larger pilot projects were developed offshore in Denmark, Sweden and the Netherlands). These phase of development leads to different purchasing strategies.

The purchase strategies of oil and gas operators can easily be determined out the way they release their tenders. Because of EU regulation the contracts are mostly awarded to established local parties. Oil and gas companies are looking for offshore contractor which can provide offshore construction up to their standard technical (Norsok, API, DNV), management (ISO 9001) and Health Safety Quality and Environmental standards. Out of these companies the most competitive offers is chosen. Because of pressure on costs of extraction of will mean customers will tend to be more aggressive in the price of offerings. An interviewee mentioned *"When oil and gas are more difficult to extract or fields become smaller or less economical, offshore contractors will directly notice this in the aggressive attitude of oil and gas operators on their prices"*

The purchasing strategies of individual wind farm developers is more difficult to determine because not many offshore wind farms have been developed. Just like oil and gas operators they will look for fabricators which can provide structures constructed and tested by international standards. It is likely that wind farm developers are more likely to chose structures in which new development and innovations are embedded because of the developing character and the simulation out of the EU to innovate in these projects. Also these innovations can be used in future wind farm projects.

Crafting Marketing Strategy - The way the market strategy is crafted in the market is largely determined by the demand on the market for offshore fabricating capacity. Because of the large investments in specific fabrication capabilities it is not easy to switch markets in this industry. In the market it was identified that most offshore contractors do use their fabrications capabilities for steel constructions in the civil market as well. In one interview was mentioned: *“Most European contractors have their businesses in both offshore and civil engineering to use their capacity efficient.”* In both civil engineering, as well as the segment for offshore wind turbines foundations the capabilities of welding steel structures can be used. In this way the marketing strategy is not solely based on acquiring customers in the market segment of offshore constructions. This show that marketing strategies of offshore contactors in Europe focus on more than offshore constructions to use their capabilities for other steel fabrications when the demand offshore constructions is decreasing. Also it can be examined that several offshore contactors aim on fabricating offshore structures of offshore wind farms. Till present only four parties (of two aren't offshore fabrication contractors but civil steel fabrication contactors) have fabricated substantial amount of steel offshore foundations which leave room for new entrants. More over offshore contactors are monitoring and participation in developments in this market as well.

An other way of developing marketing strategy is to try and develop innovative offshore construction which lower the production costs of oil and gas companies or wind farm developers. Offshore oil and gas production cost are rapidly expanding in deep water as well as in shallow waters. To challenge these costs operators are looking for structures which are cheaper to transport, install and maintain. Offshore fabrication contractors which can provide innovations in their constructions to lower these cost to transport, install and maintain are determined to be more interesting, especially oil and gas operators.

Although a market strategy is mainly determined by the intentions and capabilities of the offshore fabrication contractors, representative have influence on the strategy by determining which market segment can be interesting for the offshore fabrication contractor.

4.1.2 Creating Value

Managing new offerings - In the offshore industry several different parties are involved in creating value, in terms of fabricating an offshore structure. Parties range from engineers to transporters or even offshore installer and maintainers. Managing the new offering in the offshore industry is involved with delivering information on requirements and preferences through the organization and between a large number of organizations involved in the fabrication process.

To realize a new offering several process steps have to be taken in which information and value will be exchanged or shared. The step of fabrication is executed by all the offshore contractor and in this research seen as the core competence of offshore fabrication contractors. Contractors can choose to only fabricate structures or also involve in the design engineering or transportation. This will be determined by its marketing or business strategy. The more steps are executed by the offshore contractor the less information has to be exchanged between the contractor and other organizations. These contractors become more attractive for oil and gas operators and wind farm developers because they have to deal with one contractor for a several steps.

The process steps are concerned with Front End Engineering and Design, Design, Engineering, Fabrication, Transport and Installation. In this process the step of Maintenance and Decommissioning are mentioned also because some offshore fabrication contractors offer these services as well. These steps only take place in, or after the lifespan of the structure, but can play a role in the initial purchase. The steps in the fabrication process are supported by several, Financial, Insurance, Inspections, Warranty and Settlement Services executed by several different companies which offer inspection and compliance services or legal and financial companies. The sequential step in this process, parties that execute these and the information that has to be exchanged in these steps is visualized in general in figure 4.1.

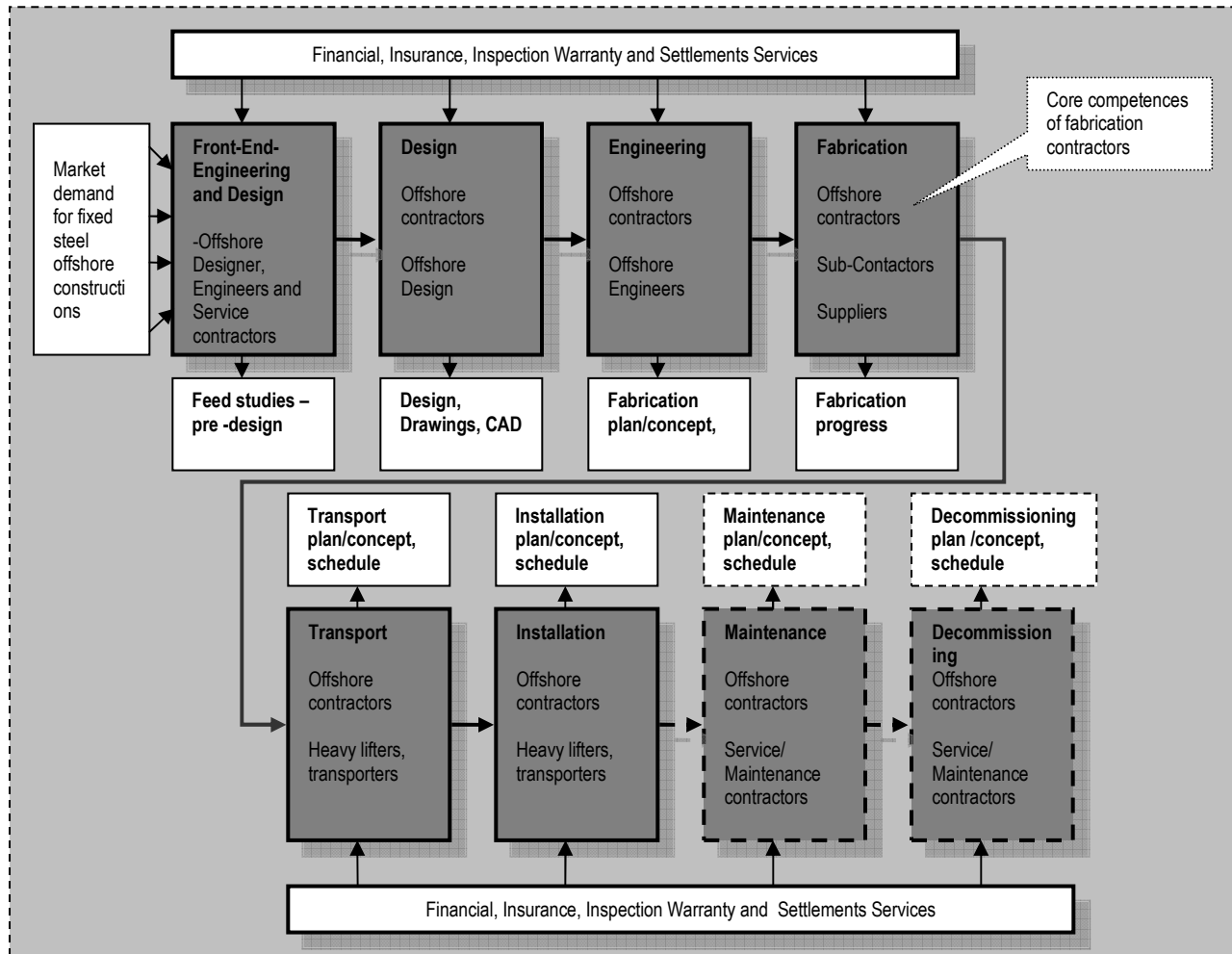


Figure 4.1 : Creation of value and information in the fabrication process

New Offering Realization- Because of increasing costs for the production of oil and gas, operators are constantly looking for innovative products in terms of fabrication, installation and maintenance. Innovation, especially in the market for oil and gas production, is progressing slowly because of the lack of dynamics in the market. Because of the fixed number of contractors active in the market they are less challenged to innovate their product to cheaper or more productive offshore constructions. An offshore contractor which can offer innovative solutions which decrease the cost of offshore structures and production will be very attractive at this moment. Later on it is demonstrated that innovation can also be used in the process of gaining customers.

Realizing new offerings in the offshore fabrication industry can also consist out of developing process steps besides the core competences of the contractor to fabricate offshore structures. It was mentioned that some offshore fabrication contractors offer more than just fabrication capabilities. They are also

involved in transport installation and maintenance of offshore structures. Others only focus on engineering and fabrication competences. An offshore contractors abilities to executed more of these processes then the core competence of offshore fabrication, gives it the ability to offer more incremental value to operators or wind farm developers. Customers determine which abilities of the offshore contractor will used and which processes will be executed by other contractor, for example offshore engineers, offshore transport contractors or service contractors. Demonstrating the abilities of the offshore contractor to develop and fabricate innovative less expensive offshore structure or integrate more fabrication steps will be a strong marketing tool.

Business Channel Management - Figure 4.1 it visualized the steps which are involved in the creating an offering in the European offshore industry. The value customers want to obtain form the offshore contractors determines the characteristics of the used business channel. Very often this physical exchange of the structures, in the form of transport, is not conducted by the offshore contractor is self, but by specialized transporters. It depends on the intentions of the customers if the services of the business channel provided by the offshore fabrication contractor are used. When transport and delivery isn't executed by the contactor or partly by the contactors extra information has to be exchange between the contactor the customer and other parties involved in this process.

4.1.3 Delivering Value

Gaining Customers- In the North West European market for offshore constructions customers are gained through intensive tendering procedures. Inquiring customers on their forecasts and procurement requirements or preferences before tenders are release is a way to gain information out of oil and gas operator. This process is a part of sensing the market, but is also the first step in gaining customers because in this process oil and gas operator and wind farm develop can be made aware of the capabilities of the offshore fabrication contractor to fulfill released prospects. Through these tendering procedures customers inventories which part of the new offering realization can be executed by which contractors. The role of the supplying parties will be to demonstrate these capabilities to the customers by supplying the customer with information on these design, engineering, fabrication and transport capabilities.

In tendering procedures suppliers have to pre-qualify or be pre-qualified at a customer to be able to fill in request for proposal or quotation release by customers. These pre-qualification procedures consist out of questionnaires to determine capabilities on fabrication, management, procedural and Health, Quality Safety and Environmental procedures. These questionnaires results in meetings, visitations and inspections with or to the offshore contractor that want to pre-qualify for being a supplier. Most oil and gas operators have a fixed number of pre-qualified companies with which close contact is maintained. Using pre-qualified contractors means the purchasing process of offshore constructions by the operator or wind farm developer can be simplified. One interviewee mentioned : *Oil and gas companies don't want new contractors with offering walking in their offices every day*".

After pre-qualification rounds are closed, oil and gas companies and wind farm developers bring out request for proposal or quotations in which the pre-qualified contractors can present their most competitive offer to fulfill requirement and preferences. The releasing parties will determine which delivers offer the most value and will give feedback to awarded contractors which aren't awarded. After contract award several meetings and correspondences to close the contract in a way it satisfactions both customer and supplier.

Tendering and pre-qualifications procedures may be evaded by joint development of developing innovative products by contractors and oil and gas operators or wind farm developers. By joint development oil and gas operator or wind farm developers try to develop an innovative offshore constructions or innovate concept which will be designed, engineered, and fabricated together. The innovation are not , or less restricted by protective European tendering policy. Because of the importance of the tendering process in gaining customers, but also in the previous phases of sensing markets and understanding customers behavior, a general tendering process is visualized in figure 4.2.

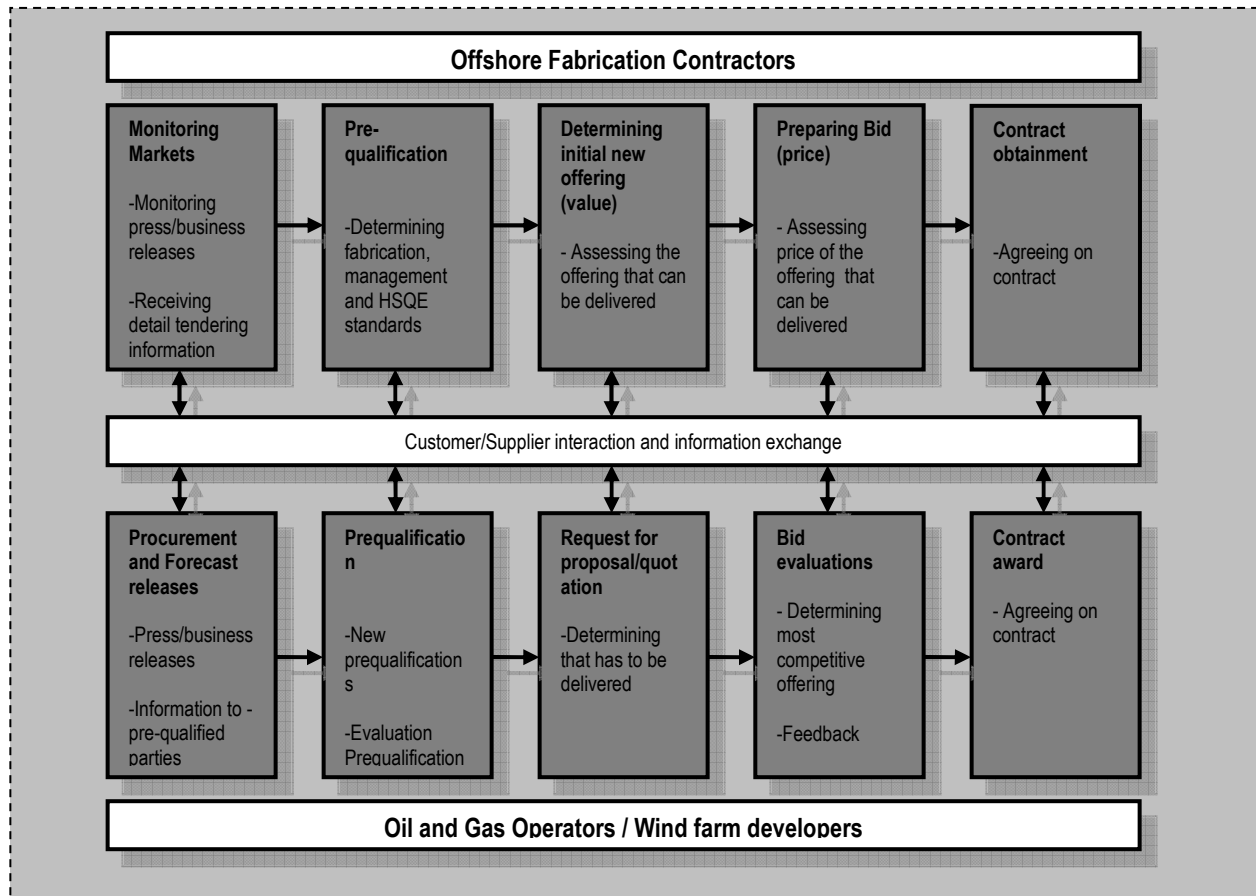


Figure 4.2 A general visualization of the tendering process

The very intensive tendering procedure and the lack of demand at this moment and in the recent past have led to a buyers market. Because of the expected lack of fabrication capacity in the future, the changes are high that the market will develop more into a sellers market. This means the procedural way of purchasing for a fixed number of pre-qualified suppliers by customers will change. Customers will become more willing to let new contractors pre-qualify at their company. Important for offshore contractors or their representatives is to seize these opportunities and apply to their new released pre-qualification rounds. In the interviews some room was made to discuss business-to-business marketing as a new entrant in the market. This verified that lack of capacity was likely to occur in the market in the near future and that because of this lack of fabrication capacity the market will be interesting for non-European offshore contractors.

Difficulty at this moment is that oil and gas operators and wind farm developers have the tendency to award contracts locally because of the European tender policy. This can be verified by looking at the fabrication list of offshore constructions in the last 20 years. Almost all offshore constructions in this

period are fabricated by local parties or non European parties with a local yard facilities. Because of the earlier mentioned rising demand and expected lack of fabrication capacity a trend can be signaled in European customers looking for fabrication capacity abroad. Because new non European offshore contractor have no or at least a smaller network in the market and aren't pre qualified at customers in the North West European market it is of great importance to monitor press releases and tender release actively and aggressively present the capabilities as a contractors to gain customers.

Sustaining Reseller relationships - Most selling relationships between offshore contractor and oil and gas operators or wind farm developers is one-to-one selling. Although representative are used in the marketing and selling processes, contracts are closed between oil and gas operator and wind farm developers and the offshore contractors. The representative can not be seen as a resellers of the offshore construction, but as a participant in the process of closing the contract by providing services between the two contract parties.

A form of reselling which is being used is the fabrication of sub-assemblies like oil and gas process units or wind turbine foundation parts for local offshore fabrication contractors. In this form reselling a relationship is formed in which a partnerships between suppliers gives one of the partners access customers which the other partner is already pre-qualified at (and visa versa). Also joint ventures or joint fabrication is executed to be able to reach more customers or deliver more value at a lower price. In these joint fabrication offshore contractor can be make use of each others business networks to gain their supplier or customers.

Especially new entrants can aim at subcontracting or joint fabrication orders awarded by oil and gas operators or local contractors because European contractors are interested in these joint operations to increase their fabrication capacity. This gives new entrants easy access to relationships and business network of established local contractors and partly evade European tendering policy. A interviewee mentioned *"non European offshore contractors can be a suitable parties for joint activities in the European region as well as visa versa"*.

Sustaining Customers relationship - It is identified that in the offshore industry relationships between supplier and customers are intensively maintained. Customers tend to chose their supplier out of their already pre-qualified suppliers and keep these pre-qualified supplier well informed about their future demand. When sustaining customer relationships it is of importance to keep oil and gas operators and

wind farm developer informed about capabilities or future capabilities of the supplier. For their forecasting and procurement strategy especially oil and gas operators are interested in development of suppliers and their expected fabrication capacity. Communications through all forms is important in sustaining a customer's relationship. The importance of being and staying pre-qualified through all forms is an important issue and was mentioned in one of the interviews: *"Getting and staying on the list (prequalifications list) involves a great deal of lobbying"*. Most offshore wind farm developers have not established fixed prequalifications for suppliers because no relationships were established before between wind farm developers and offshore contractors. These wind farm developers leave room for new suppliers to pre-qualify and build up a relationship.

4.2 Capital of Focus oil and Gas B.V.

The second step in applying the combined framework is giving an insight in the forms of capital of Focus and the way there are developed or maintained to conduct its activities as representative. In discussions, attendance of management meeting and participation in the representation activities the development of Focus' capital is determined. In Appendix 7 a brief discussion is given on these discussions, management meeting and participation as well as a visual overview on these forms of capital and their development.

4.2.1 Strategic Capital

Strategic Resources

Power, authority and influence – Established companies can use power, authority and influence in the form of their track-record and already established relationships with customers to gain new contracts, sustaining customers relations and build up or sustain reseller relations. Both Focus and PJOE have not established a solid track record or reputation in the North West European market for fixed steel offshore constructions. A concrete example of this lack of power, influence and authority is that Focus or PJOE have not pre-qualified at any customers yet. The power of these local contractors is enhanced by the European attitude on non European contractors.

Business plan or strategy – Till present Focus has not developed a concrete business plan for its representation activities. Because Focus has not developed or maintained this business plan, no goals and objectives are set to develop and exploit business opportunities and allocating resources and competences for this development and exploitation. By not determining concrete goals and objectives and not allocating resources and competencies to these goals and objectives strategies are being altered time over time. This may fit the mission statement of Focus of *providing a broad range of solutions to problem of customers in the offshore industry* but leads to a strategy in which resources and competence are constantly redistributed over all these activities.

Strategic Competences

Ambition level – Focus ambition level can be considered high in the sense that it wants to execute a lot of different activities. All these activities will need different approaches and strategies. Developing all these activities means that all that all these approaches and strategies have to be developed and maintained.

This leads to a situation in which the representation has to compete with several other activities over resources and competences within the organization (*see: business plan or strategy*). Because of that little resources and competences being allocated to the representation activity. This leads the amount of power, influence and authority for its representation activities which is already small, not being developed or maintained.

Autonomy - As an organization Focus tries to identify, develop and exploit its activities as autonomous as possible. Being a smaller enterprise and having large ambitions with its representation, partners have to be found to acquire extra resources and competences which aren't available within the organization. To support its role as representative a joint venture is established between Focus and Llink Engineering in which resources and competences for Llink are used in the communication and administration between Focus and PJOE. Because Focus has not yet established direct contact with customers, Focus has to use other parties which can direct them to leads in customer organizations. This means locating and pursuing customers can not be conducted autonomously. In both the case of Llink Engineering or parties which bring Focus in contact with leads in customer organization, Focus has to hand in some of its autonomy.

Pro activeness - Focus tries to develop a proactive strategy for its representation activity. This proactive attitude can be seen in the way Focus is always trying to develop new business concepts in which PJOE can be present as a provider of a solution. Also Focus tries to obtain information on the development of offshore projects before these projects are in their tendering phase. In this way PJOE can be presented in an earlier stage than most competitors.

Competitive Aggressiveness - As a representative for PJOE, Focus will be a new party on the North West Europe offshore market. Because competitors are active in this market for a long time it will be difficult to obtain a market share for PJOE. To gain part of this market Focus has to actively contact customers and present the capabilities of PJOE. Till now Focus has not actively or aggressively penetrated this market and relies on partners and business contacts localizing potential customers. This can be seen in the number of tenders or pre-qualifications out of the market which were subscribed and the number of contacts and meetings that have been established with potential customers.

4.2.1 Economical Capital

Economical Resources

Cash Flow - At this moment not many short term financial resources are available within the organization of Focus. Cash flow will be needed be able to cover the expenses of the representation activities. Employees which conduct representation activities have to be paid, and trips to meeting with customers have to be made to present capabilities of PJOE. Expectation are that in the near future cash flows will be up to a level which can support representation activities. The activity as representative itself will deliver a substantial amount of cash flow if customers award their contracts to PJOE . Focus will be awarded with a percentage of the monetary terms of contracts awarded to PJOE . These monetary terms of the awarded contracts can rise up several millions and with percentages received by Focus ranging form 1 tot 2,5 percent depending on the type of contract. This financial incentive make it worth while to develop this representation.

Own financial capital - Being a offshore service company mean most of Focus resources will consist out of knowledge and technology. This means own capital can not be used for investing large amounts of money in recognizing, developing and exploiting business opportunities. In its role a representative the investments that have to be made are determined as small. Some financial capital may be invested in marketing technology which can store customer or tender information and market developments, but these investment will not be high.

Economical Competences

Controlling financial efficiency - Till present no system is developed to control or monitor the revenues and costs of this representation. This means the cost and revenues of this representation activity can not be assessed and it can not be determined if representation activities will lead to any profit and if contracts are awarded to PJOE through Focus' efforts and if the activities conducted by Focus are financially efficient. Till present costs of representation activities have been low and when contracts are awarded the revenues will be substantial. For that reason Focus determines that the representation will be financially efficient if a contract is awarded and does not need financial monitoring.

4.2.3 Human/Cultural Capital

Human/Cultural Resources

Human Experience - Most of the employees and owners have a large amount experience in the offshore industry. They have been working at other companies which were active in the European oil and gas industry before they started working at Focus. This experience in the offshore industry can be used to recognize potential customers out of the market and interested them in PJOE. The experience on tendering procedure and marketing activities and how to execute these is available within the enterprise. Also a substantial amount of technical experience is available which is necessary in inventorying customers requirements and preferences.

Human Skills and Knowledge - The marketing skills and knowledge within the enterprise till present are present within the organization. Knowledge is available on tendering procedures and market development and analysis. Within Focus there a large amount of up-to-date innovative technical knowledge available covering design and engineering of offshore constructions. This can be used for developing new ideas and concept to interest potential customers in the market. Also this technical knowledge is needed to asses customers requirement and preferences in the process of acquiring these customers.

Organization - Because of the small size and the small number of employees, but a large number of activities, employees work very autonomous to recognize, develop and exploit business opportunities. This leads to the recognition of a lot of different business opportunities, but make is harder to develop and exploit them. Also this smaller size means employees have to possess a variety of different skills and experience. Although a large amount of skill and expertise is present in the organization the larger part is contain by a few employees/owners. At this moment all of the 6 employees/owners are mainly occupied by other activities. This means no employees are assigned to actively conduct representing activities. The moment employees become available it is not clear what representation activities to conduct because no activities or procedure are know.

Technology - As a representative Focus used technology will be limited to technology on gaining, storing and processing this knowledge in the organization and transferring knowledge to customers and PJOE. Technology that is used it internet, email, fax and telephone to communicate with actors in its

network. Till no investments were done in specific marketing technology. Focus does not have a database in which forecasts, customers and relations and prequalification and released tender data is stored. Nor are files stored on already establish contacts or contracts for the fabrication of offshore constructions.

Human Cultural Competences

Training and education -Till present skills, knowledge and experiences to conduct marketing activities are available , but no training or education is planned to maintain or increase these skills and experiences. The lack of training and education also leads to skills and experience on specific representation activities which held by a few employees/owners, not being shared within the organization. Not sharing this information means the available skills and experience can not be fully used in the representation activities. This can result into problems if representation activities seem to be more intensive or new employees have to be made familiar with these activities.

Development of organizational systems - Focus means that, because the smaller size of the organization and the autonomous way its is organized, no effort has to be made in developing organizational systems. The employees and owners use (management) meetings and discussions to develop and maintain the organizations strategy and strategy on the representation activity. Although the representation activities are discussed in these meetings, till now no effort is made to develop organizational systems in which procedures, goals and objective and responsibilities for the representation activities are set.

Technology development and maintenance - It was mentioned that technology on marketing activities was not available, but is can be seen that Focus does not have the intent to develop this technology. Simple technology which can be used to monitor markets, customers and competitor in the form of databases in which reports on market developments released tenders, and prequalifications by potential customers and other offshore contractors can be store is not developed or maintained by Focus. This means representation activities have be started up every time.

4.2.4 Social Capital

Social Resources

Partners - Focus has build up a large network of experienced people in the offshore market. These can be used to obtain additional human skills and experience. Partners can be identified in the form of freelance employees and business partners. The freelance employees have knowledge and skills which are useful in developing and exploiting its activity as a representative These freelance can add capital in the form of market studies, establish contacts with customers and develop solutions and concepts for customers which can be fulfilled by PJOE . Also the freelance employees and business partners have a social network themselves. This can be used for recognizing potential customers for PJOE.

Branch organizations - Important actors within the network of Focus are branch organizations which represents the interests of companies in the upstream oil and gas industry or wind energy. A branch organization which represents these interests is the IRO. This organization collects data on market development, holds meeting for oil and gas production companies, exploration and service companies and wind energy developer and informs its members on business opportunities in the offshore industry. Focus is a member of this organization and has access to the network of the IRO. Also Focus is a member of several smaller wind energy organizations and boards in which developers and contractors in the offshore wind industry a represented and exchange information on future developments in the market.

Suppliers - The most important actor in the network for Focus role as representative is PJOE . Without PJOE Focus has nothing to represent. PJOE will be the actor which provide the fabrication services to the customers in the market which Focus, as representative, can be presented to customers. PJOE's role toward focus will be to supply Focus with the most up-to-date information on their fabrication capabilities which Focus can present to customers. Till present Focus has a good relationship with PJOE in which the up-to-date information can be acquired. Maintaining this relationship is in the interested of both parties.

Informal contacts - Because the owners and employees of Focus are active in the offshore market for a long term they have established a large network of informal contacts. These informal contacts are often not directly involved in purchasing fixed steel offshore structures, but have a large network themselves. Out of these leads can be acquired in organizations which are interested in purchasing the construction

fabricated by PJOE. In this way Focus can get access to the leads in the organizations such as business development manager and procurement manager which are directly involved in the purchasing process.

Customers- Contact with some customers or representing parties is established, but this has not lead to a follow up of the contact. Nor PJOE or Focus has not obtained a solid track record as supplier off fixed steel offshore constructions in North West Europe. This mean Focus can not use contacts with already acquired customers in this market to initialize new sales. Focus has contacts with local offshore fabrication contractors, but till present no contact has been established on the issue of sub-contracting or joint fabrication opportunities.

Social Competences

Relation management - An important process to maintain and develop the social resources of a representative, is relation management. Some contacts have been established with potential customers, but these contacts has not been maintained and have not led to a follow up of the contact. Focus does not active bring out reports through press or email and internet to present its capabilities and the capabilities of PJOE to fulfil offshore construction contracts. Customers are made aware of the presence of PJOE, but Focus does not maintain these contact so they lead to further actions.

Changing network structure - Because the formalized procedure of the tendering process gaining direct contact with the leads in customer organizations which make choices in the purchase process is difficult. Focus is trying to use the contacts in its network to gain direct leads within potential customer organizations. These contact like informal contacts, freelance employees and partners can be used to increase the network of Focus and acquire contacts and lead directly involved into purchasing process of these customers organizations. In this way more information on when tenders and prequalification are released can be gained.

5 Conclusions and Recommendations on Focus' activities

This Chapter draws conclusions out of the insights on Business-to-Business marketing activities and the resources and competences of Focus to conduct these activities. These conclusions are used to provide recommendations to the enterprise Focus on its representation activities. Section 5.1 will first draw conclusions based on the insights of the activities that have to be conducted as a representative in the North West European market for fixed steel offshore construction and concludes on the insights of Focus forms of capital in its role as representative. Section 5.2 presents recommendation on its representation by examining these conclusions.

5.1 Conclusions on Focus' representative activities

The conclusions are drawn in a following order. In Section 5.1.1 conclusions on the most significant Business-to-Business activities conducted in Focus' role as representative will be presented. Out of this Section 5.1.2 will draw conclusion the development of the resources and competences of Focus to conduct these most significant Business-to-Business marketing activities.

5.1.1 Business-to-Business activities as representative

In the framework presented in Chapter 4 several different activities are identified in the processes of Business-to-Business marketing. Not all activities or processes can be easily conducted by enterprise in their role as representative and especially new representatives in the North West European market. Focus being such a new representative, and having limited resources and competences, will have to start by conducting a few of these activities in its role representative and slowly build out these activities. The following conclusions can be drawn on Business-to-Business activities conducted Focus in North West European market for fixed steel offshore constructions:

- Although representative can conduct activities in the process of *creating value*, it is concluded that most activities which will be conducted by representatives take place in the process of *understanding value and delivering value*.
- In both the processes of understanding and delivering value the most important activity is monitoring tendering processes and prequalifications and the assistance of PJOE in these processes. By monitoring these process representative can both sense markets and understand

buying behavior of specific oil and gas operators and wind farm developers. Also these activities are the starting point of gaining customers.

- In Focus' role as representative an important activity will be to establish contact and keep customers, potential customer and local fabrication contractors aggressively informed on the up-to-date fabrication capabilities of PJOE. By establishing these relationships Focus, and in that way the offshore contractor PJOE, stay better informed on developments of oil and gas operator and wind farm developers and signal the release of tenders and pre-qualification rounds in an earlier stage.
- Because of interests of local offshore fabrication contractors and expected lack in fabrication capacity Focus can present its offshore contractor PJOE in Europe as a sub-contractor or joint fabrication partner. These contracts can be used to get access in the market to oil and gas operators and wind farm developers and build up a track record. Also the sub-contracting and joint fabrication can be used to evaded tendering procedures.
- Identifying demand and presenting capabilities of PJOE to fabricate or develop innovate concepts and structures can be use to interested potential customers for PJOE.

5.1.2 Conclusion the development of Focus' Capital

This section draws conclusion on the development of Focus forms of capital to conduct these activities. Mentioned earlier Appendix 7 gives a detail overview is given of the development of the forms of Capital split in their resources and competences which were used acquiring data on Focus resources and competences.

Strategic Capital

Strategic Capital can be used to influence and alter the characteristics of Business-to-Business marketing activities in the market. For example having power, influence or authority over customer and competition as offshore contractor or representative of this contractor leads to a large competitive advantage in terms of the purchasing process. Compared to local offshore contractors already activate in the market Focus and its offshore contractor, PJOE, lack the strategic capital to influence the purchasing process of customers in their favour. At this stage the strategic capital can not be used to acquire customers or build up relationships. Strategic capital will be develop or maintained out of acquiring customers. This acquisition will lead to the build up of a track record, a position in the market and out of that position and track record, establish influence, power and authority. Building up of strategic capital will not be a goal it self, but will be a result of a successful representation activity. An example of this is using a business

plan in which resources and competences are allocated in a beneficial way, till present these are not allocated. *It is concluded that at this moment the development of the Strategic Capital is insufficient.*

Economic Capital

Till present the cash flow of the company is an issue of slight concern. When cash flow is up to a normal levels financial resources will be available again to conduct the representation activities. When contracts are awarded the cash flow situation will improve substantially. Till present the financial efficiency of the representation can not be determined, but because the financial incentive of this representation activity can be high it is determined that when customers are acquire the activities will lead to profit. *Because of the expected cash flow increase and the fact that limited amount of financial resources needed for the representation it is determine that the overall status of the development and maintenance of Economical Capital is sufficient.*

Human/Cultural Capital

Because if the smaller size of the organization in terms of owners and employees the representing activities will be executed by a small number of people. The success of the representation will largely be determined abilities in terms of skills and experience of these owners and employees. Till present Human skills and knowledge seems sufficient in quality as well as in quantity. How ever these human skills and knowledge are not shared in the organization or allocated to these representation activities. Because no skills and knowledge are shared or assigned, no efforts are made in representing actively yet. This was seen in the number of tenders and prequalification which were identified. Till present Focus has no intentions to develop or alter its organization in term of the perspective of represent for PJOE. In term of technology, Focus has not developed sufficient tools which can be used to support representation activities. Relative simple technology is not available for storing market, tender, customer information and partner information. *It can be concludes that till present the development and maintenance human and cultural capital is insufficient.*

Social Capital

In the applied framework the importance of building up business networks and relationships was mentioned. Because of this mentioned importance it can be determined that the development of social capital is of great significance in Focus role as representative. After all Focus' role as a representative will be to build up networks or relationships between customers and PJOE and be in the midst of this network. The most important social resources are contacts with oil and gas operators, wind farm developers and local offshore contractors. Till present contacts have not led to follow ups with these parties. It is was mentioned that pre-qualifying also involves all lot of lobbying. For this reason establishing and maintain a network with informal contact, and freelance employees and partners in and around the purchasing process of customer companies or offshore contracts will be important. Social capital will be important to enhance its strategic capital and gain more influence, power and authority though contact and relationships with local offshore contractors. *It is concluded that till present the development and maintenance of its social capital is insufficient.*

Overall it can be concluded that several resources are available in all form of capital (with exception of strategic resources) , but because of these resources not being used, deployed or allocated, a lot of these resources are not developed into competences. It was mentioned earlier in the research when resources are available, but aren't made in to a competences, they will not contribute to the entrepreneurial process.

5.2 Recommendation on Focus' representative activities

In this section recommendation will be given on Focus activity as representative for PJOE. In this research the problem was constantly examined out two perspective, Business-to-Business marketing activities in the North West European market for fixed steel offshore constructions and the forms of capital and their development in the enterprise Focus to conduct or influence these activities. The recommendations provided in this section will be made the of the conclusions of both insights. Because the conclusions on the expected sufficient economical capital recommendations will be done on Strategic, Human/Cultural and Social Capital:

- Set up a "business plan" or goals and objectives in which a set of specific resources and competences (strategic economical, human/ cultural and social) are allocated to the representation activities. This allocation leads to resources and competences being used for the

representation activities for a longer time and in that way a more efficiently used. A concrete example is determining how many hours in a week a certain employee conduct representation activities and what activities to conduct. This business plan is a strategic resource to maintain a course but is also a human/cultural resource in the form it help to “design” the organization, by the allocation of resource and competences, for the representation activities.

- Assign employees (human skills and experiences) to specific representation activities for a few hours per week and educate and train them in these activities. Educating and training employees in the specific activities in Business-to-Business marketing activities , for example tendering procedures, prequalification procedures etc. will lead to the build up of skills which can be used in conducting the representation activities. Education and training leads to specific skills and experience on tendering process, presenting capabilities, surveying markets or inventorying requirements and preferences of customers being shared through the enterprise in stead of being held by a small number of owners/employees.
- Develop and maintain (simple) technology for storing market, tender, customer and local offshore contractors information. This can be done in the form of a databases. In these database business information on customers, and leads can be stored but also contact an information on tenders and market development on informal contacts or freelance employees Maintaining and storing this information leads to a better view on market and customer development as well more continuity in representing activities. Storing these forms of information on customers or potential customer makes it easier to maintain or build up customer relationships.
- Build up a business network with not only direct customer, but also with other (local) offshore fabrications contractors for sub contacting and joint fabrication. Getting access to customers purchasing channels as a new party can be difficult because of the fact that no reputation or track-record is available. By presenting PJOE also as a sub-contractor the network of Focus and PJOE can be broadened. This leads to signalling more opportunities as well as difficult tendering procedures being evaded.
- Make use of partners, branch organizations and informal contacts for recognizing fabrication opportunities for PJOE. By building up a social network through use of social capital a large business network can be created. This business network can be linked to business networks of other actors in the environment of Focus. This social network can be used to initialize contact with

potential customers and other (local) offshore contractors and lead to power, influence and authority in the market.

Part III

6 Research conclusions and further research

The research model out of Chapter 2 started with the construction of a framework in and demonstrated how it could be applied into practical case. This application lead to the framework being used to draw conclusions and provide recommendation on the case of Focus representation activities. In this final chapter will conclude on the relevance of the developed combined framework. Section 6.1 addresses the theoretical relevance of the combined framework . Section 6.2 addresses the abilities of the combined framework use of the combined framework to draw conclusions and provide recommendations the “case Focus” or its practical relevance. Section 6.3 gives recommendations for further research on Business-to-Business marketing as an entrepreneurial process.

6.1 Conclusion on theoretical relevance

Chapter 2 started with the flowing question:

- 1 What framework can be constructed for giving an insight in Business-to-Business marketing activities as an entrepreneurial process?**

This question was answered in Chapter 3 by the construction of the combined framework. This combined framework is the first conclusion of this research and visualized in figure 6.1. It was mentioned in the beginning of this report that no literature was found on business-tot-business marketing as an entrepreneurial process. The construction of a suitable framework fills this gap in literature and in that way can partly be determined as theoretically relevant.

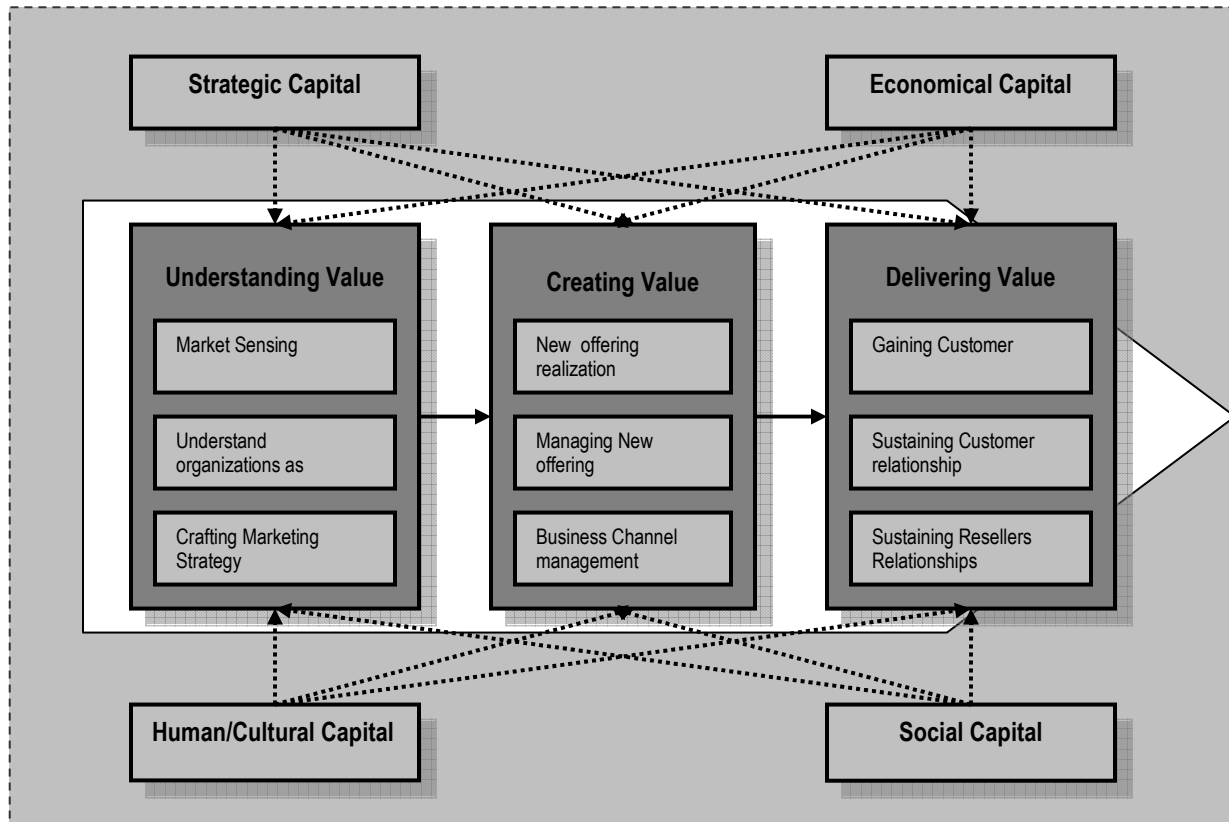


Figure 6.1: Business-to- Business Marketing as an entrepreneurial process

To determine if this conclusion in the form of the combined framework is relevant criteria for a structured design (Roozenburg and Eekels 2003) are used. In this research the design is the constructed combined framework. Looking at these criteria it can be determined if the theoretical conclusion in this research is suitable and relevant. Roozenburg and Eeksls determine six criteria which will be used to determine the theoretical relevance:

- | | |
|---------------------------|--|
| <i>Validity</i> | - The way the design meets its desired design purpose |
| <i>Completeness</i> | - The way the design does cover all elements of the desired purpose |
| <i>Operationally</i> | - The way the design is more acceptable to meet the design purpose than an alternative |
| <i>Redundancy</i> | - The way the design has elements which are covered by other element |
| <i>Number of elements</i> | - The number of elements used in the design |
| <i>Accessibility</i> | - The way the design can be used in practice or its practical relevance |

Validity of the combined framework

The validity of the combined framework can be determined by looking at the design purpose or goal of this research. The research goal was to provide enterprises in the European offshore industry which act as representatives with a method to give insight in Business-to-Business marketing activities and their resources and competences to conduct these. The combined framework can be used as a method to give these insights and in that way is valid. A remark that can be made is that the validity of this framework is only demonstrated in North West European offshore market and not in other market segments or industries

Completeness

In Chapter 3 two frameworks were selected which covered both Business-to Business marketing and resources and competences of smaller enterprises in the form of the entrepreneurial process. These frameworks were both selected out of frameworks of which covered the dimensions on Business-to-Business marketing and the entrepreneurial process. The frameworks used in the construction of the combined framework, the Business Market Management framework and the 4S model were selected because of their completeness in these specific perspectives. That is why it can be concluded that the combined framework is complete.

Operational

This research identified that no theory or framework on Business-to-Business marketing out of an entrepreneurial perspective was available. This means the combined framework fills a gap which exists in literature, but also that the combined framework can not be compared with an alternative which also uses the same perspectives. It can be concluded that the combined framework does cover elements out of both the Business Market Management framework and the 4S model which are neglected by the other. In that way the combined framework is a better alternative than using the separate frameworks.

It was concluded that the relevance for a combination of marketing and entrepreneurship (Collinson and Shaw, 2001) exists can be very helpful to structure marketing processes in smaller companies. Frameworks out of this perspective could be a suitable alternative for the combined framework, but do not cover the specific elements of business-to-business marketing. In that way the combined framework is more suitable than the alternatives of combining the perspective of marketing with the entrepreneurial process.

Redundancy

In the construction or design of the framework an overlap was identified between in the separate frameworks. This overlap was found in the terms of value. Value was used in both framework as the backbone of its elements or processes. This existence of value and the creation of this value made some element of the separate frameworks redundant. However the existence of value also offered an opportunity to combine the frameworks. In the combined framework only the elements covering value out of the Business Market Management framework are used. In this way no redundant elements exist in the framework.

The number of elements

The combined framework does cover two perspectives. This means more element are covered than in the separated frameworks. Although this leads to a high extent of complexity, it also gives more insight in process and resources and competences and in that way make the combined framework more complete. In this research these elements were considered as sufficient.

Accessibility

A remark that can be made is that the combined framework does not identify activities which are crucial or of most importance for executing a successful business-to-business marketing strategy or plan. Neither does the framework identify threshold level for resource and competences in the entrepreneurial process. Because of this the combined framework is suitable for assisting in the development of business-to-business marketing activities of enterprise which haven't develop or considered the activities before. For enhancing or developing already existing business-to-business marketing activities and processes this framework might be less suitable. In these cases a framework which identifies more specific activities and resources and competences has to be searched.

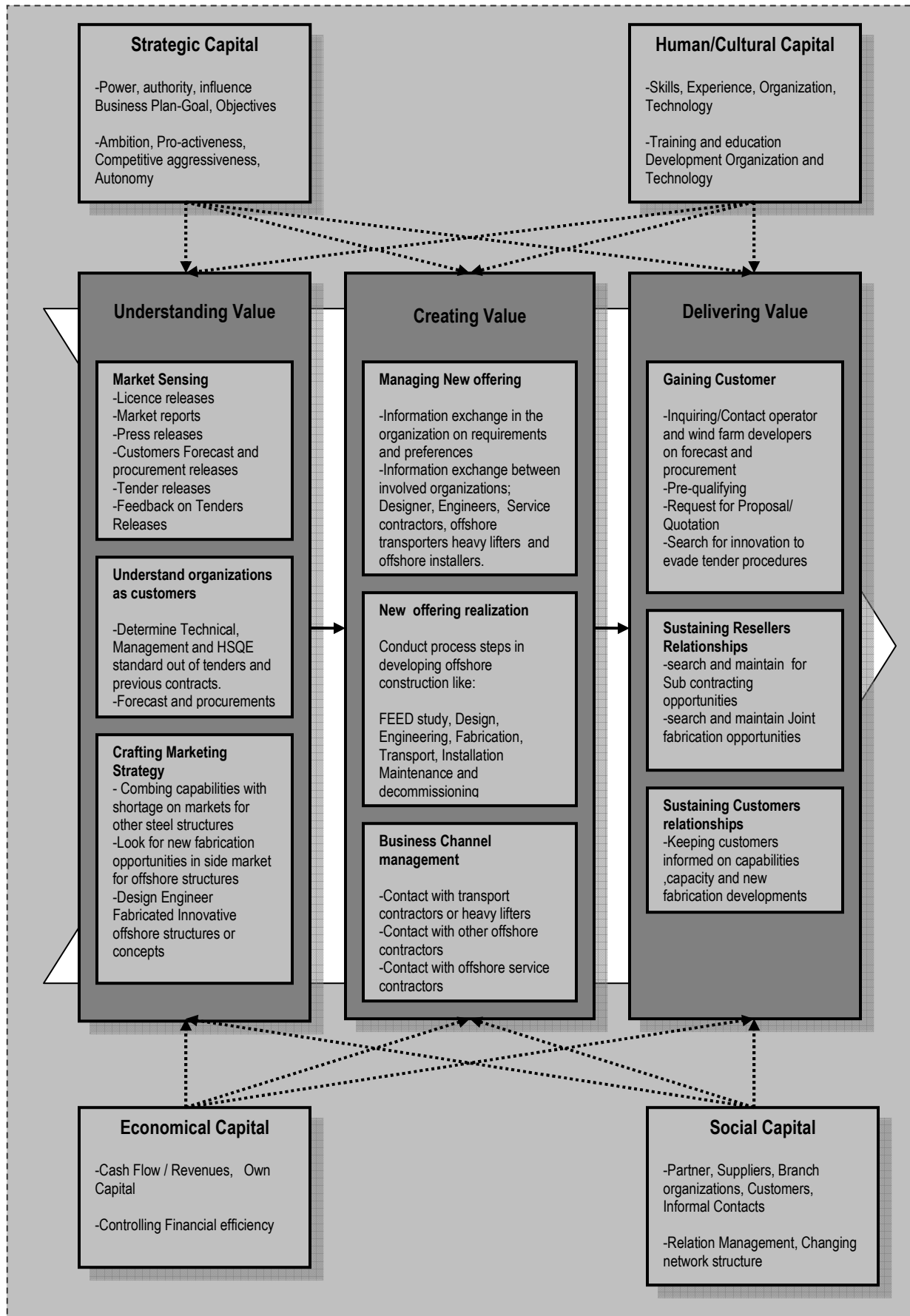
6.2 Conclusion on the practical relevance

In the section 6.1. the practical relevance of the combined framework was generally discussed in the accessibility of the framework. The particle relevance of the framework can be better demonstrated by

concluding on the two last research questions of this research. The answers to the research question show the practical relevance of the combined framework an a case.

2 What insight can be given in the resources and competences of Focus as a representative in the North West European market for fixed steel offshore constructions by using the combined framework?

This research question is answer in Chapter 4. The answer to this question and in that way the second conclusion of this research can be found in figure 6.2, which show the insights on activities and resources and competences in the case of Focus Oil and Gas B.V. The practical relevance is partly demonstrated in the fact that insight could be given by using the combined framework.



The third and final research question demonstrates how the framework can be used to draw conclusions and give recommendations on Business-to-Business marketing activities, in this case a representative in the European offshore market for fixed steel offshore constructions.

3 Which conclusions and recommendations can be given on Focus' representation activity in the North West European market for fixed steel offshore constructions out of this insight?

The answer to this research question is the third and final conclusion of this research. Chapter 5 has drawn this conclusion and provided recommendations. This section shortly summarizes these conclusions and recommendations and concludes how the framework has assisted in these.

Business -to-Business Marketing activities

- The Business-to-Business marketing activities to be conducted as a representative in the European offshore industry are mostly concerned with understanding and creating value.
- The monitoring and conducting tendering process and prequalifications rounds are most important to understand and deliver this value and act as a representative.
- As a representative, Focus' main role is to establish relationships and networks and present its offshore contractor as a joint fabrication or sub-contracting partner.
- Identifying demand and offering innovative (fabrication) concepts can be used in Focus' Business-to-Business marketing activities.

Focus Capital

- Focus' development of Strategic, Human and Social Capital is insufficient at this moment.
- A small amount of Economical Capital is needed, this amount Focus possesses for its Business-to-Business marketing activities is sufficient.
- Increasing and maintaining these forms of capital can be done by developing a (business) plan, training and education, storing information and managing of relationships with actors.

In this case Focus the combined framework is applied to demonstrate its ability in practice. The combined framework gives a method to structure insights in a practical case and through that gives the tool to draw conclusions on Business-to-Business marketing as an entrepreneurial process. This structure view can be used in practical case to develop or enhance Business-to-Business activities. In the case of Focus it was

noticed that a structures view on representation activities can certainly help to develop Business-to-Business marketing activities. This can be seen in the conclusions and recommendations which were through the use of the combined framework. It is determined that the combined framework contributed to this view and in that way proven its practical relevance. Although the framework lead to satisfying results, the remark van be made that the framework is demonstrated in only one case. In this case it demonstrated it practical relevance but the framework will have to be apply in more cases.

What can not be underestimate that the strength of a small enterprise is having a very dynamic and organic structure which lead to fast recognition, development and exploitation of business opportunities. This was already mentioned by Collinson and Shaw (2001) when researching the combination of entrepreneurs and marketing. These dynamics between activities and resources and competences is not covered in the framework. Putting these activities in a structure might lead to loosing some of these dynamics, but on the other hand neglecting them leads to unsuccessful development of activities. A balance between structure and dynamics has to be found. The combined framework give a tool to develop such a structure.

Because the framework only give as general view on business-to-business marketing and resources and competences and does not identify crucial activities or crucial forms of capital is determined the framework is most suitable for developing business-to-business activities. In this way the framework can be used to structure business-to-business marketing as an entrepreneurial process without loosing the dynamic and organic structure of the enterprise.

6.2 Further research

Chapter 1 mentioned that not much discussion on the subject of Business-to-Business marketing in smaller enterprises was mentioned in literature especially not in the European marker for offshore constructions. The combined framework in this research only demonstrated a general insight in these activities and forms of capital With more and more small enterprise active in the offshore market, especially in the market for offshore turbines and foundation, further research can further specify the (a) framework on business-to- business marketing activities in this market. Further theoretical research can be done on identifying crucial activities in the process of understanding, creating and delivering value which are of more importance to representative in this market or threshold level for resources and

competences in conducting these activities. The combined framework does not identify these crucial activities or threshold level for resources and competences.

It was mentioned that the combined framework doesn't cover the dynamics between or in the entrepreneurial process or of entrepreneurs. The practical case identified that these dynamics can be of great value for the enterprise but also hard to capture in a framework. The framework identified the interaction of social capital and how it can be used building up of relations and business networks. Identifying more interaction between capital and Business-to-Business marketing activities can lead to a more complete framework. Further research can focus on covering these dynamics and interaction between these resources and competences and activities in a business-to-business marketing environment.

It was mentioned that in this research the combined framework was only demonstrated in one case. Using the combined framework in other cases in other market segments or industries can also be the subject of further research. In this way it can be determined if the framework can lead to satisfying results on structuring business marketing activities in smaller enterprises in these other segments or industries as well.

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Appendix 1

Focus Oil and Gas Group B.V. is an upstream offshore service contractor which started its activities 3 years ago in Beverwijk, the Netherlands. Being an upstream offshore service contractor means Focus provides services to oil and gas production and exploration companies as well as offshore wind energy developers. Their main activities are Oil and Gas Services, Fast Track Field development, Equipment Trading and HR and Consultancy. Examples of these activities are, providing companies with full offshore maintenance services, providing offshore projects with project management and technical expertise, conducting feasibility, market and Front-End-Engineering-and-Design (FEED) studies for offshore constructions or services and trading in drilling rigs and other oil and gas production equipment.

All of these activities executed by Focus are assigned to their own private company. Which means the company exists out of 4 private companies which are under the supervision of a holding, the Focus Oil and Gas Group B.V. The company has an Head Quarters in Beverwijk an a representation office in Kuala Lumpur. This research is conducted at the location of Focus in Beverwijk.

With 4 fulltime or part-time employee and 2 owners as staff in Beverwijk Focus can be classified as a smaller organization. The location in Kuala Lumpur is used by freelance employees and agents. This smaller size of the company can be seen the number of employees and also in the way the company is organized. As mentioned the company exists out of 4 private companies, which means with the numbers of employees and owners working at Focus companies exist out of 1 or 2 employees or owners. This means some employees and owners are active in several private companies.

Because of this a the difference in activities is difficult to define one strategy for all of these private companies. The corporate mission which was defined by Focus a the foundation of the organization is:

provide solutions to a broad range problems of customers in the offshore industry.

Focus' vision is that by being a smaller company with a broad range of activities in the offshore upstream industry, it can use its full potential of knowledge, experience and contacts in the offshore industry by using the synergy between these activities (or private companies) to provide customers with complete solutions. For example when active as a project manager of a offshore maintenance project, Focus can not

only execute the project management and deliver offshore personnel which has to conduct the physical maintenance, but also deliver the maintenance equipment.

In spite of this synergy the four Private Companies do business more or less separately. This leads to all of the PC's using their own way of conducting activities to support the mission statement of providing solutions to a broad range of problems for customers in the upstream offshore industry. These strategies of private companies differ because of difference in the activities. Equipment Trading which is more project orientated does not require the same strategy as Human Resource and Consultancy which is more continuously based. Focus states that as long as they provide solutions to a broad range of problems for customers in the offshore industry these separate strategies fit in the mission statement and corporate strategy of the Focus Oil and Gas Group B.V.

Appendix 2

The company PJOE is a joint-venture between the Chiwan Sembawang Engineering . (CSE) which owns 70% of the shares and the Prospering Investment which owns the remaining 30% of the shares. CSE on its turn is a partly government funded offshore yard is joint venture of the Chinese National Offshore Oil Company (CNOOC), Sembawang Marine Offshore Engineering Pte. and the Shenzhen Chiwan Petroleum Supply Base Company.

This joint venture CSE as two offshore construction locations in China. The first one in city of Shenzhen in the most southern region of the country which is close to the major Chinese offshore locations in the South China Sea. (1994) The second is situated in city Penglai, in the province of Shandong, which is adjacent to the Bohai Sea where also offshore oil fields have been developed. (2004). This last one, the PJOE . Yard, is represented in North West Europe by Focus.

The PJOE . yard is considered the most modern yards in China. Their core competence is the welling of tubular steel offshore constructions. Examples of the offshore constructions are jackets which are substructures for oil and gas production platforms but also foundations for offshore wind farms, commonly called *monopiles and tripods*. In general these oil and gas production substructures and wind turbine foundations are called fixed steel offshore constructions. PJOE's track-record includes large oil and gas companies such as, the Chinese National Offshore Oil Company, Bluewater, Woodside and Chevron Thailand. Until present the PJOE as only been able to build up a solid track record in the South China Sea and the Bohai Bay area.

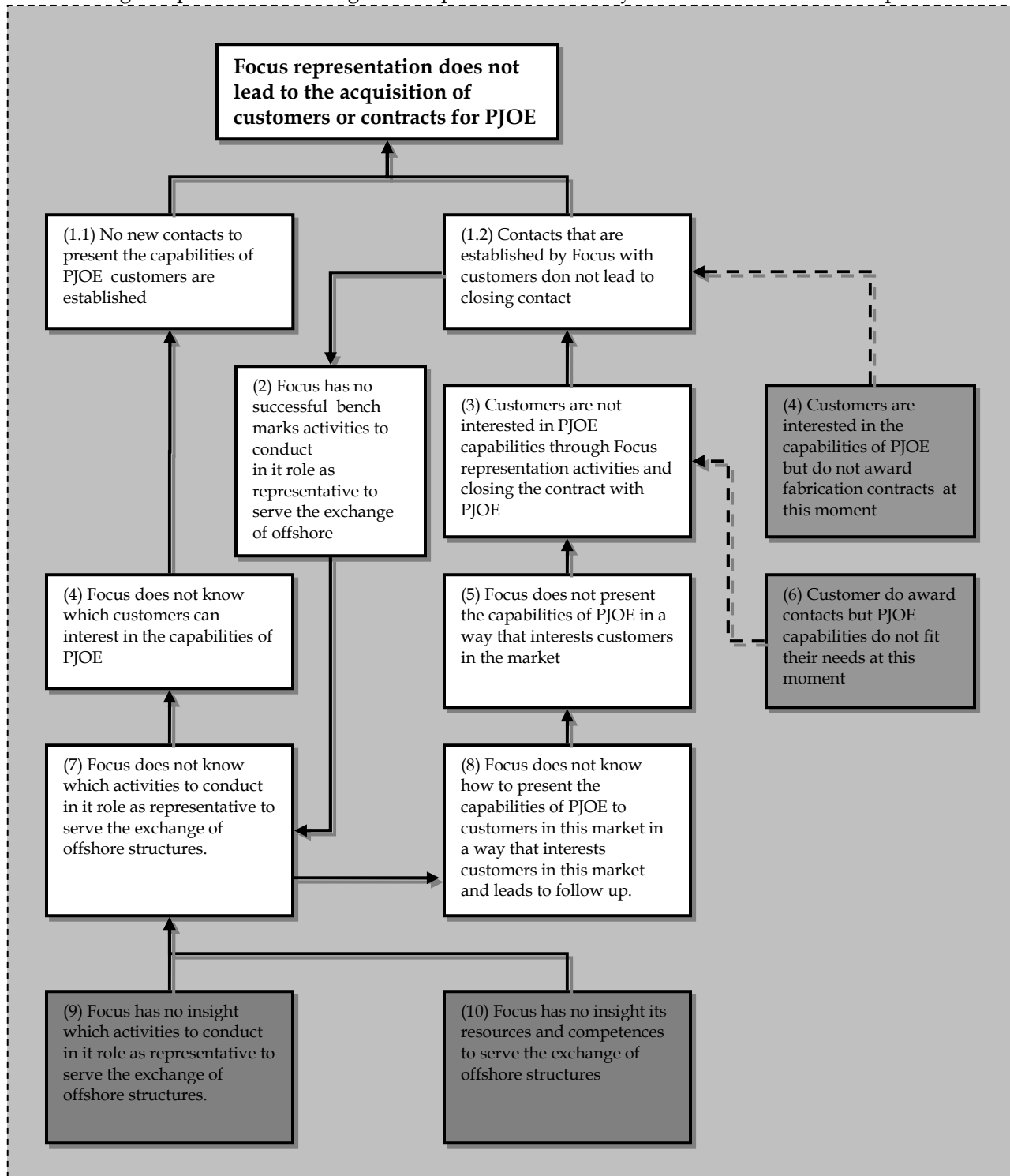
One of the strengths of PJOE is the combination of an outstanding facility, a high quality workforce and a product at a very competitive price level. The yard constructs offshore constructions up to European or American offshore construction standards (for example NORSOK, API and ISO). Constructions may cost up to 30% less, including transportation to a major European harbour, compared to common market rates due to these lower fabrication costs. For this reason Focus thinks that it can present PJOE as a competitive supplier or partner in the North West European offshore market.

PJOE's mother company, CSE, its mission is be a leading organization in serving the industrialization of the South East Asia and Bohia Bay region. To execute that mission CSE has build up the track-record in the region but also want to expand their activities to Europe and especially North West Europe. Construction for offshore facilities for the European market will lead to further development of the South

East Asian region. Being a 70% owned by CSE and subscribing this mission, PJOE . also wants to expand their activities abroad, especially in North West Europe.

Appendix 3

Problem tangle of problems occurring in the representation activity of Focus Oil and Gas Group B.V.



Appendix 4

Business action theory – Axelsson, Melin, Goldkuhl, 2002

The framework of Business Action Theory is based on the phases of business processes by Goldkuhl (1998), and recons the importance of business communications to exchange value between supplier and customer. The framework presented by Axelsson et al. as a phase model which consist out of the processes or phases between supplier and customer:

Offer - Which meet the desire and demand of the customers, supplier search and contract customers

Delivery Promise - The order from the customer is awarded to the supplier, contract are set to facilitate he exchange

Delivery - The value is exchanged and the payment is made by the customer

After this value is exchanged both customer and supplier asses the level of satisfaction the exchange has reached. This lead to customers and suppliers informing each other to improve the value and build up long term relationships for this exchanging of value.

Demand chain integrated marketing – Jüttner, Christopher, Baker, 2005

The framework focuses on integrating supply chain functions, demand chain functions and marketing activities to create and deliver customers value. The framework is based integrating theories on Demand Chain Management, Supply Chain Management and Marketing. The framework signals five process, out of the customers perspective, in which activities have to be conducted by the supplier to exchange value between customers and suppliers.

Awareness - Markets are targeted and segmented, potential customers are signalled .

Evaluation - Customer and suppliers are made aware of each others presence and their needs and offerings and how they can be beneficial to each other

- Decision -** The value that is need by the customers is offer through a value proposal , customers decide if the value is purchased
- Purchase -** The value is exchange form supplier to customer and payment is transferred for customers to supplier.
- Consume -** Customers use the value that is exchanged, extra value can be added through services

After the Consume phase the Awareness phase starts again to gain new customers or sustain customers relationships for repeated sales.

Business Market Management – Anderson and Narus, 1999

The framework of Business Market Management is based on integrating Business Market Processes of creating value with Business Marketing processes to exchange value and focuses on relationship building and establishment of business networks. The framework identifies three phases of understanding, creating and delivering value.

- Understanding Value-** Markets are sensed, competition monitored and marketing strategy is crafted
- Creating Value -** Market offering are managed, new offering are realized , and business channels established
- Delivering Value -** Customers are gained, Reseller Relationships are sustained and customers relationship sustained

Appendix 5

Resourced-based conceptualization of the entrepreneurial process, Frikin, 2001

The framework constructed by Firkin is based on Bush's(1998) resource based view on the entrepreneurial process. Frikin describes the processes of Creation, Development and Maintenance of an enterprise as the basis of the entrepreneurial process.

The framework identifies four sort of resources and competences in the form of Capital. **Economical, Social, Human and Cultural** Capital. The model also mentioned the way capital can be converted for one form to an other. One example is the conversion human capital can be converted into economical capital when employees are assigns to duties at clients out which revues are earned.

The Entrepreneurial process , Bygrave, 2003

Bygrave's framework, based on Moore's Entrepreneurial Behaviour (1986) , identifies four steps in the Entrepreneurial process.

1. Innovation
2. Triggering Event
3. Implementation
4. Growth

In these step the entrepreneur or enterprise has to have access to **Personal, Sociological, Organizational** resources and competences. These resources and competences can be held by the entrepreneur or enterprise or obtained out of the environment

The 4S Model, Groen, 2005

The 4S Model is based on Parsons Social System(1965) and identifies the processes of

1. opportunity recognition
2. opportunity development
3. opportunity exploitation

Resources and competences(means of intervention) have to be available with the form of **Strategical, Economic, Human/Cultural and Social Capital**. The social network of the entrepreneur or enterprise can be used to obtain resources and competences outside the organization.

Appendix 6

In the research interviews were used to identify characteristics on Business-to-Business marketing activities in the North West European market for offshore constructions. Interview were done with expert on business marketing in the industry. The interviews did not make use of a feedback session.

For the interview in this research use has been made of an interview with open questions, which allows further discussion on the subject mentioned in the questions. In this interview the three process of understanding, creating and delivering value were used as guideline. Also questions were asked on entering the market as a new entrant. The discussion after or during the interview was very useful in obtaining additional data.

For these interview the research wanted to make use of respondents active in the marketing and sales process of offshore contactors in North West Europe. This seemed to be hard because these respondent were not willing to give information on process used in marketing processes of their organizations. However one Marketing and Sales manager was willing to participate on the interview. The following expert were interviewed:

Mr. Liem, business development manager of the Dutch branch origination for the offshore upstream industry. Mr Liem is in charge of the business development group of the IRO which monitors development in offshore oil and gas production and wind energy.

Mr. Krispijn, manager marketing and acquisition of HSM steel structures in Schiedam. HSM fabricates offshore constructions for the oil and gas industry as well as the wind energy industry

Mr. Westera, is a member of the Dutch Energy Research Centre and is experience in the development of alternative fuels and oil and gas resources. The Dutch energy research centre is also involved in research on construction on energy productions.

Contents of the interviews

Understanding Value

1. How do offshore contractors segment markets which are interesting for developing for their business activities?
2. How can initial requirements and preferences of customers in these markets assessed?
3. In what way can competition in the defined markets be monitored by offshore contractors?
4. What purchasing strategies can be identified at oil and gas operators and wind farm developers?
5. Do these purchasing strategies differ between oil and gas operator and wind farm developers?

Creating Value

6. In what way can fabrication contractor offer extra services, beside the fabrication, to make their products more attractive for customers?
7. How can monitoring of the market and competition be used to develop new product which are interesting for potential customers?
8. What is the effect of business or supply channels of offshore contractors effect the purchasing attitude of customers in this market?

Delivering Value

9. What procedures are used to present capabilities of offshore contractors to potential customers
10. Is reselling used in the market for offshore constructions in North West Europe? If yes, in what way?

12. What is the importance of sustaining customer relationships for acquiring new contractors and already established customers? How can the relationships be sustained?

Questions for entering the market as a non local offshore contractor or its representative

13. Is lack of fabrication capacity occurring in the market or will this evolve in the near future?
14. What is the attitude of oil and gas companies and wind farm developers on non European contractors to fulfil their contractors?
15. Is this attitude changing now demand for offshore oil and gas and wind energy constructions is rising?

Appendix 7

In discussions, participation and attendance management meetings the forms of Capital out of the 4S model were used to given an insight in the resources and competences of Focus oil and gas B.V. By using this framework resources and competences for the representation activities were rated as developed or underdeveloped.

Combining discussions and attendance of management meetings with participations in the representing activities is considered very useful. Enthusiasm of employees and owners in discussions and management meetings in some cases gives a view on capitals which might be to positive. When participating in representing activities a clear view can be made of the presence and development or maintenance of resources and competences.

This appendix gives a visual overview and the phase of development of this resources or competences. A (+) will mean that the resources or competences is rated as developed in a way it can be used for the representation activities. A (-) will mean that the resource or competence is not develop or can be better developed for the representation activities.

Capital	Resources	development	short explanation
Strategic	Power, authority, influence	-	A small enterprise in the market so difficult to use power, authority and influence in the market. Competitors are large companies which can use more power, authority and influence
	Business Plan	-	No concrete business plan which leads to focusing on certain activities and maintaining this focus. Limited amount of resources and competences are allocated over a lot of activities.
Economic	Cash Flow	(-/ +)	Low amount of cash flow. Some cash will be needed to conduct representing activities. Expectation look promising. When contracts are awarded revenues will be substantial
	Own Capital	+	Not much own capital is needed for the activity as representative, own capital at this moment is sufficient
Human/Cultural	Human Skills	+	Skills are available for marketing/representing activities. Skill are available on tendering and prequalification procedures and market surveying
	Human Experience	+	Large amount of experience in the offshore industry is available with the this experience can be used in marketing activities

	Organization	-	No employees are available or assigned for the representation, organizational structure leads to recognition potential customers but not to development and exploitation
	Technology	-	No marketing technology is available to store and analyze market and customer data.
Social	Freelance employees/Partners	+	A large network of freelance employees which can conduct several representation activities in signalling customers
	Suppliers	+	A large network of suppliers of knowledge, PJOE for fabrication resources and competences.
	Branch organizations	+	Member of branch organizations on oil and gas and wind energy
	Informal contacts	+	A large network of informal contacts to gain direct leads in customers organizations
	Customers	-	No network of customers or potential customer is available

Capital	Competences	development	short explanation
Strategic	Ambition Level	-	Ambition level of recognition of business opportunities is often higher than can be met by the resources and competences of Focus
	Autonomy	-	Because of the small size of the company Focus must hand in autonomy to acquire resources and competences for marketing activities.
	Pro activeness	+	A very proactive in searching for new developments and concepts for oil and gas and wind industry which might interested customers
	Competitive aggressiveness	-	Focus does not use an aggressive strategy to present the capabilities of PJOE
Economic	Monitoring Financial efficiency	-	No assessments is made of the costs and revenues of the representation activities. Cost are low and revenues are substantial
Human/Cultural	Training and education	-	No effort is made in training and education of employees to develop and maintain skills and develop experience for representation activities.
	Development of Organizational systems	-	No development in determine procedures, goals and objective and responsibilities for the representation activity
	Technology maintenance and development	-	No effort made in development and maintenance of technology which can be used for representing activities
Social	Relation management	-	Relationships with established freelance employees, partners, suppliers are not actively maintained
	Changing network structure	+/-	Very active in a obtaining direct leads with have direct influence in the purchasing process.

