

Booijink Veevoeders

Internationalization

“Internationalization, Step by Step”

**Are there business prospects for
Booijink Veevoeders on the Russian
market?**

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Preface

This thesis is written as the last assignment in the study of Business Administration with the specialization Innovation and Entrepreneurship. This assignment has been done for Booijink Veevoeders and is a result of hard working and studying. I want to thank everyone who supported this work. Booijink Veevoeders thankfully attended me with all the freedom and advice that is needed to do this thesis. I want to thank all the colleagues at Booijink Veevoeders who supported me in this great working environment at Raalte. I would like to thank the next persons who incredibly supported my work: Gert-Jan Voortman, Jan Booijink and Paul Booijink. Besides them I would greatly thank Prof. dr Aard Groen and Mariska Roersen MSc., who helped me with their suggestions, managed the whole thesis and structured it, to this wonderful work. Of course I want also thank Mrs van de Wiel, who checked all the English phrases.

Further I want to thank my parents for supporting me all the time. Finally I want to thank my girlfriend. Manon, thank you for giving your ear for listening and support to my ideas in this thesis. Last but not least I want to thank the rest of the family who have given great support during my graduation period. All of you have helped me to finish this work. Hopefully you will enjoy the reading of the thesis.

Wouter Oude Voshaar

Raalte, April 2012

Management summary

This research has been done for Booijink Veevoeders to form a notion in the market entrance to Russia. How should, particularly a small firm like Booijink Veevoeders, enter the market and what are the factors they should be aware of. The way Booijink Veevoeders entered the market Russia was by coincidence and now they want to have a well approved plan to do this. Therefore the next research question was formed: "What international strategy should be applied by Booijink Veevoeders to enter Russia?" To give a good answer to this question, a theoretical and empirical research has been done. The theoretical research is based on existing literature and the empirical research consists of a qualitative and quantitative research at firms which export to Russia and a qualitative research at organizations which improve export to Russia. This was done by a questionnaire at firms and interviews at offices which improve export. In general there are many options to go abroad but a model which was suitable for small "agricultural" firms was non-existent. Therefore a model should be developed. A model which would give the management or owner of a small firm a tool. This model should consist of three phases: firstly management should be certain to go abroad. Secondly, search for a suitable country and check whether this country fits in with your view of going abroad. Thirdly, look into the operational aspects and look to the possibilities by selecting and investing in the right market entry. In this research has been chosen to have a focus on the third step, on request of Booijink Veevoeders. In the strategy three ways are mentioned to enter the market. The first way is a partner, the second by an intermediary and the third by Booijink Veevoeders itself. To find partners there are several ways; if you have found a possible partner and have a good feeling don't hesitate and ask about the track record of this person. If you do it yourself or have it done by an intermediary, be prepared to get enough good information and look if you have the resources. Because Booijink Veevoeders does not have the resources and does not have enough information, Booijink Veevoeders should enter the market in Russia through a partner. Russia is not a country it is a continent with 9 time zones. For logistic reasons this is 'a hell of a job' and cannot be compared with the Dutch or European area. Recommendations to Booijink Veevoeders are to divide big countries (especially the continent of Russia) into areas which are sufficient enough to operate in. If a partner fails in that area, you can still export to the country. Especially at small firms, don't let one person internally be totally responsible for the contacts with the partner(s). Contact could easily flow away, if this person stopped.

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1 Introduction and Research Design

Chapter 1 contains the introduction and research design. The chapter will first provide background information of Booijink Veevoeders. After the background information the introduction to the problem will be dealt with, so what actually the purpose of doing this research is. When the problem has been described a research goal will be defined. This goal will be divided in short and long term goals. Then the research question will be formed. The problem, research goals and research question will make clear the research approach and give directions for the research question.

1.1 Background organization

Booijink Veevoeders BV “from now on Booijink Veevoeders” is a modern privately owned family firm. The core business of Booijink Veevoeders is animal nutrition & feed. They have three production locations in the Netherlands: in Raalte, Rijssen and Luttenberg. Because of the separation of product locations they are flexible in the kind of feed they produce. In Raalte they make feed for pigs. In Luttenberg they produce feed for cattle and in Rijssen they produce biological feed and pork feed without fishmeal for Germany. In Raalte the export division produces broiler, pig, and cattle feed pre-start components and feed concentrates for the world markets, except Germany. The firm has a very specialized production process for the pre-start and feed concentrates. In 2010 Booijink Veevoeders produced 160.000 ton of fodder and is with this production one of the largest privately owned feed producers of the Netherlands. All the fodders are produced according to GMP + (HACCP), QS or biological feed systems. They are also a member of Safe feed. The slogan of the firm is “Big enough to compete, small enough to know you”. Booijink Veevoeders has as objective to strive, together with their customers, for maximum result. This is done by entrepreneurship, innovation and good quality of feed (Booijink Veevoeders, 2011).

1.2 Introduction problem

Booijink Veevoeders and also other competitors from the Netherlands export to East-Europe, Middle East, Africa, Russia and South-East Asia. For example Nutreco which invested 20 million euros in a new industrial plant in Voronezh, Russia (Nutreco, 2011) and De Heus, which has as second market in Poland and is diversifying to other markets (de Heus, 2011).

Through development of competitors and rising turnovers from the export products at Booijink Veevoeders questions rose in which way they could grow outside the border of

Germany and the Netherlands more successfully. Booijink Veevoeders used to have contacts with the firm LNB international Feed B.V. This firm exports fodders over the whole world. When there was a take-over of LNB by Cargill, Booijink Veevoeders lost a lot of export which was exported outside the border by LNB. Also a development of the take-over was that Booijink Veevoeders lost turnover in Sudan. But after a while a person of High Feed “Nutreco” came over. He told that he had a customer who had a bag with the label Booijink Veevoeders on it. This customer wanted only this qualitatively good fodder and said that he used to have contacts with a person “Vortman”. Nowadays, this person gets fodders from Booijink Veevoeders through High Feed again. This confirms the demand of good quality feed from Booijink Veevoeders.

Nowadays Booijink Veevoeders has contacts in Russia with firm X. This is a free trader which sells products of Booijink Veevoeders. Today Booijink Veevoeders knows from all their experiences that there is a lot of paperwork involved in getting fodders to Russia and regulations are often changed. Also questions rose how Booijink Veevoeders could start a real export subsidiary, because Booijink Veevoeders shouldn't be dependent on one person or one market, like in the LNB situation. How to do this, what are the possibilities? How can new users of fodders be reached? That gives rise to the question how Booijink Veevoeders can grow in these regions? From all this threats and opportunities, the next problem can be formulated:

In which way should Booijink Veevoeders internationalize to sell their products?

1.3 Research goal

Of course a firm can go to the Chamber of Commerce and enquire what they should do in order to internationalize. Here some options for doing it could be found, but by reading about this process firms will not find the specific answers to what a firm like Booijink Veevoeders needs. There should be a focus on a specific area with a specific strategy which should be made concrete. So limits are needed. One of the choices is to investigate in Russia. This country is selected for certain reasons. One of them is that Booijink Veevoeders has the highest turnover in this market at the moment, outside the border of Netherland/Germany. It is also helpful that Russia is a “BRIC” emerging market. BRIC stands for Brazil, Russia, India and China. At the moment these countries are growing fast. Why choose for Russia will also be argued more clearly in the sub questions of the research. A blueprint could give Booijink Veevoeders a tool to professionalize the way to internationalization. Until now

Booijink Veevoeders has not known this. So in which way Booijink Veevoeders should internationalize, that is the problem. This gives the next goal:

To develop a strategy for Booijink Veevoeders for transferring products to the Russian market

The sub goal of this research is that it can give certain options and probably a starting point for other firms how to start with internationalization. The goal can be specified in short and long term goals.

In short term goals, a strategy for transferring products to the Russian market which can be used as a blue print for entering other international markets should be developed.

The long term goal will be increasing the turnover of Booijink Veevoeders export division, by using the blue print strategy for entering international markets. Another long term goal is to find new markets which are identified out through the blue print.

1.4 Research question

In order to find an answer to the problem of Booijink's Veevoeders, to find a solution for the research goal and to provide a strategy for Booijink Veevoeders to transfer its products to the Russian market successfully, the following main research question is formulated:

“What international strategy should be applied by Booijink Veevoeders to enter Russia”.

1.5 Research approach

To give a good answer, a research approach should be made with substantial sub questions. By starting internationalization, it often occurs that companies already sell products outside their home market. So actually they have already started entering a foreign country, in a natural way. To really start in a foreign country you should develop a strategy how to enter this market. This is a professionalization of exporting to foreign countries. Russia will be used as a research object.

Before starting in another country, the management have to decide if the firm is capable and wants to go to a specific country. There are two ways of doing this. The first way is the step-by-step method and the most interesting market method. For the step-by-step method we go, for example, from the Netherlands to Germany. Then after a while, from Germany to Poland,

and so on. In the other method you look for the most interesting market. In the second place a country should be analyzed for its market opportunities to really enter the chosen country.

Sub questions are posed to give a good answer to the research question.

1. What factors determine internationalization for Booijink Veevoeders?
2. What factors determine mode of entry according to the literature?
3. Which factors determine the entering mode on agribusiness?
4. Which factors determine the entering mode in Russia?
5. Which method can be applied, for Booijink Veevoeders, to enter Russia successfully?

Route to answering the research question

The first four questions will be answered by means of the theory. The combined model will be made from the existing literature. When the model has been created it will be tested. The model will be tested by a quantitative and qualitative research (see also chapter three on methodology) to add and reshape certain points in the model. This is done to be sure of the mentioned model leading to a successful market entrance for Booijink Veevoeders and gives answer to question five. When these five questions have been answered the research question can be answered.

1.6 Structure thesis

This research explores how Booijink Veevoeders can enter other markets abroad, where they have already started, in a more appropriate way than they do nowadays. Chapter 1, which just has been discussed, has provided background information of Booijink Veevoeders and is part of the problem identification, research goal, research questions and the research approach. Chapter 2 consists of the theoretical framework and through this framework the five questions will be answered. This chapter gives the literature which is needed to fill in the whole necessary framework of internationalization for Booijink Veevoeders. The framework exists of the next five subchapters: 2.1, context 2.2, strategy 2.3, introduction to existing theory 2.4, important factors, 2.5, the research method. Chapter 3 consists of the methodology, the research activities. This is the way how the research will be done. In

chapter 4 the results. derived from the interview and the surveys, will be presented. Chapter 5 contains conclusions and recommendations which will be filled in by answering the sub questions and research question.

Now that this problem is well formulated, we will work out a funnel-shaped delimitation. First the method, which the strategy will be determined by. The market entry methods will be searched from literature and important factors will be chosen. Finally when everything is delimited, an empirical research will be made and attended. From all that information the results will be written out. Finally it will be formulated, from a theoretical and empirical research, how Booijink Veevoeders can best export to the Russian market.

2 Theoretical Framework

Now the research approach is established, some important information will be looked for in the existing literature. Books, internet and firm information will be used. Especially for the theoretical framework the existing literature is important. There will be searched on keywords in databases of web of science and scholar Google. These keywords are adopted from articles from students who also had internationalization as a target. The next key words are used: “entry mode, entry strategy, internationalization, sme”. In internationalization processes some important topics are mentioned. These topics are, for example, (1) Experiential learning, (2) Systematic planning and (3) Contingency perspective. For a complete definition of these topics look at chapter 2.3. The most interesting literature will be collected and summarized for this research about these topics. This framework will give options for entering the market and also international business partnering. Moreover in this chapter cultural aspects of the Russian people and the state of agribusiness will be treated. Finally a small sub chapter will be made about the important factors which could be found in literature. Certain available factors, which are important to the literature, will be searched for in order to make a blue print for Booijink Veevoeders. These factors will have to lead to a successful market entrance. At 2.4 a SWOT analysis of Booijink Veevoeders is added to get information about the Strengths, Weaknesses, Opportunities and Threats. At 2.5 the research method will be defined. With at 2.5.1 factors implemented in the model Content, Context and Process, 2.5.2 The model, 2.5.3 How does the model work, 2.5.4 Focus on the model 2.5.5 Operationalization of the model. This model will be very specific for Booijink Veevoeders. The model will be conceptual and looks like a framework. Before we search the literature we will define the strategy approach, which will be the basis of the model. This strategy will be mentioned in paragraph 2.2. But we start with 2.1 a context to give a clear introduction.

2.1 Context

To make a clear introduction of the problem the next context is made. The context goes from a worldwide view, with the accent on Russia to a business specific view from Booijink Veevoeders.

If the predictions are true the expected world population will grow to 9 billion people on this planet round 2050, especially in the regions of Asia and Africa there will be a tremendous growth (UN News Centre, 2011). Moreover the people there, who are poor or have a “normal” income, will earn more money by opportunities from changing conditions in the

economy. This will probably lead to more prosperity. The effect of growth and prosperity in these regions leads to a demand for milk and meat products in these regions. A lot of innovation in production processes in agricultural industry will be needed to meet this demand. Also good agricultural ground is needed. Especially Russia could be one of the countries where a lot of production might take place. The Russian market, which has 9 time zones, is the third largest market of Europe and growing fast in food and beverages. Also the socio-economic and investment climate development on trade and investment gives opportunities for Dutch agribusiness companies. However Russia was hit by the economic crisis in 2008/2009. Therefore we need some general information. Russia is the largest country in the world and only 13% of its territory is used as agricultural ground. Especially in the 'European' part of the Russian Federation are agricultural activities. These are the North-West, South, Central, Privolzhsky and partly Urals Federal Districts (Berkum, Dvortsin, Roza, 2010). The GDP (Gross Domestic Product) was USD 1.480 gdp in 2010 and the population was 141.75 million people in 2010 (source: world bank).

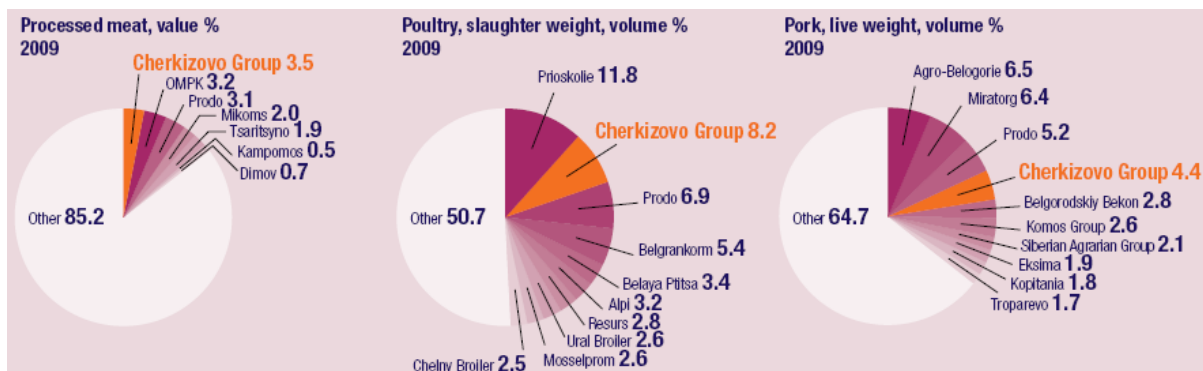


(Source: Berkum, Dvortsin, Roza, 2010, p. 18)

The agriculture contribution to the GDP of Russia is around 5 %. The position of the ruble was stable from 2003-2008, then depreciated in 2009 and is now improving again. Inflation from 2009-2012 will be between 6 and 10% and the appreciation will make import less expensive relative to produced goods from Russia. In 2009 unemployment in agriculture

decreased from 11% five years ago to 9.5%. These figures are country based but can differ a lot per region of the Russian Federation. In 2009 there were 22 million people below the poverty line. These figures partly lead to diversity in income groups. Russia offers different opportunities on price and product segments. In 2009 Russia had some import barriers to improve the self-sufficiency for number of important foods like wheat, meat and milk. The Netherlands is the second-largest foreign investor in Russia and is the biggest investor on food and agriculture with a share of 18% in 2009. Investment in Russia gives problems at the start, procedures are relatively long and it is difficult to get a construction permit, but on the contrary, property registration is rather good. Also trading across borders is difficult, the large number of documents involved, the high export and import costs and the long time required for exports or imports. As for credit and protection of investors Russia ranks average. Also bribes are often paid unofficially on top of official taxes. (Berkum, Dvortsin and Roza, 2010)

There are three kinds of primary agricultural firms, family farms, small individual household plots and privatized successors of the former collective and state farms (agricultural organizations). Family farms and agricultural organizations are commercially orientated. Large and medium agricultural organizations have an average of 4000 ha small agricultural organizations have an average of 1164ha. Some agricultural organizations are developed in huge agro holdings. These agro holdings are vertically integrated with the production of primary products to end products (Berkum, Dvortsin and Roza, 2010). Some agro holdings are mentioned below in the figure.



(Source: Annual report Cherkizovo Group, 2009)

The agricultural sector in Russia has to solve the problem of inefficiently used fodders. This problem can be solved by using premixes and prestarters, which Booijink Veevoerders sells. For example, to produce 1 kg pork requires twice as much feed in Russia as in Denmark. There is a trend in animal feed companies to invest in Greenfield projects instead of buying

outdated or expensive production facilities. Strengths of agribusiness in the Netherlands are the level of knowledge, innovation power and good quality of products. The main cereals produced in Russia are corn, oats, barley and, of course, wheat (Berkum, Dvortsin and Roza, 2010).

Central Federal is the biggest producer of cattle and poultry, followed by the regions Volga and Southern federal district. More than 70% of the cattle and poultry meat is slaughtered there. The biggest milk producer was the region Volga with 32,2% followed up by the districts Central federal 18,4% and Siberian federal 17,5%. In 2009 the agricultural sector declined with 25% compared to 2008, caused by decrease of investments in livestock accommodation with 30-50%, the level of investment in 2010 was almost the same as in 2009. The food industry is one of the fastest growing sectors in Russia and the third largest-market after Germany and France. The structure of the food sector is changing, yet products are largely being sold through traditional distribution channels, at weekly and daily markets and another fact is that 40 % of the income is being spent on food and beverages. Three trends are visible at the moment 1) a consolidation process takes place, 2), vertical integration of companies, 3) growing health consciousness. From 2005 is the consumption of pork and poultry has been increasing and the beef consumption is slightly decreasing but the dairy production is expanding. In 2020 the self-sufficiency rate should be for meat (Beef and veal, Pig meat, poultry) 85% and milk/dairy products 90%. So until 2020, import of this kind of products will be between 10 % and 20%. (Berkum, Dvortsin and Roza, 2010).

All these changes in the environment mean for Booijink Veevoeders that also competitors seek for more turnover in other countries. The limitation for Booijink Veevoeders compared to big competitors is that they are a small firm with fewer resources than big firms. Resources like capital and employees. To solve these restrictions Booijink has to find possibilities in a clever way to enter those markets. To find these possibilities they have to define goals. Goals can be triggered through interaction with people they know. This interaction can lead to a match or to a dead end. From this match new goals can be defined and new means developed. Eventually, lead this setting of goals with interaction with people, will lead to new firms, new products or new markets.

To get answers to the way of working and processes in Russia, an internal research at Booijink Veevoeders has been done to understand the history of the present situation.

At the start Booijink Veevoeders produced for LNB. This firm was acquired by Cargill in January 2007. LNB is an export office in the Netherlands, covering over 55 countries

worldwide. Experience in formulation, technical support, marketing and shipping is combined in this highly efficient and flexible organization. The LNB™ office in Russia is located in Moscow. The sales office was opened in January 2005 and is experiencing a steady growth. The sales managers have long-term business connections with many large customers. Because of the high level of expertise and LNB™ technical support and expertise a high customer satisfaction has been maintained. There will also be a new premix factory opened in Efremov. (LNB, 2011)

At a certain moment in 2008 firm x was looking for a company which could deliver premixes and prestarters. When this firm came to Twilmij during their search, they were told Twilmij did not deliver premixes for export and did not have the possibility to make prestarters. Twilmij also told them that they probably had another firm which could give a solution, namely Booijink Veevoeders. This link was easily made by the good connection between Booijink Veevoeders and Twilmij. After the contact had been established, both parties had good a conversation with each other, firm x and Booijink Veevoeders started doing business. Firm x has direct contact with its customers and sells also foddors through wholesalers in Russia. The products which are bought are mostly from Booijink Veevoeders and some products come from other firms. So the pre-starters are directly from Booijink Veevoeders and the premixes come indirectly from Twilmij through Booijink Veevoeders. Booijink Veevoeders is one of the firms that have a milling mix-line and bagging-off installation.

Bags are made in Raalte and put in a container. This container is transported by boat to Riga. In Riga the bags are loaded over to a warehouse or directly onto a train to the border of Russia. There is an overload from one railway line to another Russian railway line. After this overload, the next overload is in a warehouse in the neighbourhood of Moscow. Then the foddors are transported to a farmer or indirectly by a retailer to a farmer.

When representatives from Booijink go to Russia (four times a year), after 2 weeks the sale increase in Russia. This is probably the result of the advices they have given to some farmers in Russia.

So at the moment is Booijink Veevoeders active through firm x in Russia. This means indirect export. This firm x is a free salesperson and Booijink has the export rights to deliver. Firm x sells the premixes and fodder concentrates to Russian firms. Because Booijink Veevoeders has little market knowledge of Russia, they are left with question if this is done well like having one partner there who also buys products from competitors? Can Booijink Veevoeders increase sales? Is it better to do it in another way? What aspects are more

important at export? How could we learn from this situation to enter other foreign countries? The current contacts comes through demand from the market, but now Booijink wants to actively enter markets. Therefore Russia will be used as the blue print for the internationalizing of Booijink Veevoeders.

2.2 Strategy

A main strategy will be implemented to have a well-founded base.

2.2.1 Content, context and process

In order to develop a strategy for Booijink Veevoeders there are three essential dimensions namely: “Content, Context and Process”. Strategic change should be seen as a process that continuously develops, which happens in given contexts (Pettigrew, 1985). These three dimensions of strategy can be recognized in every real-life strategic problem situation.



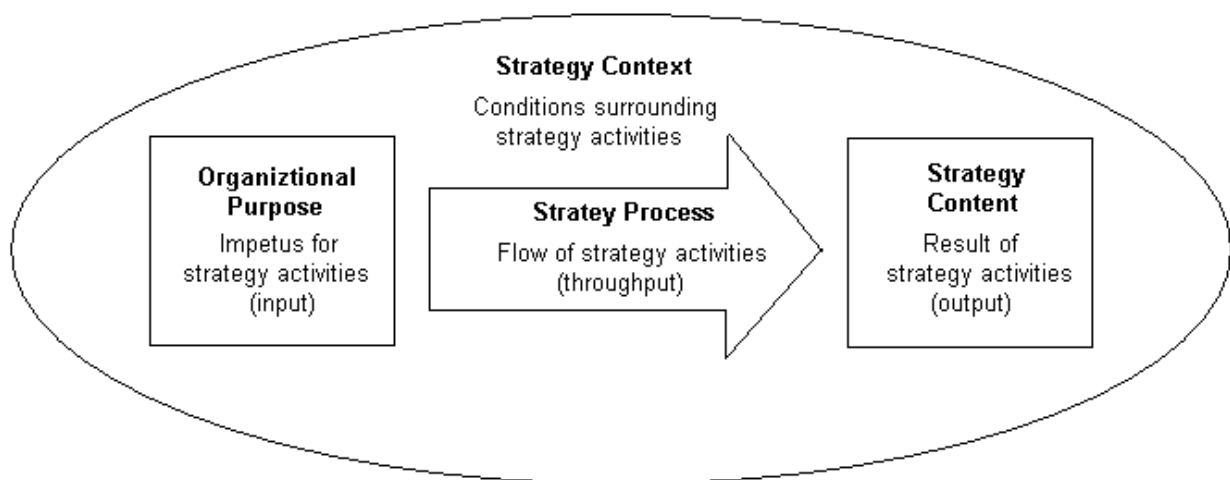
De Wit and Meyer (2004) describes the dimensions as follows:

Strategy process. The way in which strategies go, is referred to the strategy process. If we look to question strategies, we almost always pose questions like: ‘how’, ‘when’ and ‘who’ of strategy: how should strategy be made, how is strategy made, how is strategy analyzed, implemented and formulated. Who is concerned with the strategy, when do activities take place?

Strategy content. The product of a strategy process can be referred to the content of strategy. If we look at a question about this, the content in strategy goes about the ‘what’ question. What should be, in a certain unit or company, the strategy?

Strategy context. Is about the circumstances of the process in strategy. If we look at a this question, the strategy context is about the ‘where’ question: so in which environment or which firms the strategy content and process are inserted.

The model reads, in short, the next steps: Organizational Purpose is impetus for strategy activities (input), Strategy process is flow of strategy activities (throughput) and strategy content, result of strategy activities (output). Strategy context are conditions surrounding strategy activities.



(Source: de Wit and Meyer, 2004)

The model consists of four important factors for Booijink Veevoeders. First a firm has to determine why it wants to go to a foreign market. Second part is which country will be targeted. At the end it should be stated how to approach this foreign market. Every item is influenced by the surrounding activities. To translate this question, which are the factors summarized in the theoretical framework, the next items can be mentioned: “Firstly, view of management (input), secondly, process (throughput) and thirdly, the result” (output). These are the head items from literature to operate successfully in a foreign market.

2.3 Introduction to existing theory

First, in theory, the question will be looked into what small firms are and why they want to go abroad, after that there will be searched in literature how they can be successful in going abroad, so what methods are to be used. Finally particular elements for the entering mode on agribusiness in Russia will be looked into. Also the cultural and SWOT aspects in literature will be added in this chapter.

2.3.1 Theory on market entry

According to Brouthers, Nakos, Hadjimarcou and Brouthers (2009) there should be certain key factors for a successful export performance for small firms. There is a difference between internationalization in small firms 35-50 employees like Booijink Veevoeders and SME (small and medium sized enterprises) which can have up to 500 employees and MNE's (multinational enterprises) bigger than 500 employees. Small firms should seek safer growth strategies (Freeman, Edwards and Schroder; van Hoorn, as cited in Brouthers et al, 2009). Small firms can be described as often being privately held by the entrepreneur and/or founder of the company. These kinds of companies have relatively few persons.

2.3.1.1 Why going abroad

The choice of entry is mainly a decision made by a team of managers or one manager. The choice is made in a rational analytical process based on a rich tradition of economic theory. As an examples of this process are variables like ownership advantage (Vernon, 1971, Stopford and Wells, 1972) or location advantage (Franko, 1971). Reasons mentioned in the article of Brouthers et al (2009) for going abroad are acquiring new market knowledge or acquiring new products (Autio, Sapienza and Almeida, 2000) reducing costs by leveraging resources and/or by scale economies (Kim, Hwang and Burgers, 1993), reducing the load of pressure at the home market and exploiting unique knowledge they possess (Oviatt and McDougall, 1994) or following customers abroad (Bell, 1995). Especially emerging markets are growing faster than postindustrial economies and offer more lucrative opportunities (Keitt, as cited in Cavusgil, 1997). Collaboration in order to compete is often needed to avoid uncertainty, risk and increased globalization. A logical effect is that firms search international partnering (Cavusgil, 1997). The advantages of international partnering are according to Cavusgil (1997) as follow:

First, by partnering, a firm has to focus on what it is good at, by concentrating on operational efficiencies. Second, it can reduce the commercial or political risks, which can be associated with international business. Third, it can open markets for the firm that may otherwise be closed to foreign firms. Fourth, it can utilize national advantages of partners and/or differential advantages of partners. Fifth, by sharing some value-adding activities with a foreign firm, a firm can make use of free scarce capital which can be used as a competitive advantage. Sixth, it can speed up taking products to market. Seventh, by partnering, it can make global networks with long term relationships of intermediaries suppliers and distributors.

The disadvantage of partnership is that they can easily fail through the casual approach. There is no systematic process which can find and select the right partner (Cavusgil, 1997). Cavusgil have made a framework for international business partnering, which is mentioned as a summary in appendix 1. This process should be followed step by step. In the paper of Brouthers et al (2009) there are three disadvantages of small firm multinationality. First, smaller firms are not versions of the giant MNE's, they have different ownership patterns, scale and scope of operations and different styles of management. Second, compared to MNE's they have another size. Third, compared to the MNE's, small firms have less financial and managerial capabilities for "successful" internationalization. Internationalization does not always result in better performances. There is a consideration between internationalization and export performance. For small companies a concentration strategy on certain countries seems to be the right one and sometimes only one market is the best performance (Brouthers et al, 2009). Five major criteria are important to successful partnerships with foreign distributors. Namely Financial and company strengths, product factors, marketing skills, commitment and facilitating factors. As far as financial and company strengths are concerned candidate distributors are checked on current and past customers, competitors and the local business community. As far as product factor is concerned one checks if the similar markets are reached and if the technical know-how is there. Marketing skills looks at the vital importance of the number of distributors. Commitment is needed for market feedback, sufficient inventory and advertising commitment. For the facilitating factors personal and corporate goals and compatibility of management philosophy are looked into. (Cavusgil, 1997)

The importance of information by industry, country of destination and type of export transaction has been researched by Wood and Robertson (2000). Wood and Robertson (2000) found approximately 200 "indicators" to a foreign environment which are relevant for

analyzing export opportunities. According to them there are six environmental dimensions to enter a market. Politics, Market potential, Economics, Culture, Infrastructure and Legal. These 6 dimensions can be divided into the next sub dimensions: Politics into stability, diplomatic relations and internal policies, Market potential into general demand, adaptation costs and competition. Economics into development and performance, production strength, consumption. Culture can be divided into cultural unity and cultural differences. Infrastructure into distribution, communication and geography. Legal into Tariffs/taxes, non-tariff and other Legal. According to Wood and Robertson (2000) these 17 sub dimensions could be divided into 60 specific decision variables. Politics focuses on a government having the trust and backing of its people, and being sensitive to the private sector. Market potential looks at the need of purchase of imported products. Economics focuses on the industrial, service and consumer market evolution and development. Cultural aspects are seen as lifestyle, social and custom relationship. Infrastructure focuses on physical distribution, kinds of communication and geography and climatic conditions. The legal environment focuses on the rules around importing products.

2.3.1.2 Methods going abroad

Experiential learning models

According to Johanson and Vahlne (1977, 1990, 2006), with the IP model, which stands for Internationalization Process, they hypothesize that, according to the IP model it is better to follow this IP model in a classic way, internationalization should be done stepwise, in a slow and incremental way. This IP model is best known as “Uppsala model”. The number of markets that will be entered should be restricted (Brouters et al, 2009).

Johanson and Vahlne (1977) said that if firms want to jump to international markets they should first search for relevant knowledge and then make an engagement of particular resources. The Uppsalla model has also been criticized. The Uppsalla model was only done on Scandinavian industrial firms and according to Melin (1997) the Uppsalla model is by nature deterministic. Turnbull’s (1987) had criticism against the Uppsala model, according to him internationalization depends on industry structure, marketing strategy and determined by the operating environment. Oviatt and McDougall (1994) found three situations wherein the experiential learning models may not apply. This is internationalization with big steps with many resources, the foreign market is stable and homogeneous or the new foreign market is similar to another existing foreign market.

Systematic planning models

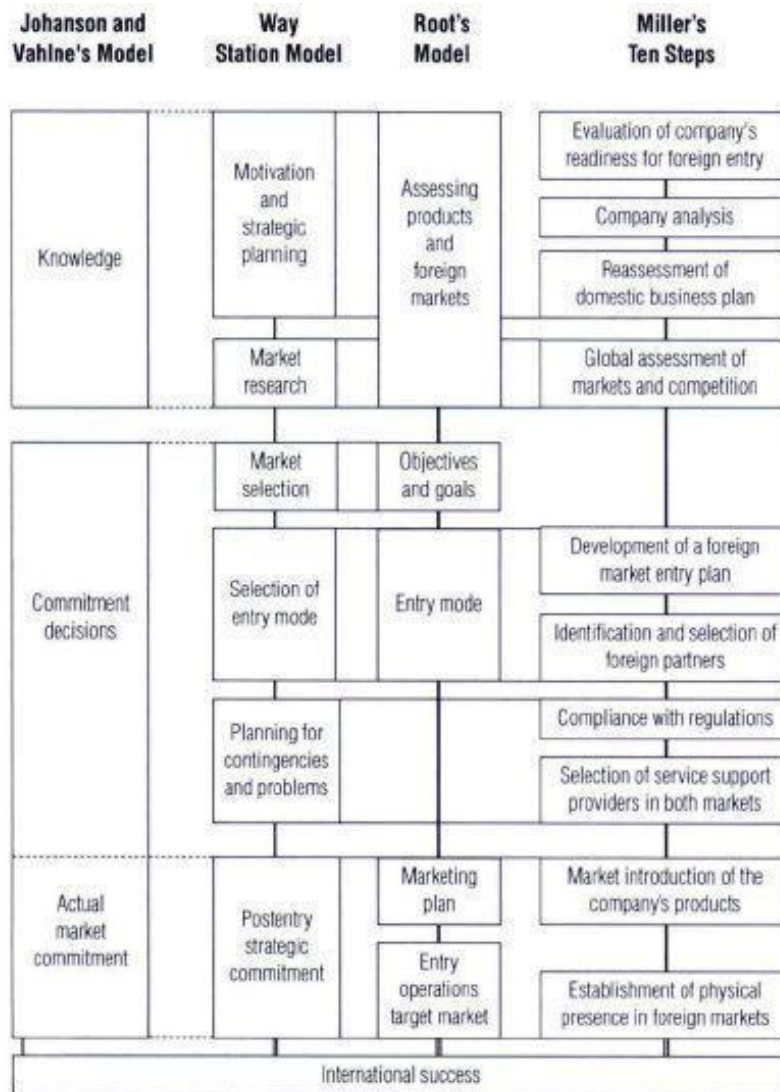
In order to have a good start, a decision model should be looked for. According to Cavusgil (1997), it should be followed by a systematic process by managers in order to operate successfully in an international partnership. A casual approach will lead to failure and therefore the process should start with a feasible entry mode. The most critical success factors are selection of partners who are compatible and complementary in the value-added chain and contribution of value to the foreign market, developing and commitment among partners and trust among both partners.

According to Kumar, Stam & Joachimsthaler (1994) the market selection decides on the best market to enter by the orientation and strategic needs of a firm. The entry mode is an institutional arrangement and a critical strategic decision for the operational future. The mode of entry is classified on three pillars namely degree of control, risk and return characteristics (Anderson & Gatignon, 1986). Modes of entry are classified in contractual agreements, a binding contract between the firm and an agent for production and/or distributing goods exchange for a determined payment, joint ventures, two firms having a joint ownership with pooled knowledge or assets, acquisitions, buying stocks. In a certain amount, in an existing firm to have control in that firm, exporting, a transfer of goods in a foreign country without an agent in exchange for a determined payment and greenfield Investments. Greenfield investments are a startup investment, in new facilities in the foreign market. (Kumar and Subramaniam, 1997)

International Joint Ventures is a common business where in management activities, risks, goals, profits and responsibilities are shared with partners. A possible option is that people want to live abroad and understand social cultural activities and foreign business. The success is greater when a blue print is made. Most common types of international partnerships are distributors and agents, partnering with foreign licenses, partnering with international franchisees and foreign venture partnering. "Distributors and agents" are mostly used by small and medium companies. This kind of companies have an interest in selling products abroad, but haven't the resources to do another kind of expansion. The choice between an agent and sales person is that an agent has no risks and works on commission base and a sales person is free to buy and invest for himself, but also takes the risk himself. As for foreign licensees, there is a licensor who licenses particular knowledge so they can produce the products themselves in that particular country. Partnering with foreign franchisees is another way of doing business. It is an alternative for basic exporting or direct investment. This strategy should begin with a blueprint. Management has to look at genuine sensitivity and

cultural differences. Partnering with international franchisees gives exclusive rights to a local independent entrepreneur (Cavusgil, 1997). According to Hoffman and Preble (1991, 1993) and Steinberg (1993) franchising can be done on three ways, (1) Conversion franchising wherein a franchisor develops a partnership with another running business abroad in a membership, (2) Package or business format franchising “an alliance wherein foreign franchisees are provided in a trademark, ongoing knowledge and method of operation and (3) Product trade name franchising “the franchisee distributes under the franchisor’s name”. Foreign venture partnering is done by companies which wish to make equity investment in collaboration with local business in a foreign market (Cavusgil, 1997).

The systematic planning model is based on market research and scanning. Miller (1993) proposed a ten-step internationalization process that involves evaluation and selection of various foreign operation plans. Root (1987, 1994) specified an internationalization process of assessing market opportunities and Yip, Biscarri and Monti (2000) proposed the six steps in a chain of strategic planning and motivation. Starting with (1) Motivations and strategic planning, and followed up by (2) Market Research, (3) Market selection, (4) Selecting the entry mode, (5) Planning for contingencies and problems and (6) Post entry strategy and commitment of resources. Systematic planning consists of three options. First, is vital force of accurate and efficient market information analyses and collection. Second, the behavioural perspective of corporate decision-making. Third, the process of internationalization can be affected by initial competencies and motivation (Li et al., 2004). According to Yip, Biscarri and Monti (2000) some firms have an adhoc mode as argued by Aharoni (1966) and Johanson en Vahlne (1977). Other firms behave in a more systematic mode by Root (1987). The firms that achieve a better performance use the systematic mode.

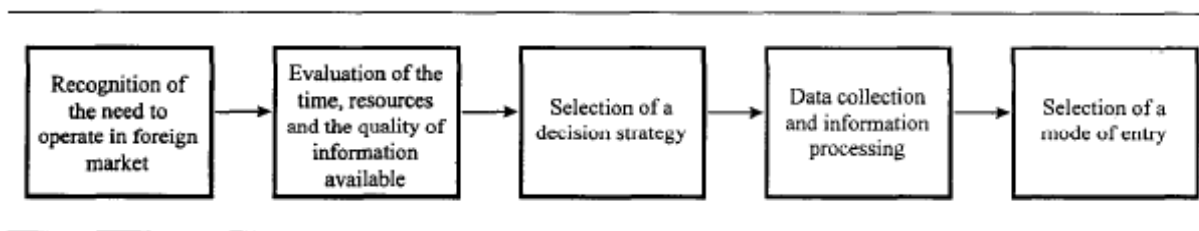


(Source: Yip, Biscarri and Monti 2000)

Contingency perspective

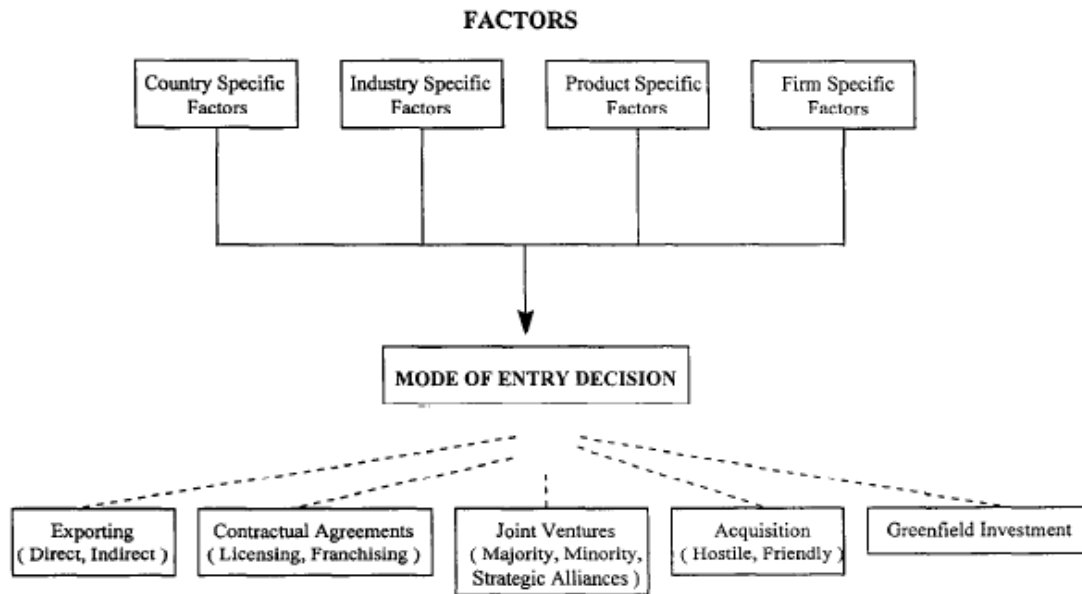
In the nineties, the market environment and volatility in the global arena, in conjunction with the liberalization of national economies and abbreviating of the product life cycle, instigated the contingency perspective (Li et al., 2004). The contextual factors are the depending factors of the contingency factors (Roberts, 1999; Jones, 1999; Welch/Luostarinen, 1993). These internal and external factors were found also by Boter and Holmquist (1996) wherein traditional small firms operate through lengthy and organized internationalization processes and high-tech firms adopted and developed rapid various functions which didn't have a predictable pattern. According to the theory of Buckley and Casson (1976), based on the transaction theory, foreign direct investment is introduced when costs of internationalization are fewer than the costs of exporting or other agreements. Dunning (1980) combined the

three factors to the OLI framework (Ownership, Location, Internationalization) in Eclectic Paradigm of International Production. Another variable was found by Fagre and Wells (1982) and Gomescasseres (1990). They found that there is a relative power between the multinational corporation (MNC) and the host government. Kumar and Subramaniam (1997) have made another strategy on decision making based on a contingency model. First of all, the theory of Beach & Mitchel (1978) is used. In this framework they start with the recognition of the need to operate in a foreign market, often, when there is a discrepancy between the current and the desired state. Then the requirements for the mode of entry problem is evaluated and formed by several questions about costs, information etc. To solve this problem in the third stage, a decision strategy is selected and filled in with data and information in stage four. Finally, from this process the actual decision has to be made, as to which mode of entry should be used when entering the foreign market.



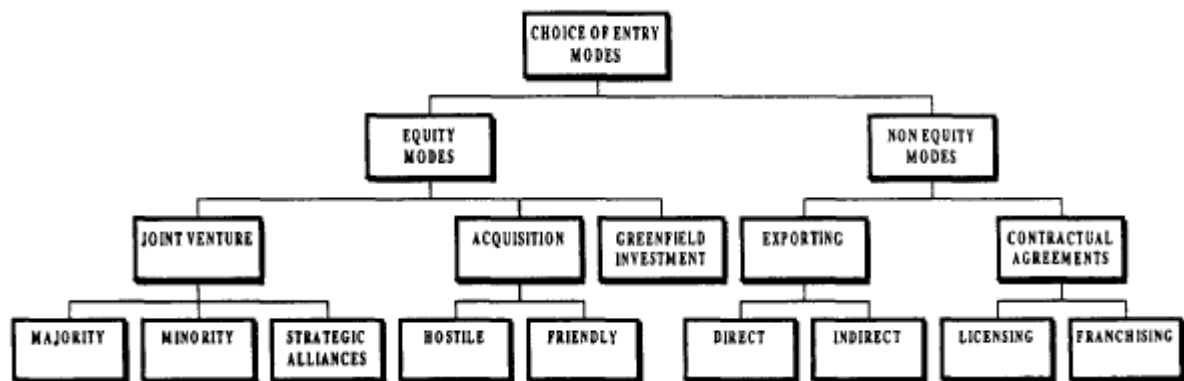
(Source: Beach & Mitchell, 1978)

According to Kumar and Subramaniam (1997) there are two strategies which are relevant for decisions problems. These are rational analytic strategy and cybernetic strategy. Rational analytic strategy applies a prescribed procedure, in a guided, systematic way to analyze the decision and evaluate its components. The cybernetic strategy draws on the satisfying model and is adopted from Simon (1955). According to him the human brain is not always a rational solution to a problem, because it is limited in its analytical capability. When the decision maker with the decision task is solid, the decision strategy can be based on a cost/benefit analysis (Kumar and Subramaniam, 1997). The traditional model of the mode of entry decision is based on the rational analytical strategy (Kogut & Singh 1988; Kim & Hwang, 1992). See model below.



(Source: Kumar & Subramaniam, 1997)

However, managers using the cybernetic strategy with a hierarchical process try to reduce the uncertainty and complexity in the mode of entry. As the model below from Kumar and Subramaniam (1997) shows the difference among equity modes and non-equity modes, non-equity modes of entry use less resource commitment, and equity modes of entry require a lot of resource commitment from the firm.



(Source: Kumar & Subramaniam, 1997)

Characteristics of the decision maker influence the decision mode such as aspects like knowledge, ability and motivation. Personal characteristics such as risk taking and averseness were not mentioned in the article because there were no reliable data. Personality variables may affect the choice of a particular mode and the selection of decision strategies. The decision problem can be found in unfamiliarity, ambiguity complexity and instability. Also

the decision environment is important like irreversibility, significance and accountability. So the literature is not only based on exogenous factors but decisions are also made by endogenous factors. So managers take decisions not only on external factors but also on prior expectations about quality of the information (Kumar and Subramaniam, 1997).

Hybrid models

According to Li et al. (2004) a hybrid model has been developed between the experiential learning and systematic planning model which incorporates the contingency perspective. SME's can allocate limited resources as knowledge and information acquisitions on foreign markets. On those foreign markets they have to respond to international market opportunities very quickly. The hybrid model of the internationalization process consists of three major faces: "Antecedents, planning and execution. Through this approach the combined parts have a stronger explanatory power. The model or framework generates a method to capture the variety of seemingly chaotic and non-rational patterns, in the highly unpredictable and path dependent international process. It gives also a more normative implication instead of only descriptive implication and the model is probably more relevant for SME's than MNE's. This difference is caused by the capacity, international experience and routines MNE's have to a systematic planning process. The SME's can use the hybrid model as a roadmap to avoid serious blunders (Li et al, 2004).

2.3.2 Theory on market environment

This part is added to have more insight in the market environment. Cultural aspects and SWOT (strengths, weaknesses opportunities and threats), about Russia will give a broader view of the market entry. After The SWOT of Russia, the SWOT of Booijink Veevoeders will be made. These factors will be coupled in the next paragraph: "the research method".

2.3.2.1 Cultural aspects in Russia

Each country has its unique cultural and institutional characteristics which can lead to competitive advantage at a certain point. What is valued or perceived as sacred by some people in a culture, in other cultures they don't see it this way. Moreover both parties can have stereotyped thinking about each other, these differences can influence business interactions. A study of Belgian companies found the importance of culture as a perceived barrier. Firms need two things, namely managers who are 'globally minded' and firms which have a corporate culture that approve internationalization (Schneider, 2000).

In Russia there is a wide variety of culture from the west to the east. Relationship on lasting trust can be crucial for business success. People should be patient in this relation. According to Katz, Russian people do only business with people whom they like and trust (Katz, 2006), the only way to have a quick introduction is using an existing business relation, so a person can be accepted as a valid business partner by personal introduction. Respect depends on rank and status and less on education and age. Choosing a local intermediary can be useful for initial contact in an existing relationship. Information is rarely shared freely, because Russian people see this privileged information as bargaining advantages. In bargaining deceptive techniques can be used such as sending fake non-verbal messages and telling lies, also price concessions up to 40% are sometimes asked. So it is good to be well prepared in the bargaining process. Deals are often confirmed in an informal way after signing a contract, people will have dinner as part of establishing a long relationship.

2.3.2.2 Swot of Russia

Two main factors rule the Russian agrifood sector 1), the agricultural and trade policy development and 2) economic growth and consumer demand. The economic growth will be made by efficiency improvement and adoption of new technologies. Threats for Russia are corruption and bureaucracy and firms have to deal with these problems. Dutch and European companies which export to Russia are also struggling with changing procedures for product registration, veterinary inspections, phytosanitary inspections and import licenses (Berkum, Dvortsin and Roza, 2010). The next SWOT analysis is made by Berkum, Dvortsin and Roza (2010):

| SWOT analysis of the Russian agrifood sector | |
|---|---|
| Strengths | Weaknesses |
| <ul style="list-style-type: none"> - Growing productivity within the agrifood sector - Abundant availability of resources - Low energy and labour costs | <ul style="list-style-type: none"> - Fragmented agrifood market and agricultural sector leading to weak competitiveness and lack of innovations - Underdeveloped and outdated related and supporting industries - Problematic logistics and infrastructure |
| Opportunities | Threats |
| <ul style="list-style-type: none"> - Higher living standards due to the economic growth leading to higher demand for quality products and services - Modernisation and consolidation of the agrifood sector and infrastructure investments - Improving efficiency - Government support programmes | <ul style="list-style-type: none"> - Low oil prices slowing down economical growth - Little diversification of the economy due to lack of economic reforms - Dependent position in relation to retail by size difference - Increasing administrative burden impeding entrepreneurship |

(Source: Berkum, Dvortsin, Roza, 2010, p. 66)

At the moment there are support programs for investment in the livestock sector (dairy, poultry and pig) and can be used for new buildings or reconstruction of animal housing and barns. There is a need for quality compound feed, improvement on management skills and modern technical knowledge. The sector, in order to be more efficient and competitive, needs economic, technical and management information (Berkum, Dvortsin and Roza, 2010). According to the result findings of Berkum, Dvortsin and Roza (2010), it was found that it is an advantage to become a local player, instead of exporting to Russia. 1) The main reasons are a large consumer market with an increasing demand of quality products, 2) threat that the Russian government imposes import barriers or closes the market. 3) Import demand could decline in the future when the production increases, 4) In Russia you need a trustworthy personal relationship. Moreover starting Greenfield investments and existing facilities are expensive and it is far from easy to get the required import licenses, product registrations, permits for investment and so on (Berkum, Dvortsin and Roza, 2010).

2.3.3 summary of important factors

This chapter is added to give a short summary of important factors which are mentioned in literature. Starting with important factors why to enter markets are institutional arrangement and market research. How cooperation takes place between managers and the international partners influences the way of entry. At institutional arrangement it is important that managers have the degree of control, risk and return characteristics. But also data gathering round market research, how to collect your info about market, legal, infra, culture, economics and politics, gives important input to a successful market entry.

At environmental Scanning Russia is: the large consumer market, government and trust named as important. In Russia especially trust is a cultural aspect, which people used in order to have good contact in a trustful way.

The methods, which are described at phrase 2.3.1 in the model, have also important factors to select the mode of entry, particularly on the current and desired state knowledge, ability, and motivation. What is the motivation to go abroad, so what are the reasons to go to another country, what is the knowledge of the firm and/or manager of the firm too going abroad and the ability of a decision manager? Also is mentioned time, resources, quality of information and availability of time; how much time can be implemented to make an operation to an outside country successful. Quality of information; how does an organization get the information what is interesting for your business to operate in the foreign country. Resources; how many resources are available to go abroad? Resources like man hours or start capital to go abroad (financial capabilities). Also managerial capabilities are important to have. Time should be invested in the quality of information, trust and the resources and will always be a depended variable to all the three factors.

2.4 SWOT Booijink Veevoeders

At this paragraph there will be made a SWOT of Booijink Veevoeders. This will show strengths, weaknesses, opportunities and threats of Booijink Veevoeders.

| SWOT Analysis of Booijink Veevoeders | |
|---|---|
| Strengths | Weaknesses |
| Personal Approach Strong individual guidance Structure internal organization Knowledge about animal feed | Small marketing capacity International background employees Limited production capacity |
| Opportunities | Threats |
| New markets Increase in scale Demand of food and feed worldwide | Competitors The amount of farmers is declining |

Strengths at Booijink Veevoeders are Personal approach, strong individual guidance, the structure of internal organization (AgriDirect and vakblad V-focus, 2011) and knowledge about animal feed.

Weaknesses at Booijink Veevoeders are that they have few employees and therefore have a small marketing capacity. This leads to less time for searching new clients, especially to foreign countries. Also the internationality of Booijink Veevoeders is a weakness. There are no people with other background than Dutch, like Chinese or Russian background, so communication, cultural aspects and language can give more problems in internationalization.

Opportunities to Booijink Veevoeders are new markets, increase in scale and the demand of food and feed worldwide. By entering new markets, sales can increase and by increasing scale cost price, to certain aspects in the organization, will decline. By the demand of more feed and therefore also more feed, more agricultural compounds are needed and Booijink Veevoeders can partly fill in this demand.

Threats to Booijink Veevoeders are competitors and the declining amount of farmers. Competitors are for example de Heus and Nutreco, which are also active in Russia. By the decline of farmers, the amount of selling points decrease.

2.5 The research method

Now the research model will be determined. The literature with important factors of the way of entering a market will be used in it. But before we start to make the model, the factors will be implemented in the main strategy. The theoretical indicators will be connected to the three items. These three items are agribusiness, Russia and the firm Booijink Veevoeders. Russia is chosen because this is the target country. Agribusiness is chosen because there could be a difference between the mash industry and other businesses which operate in agribusiness, this can be seen as an industry factor and of course the firms themselves, wherein the product specific factor is adapted in the firm specific factor.

2.5.1 Factors implemented in the model content, context and process

The entry mode is an institutional arrangement and is a critical strategic decision. The choice of entry is mainly a decision made by a team of managers or one manager. In the framework Beach & Mitchel (1978) it starts with the recognition of the need to operate in a foreign market often when there is a discrepancy between the current and the desired state. So the view of management gives the start. When the view of management is on the foreign countries this markets should be analyzed.

How to enter and how the mode should be, are two of the most important parts in literature and are part of the process. The right process reduces the uncertainty and complexity in the mode of entry decision task. In Process resources, quality of information, trust, and culture can be mentioned.

The last part is result. According to Cavusgil (1997) the most critical success factors are selection of partners who are compatible and complementary in the value-added chain and contribution of value to the foreign market, developing and commitment among partners and trust among both partners. So in Content the next factors can be mentioned: international Partners.

The strategy context is influencing all the other three parts (organizational purpose, strategy process and strategy content). In Context legal environment, infrastructure, politics, economics and market can be mentioned.

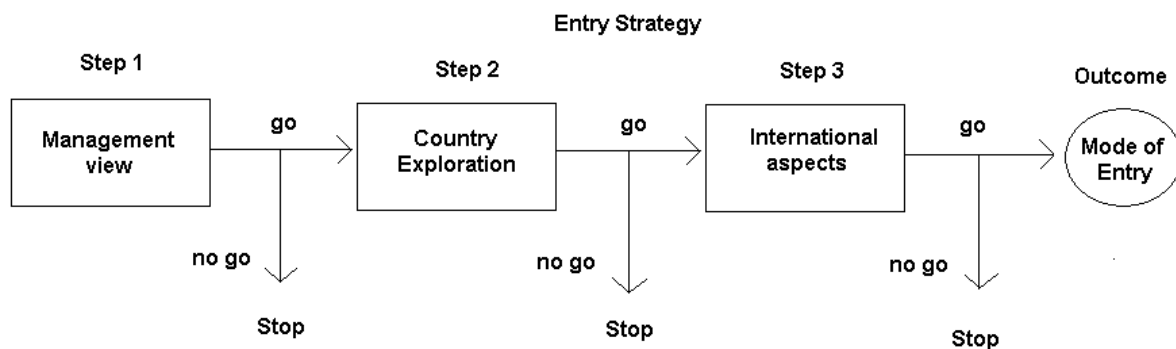
2.5.2 The model

Looking at the models mentioned and all the information gathered we can imagine a new Model. This model contains the factors and most important indicators to have a strategy to entry new markets. This model has a hybrid approach and is based on 3 steps.

Step 1: is based on a particular aspect of the theory of (Beach and Mitchel, 1978). So, especially the part of Recognition of the need to operate in a foreign country. Does the management/owner of the small firm want to go abroad or not? This is more a strategic decision of the firm.

Step 2: is based on the theory of Wood and Robertson (2000), how to explore a country. To use this part of the model the question in the appendix can be used. The original list can be translated in a specific country list, to come to the best country.

Step 3: is based on the theory of Dunning (1980), namely the OLI framework. But then mixed on the important factors imported from the theory and based on small firms. Because of the sub question which method can be applied for Booijink Veevoeders, to successfully enter Russia, this part will be further developed.



2.5.3 How does the model work

The model, which can be mentioned as entry strategy, contains three steps and a final outcome. Each time there is a negative overall feeling on a point, the search can be stopped, when there is a “go” the firm can go to the next level. When there is a certain match on all the three steps, it will lead to the mode of entry. Step 1 is the Management view, Step 2 the Country exploration and Step 3 are the International aspects.

Step 1: Management view. The management has to say if they want to go abroad and export services or products to a country. They look into the current and desired state. If they want to go abroad there is a go, if not, there is a no go and there is a stop. Important Indicators are the knowledge, the ability and the motivation to go abroad.

Step 2: Country exploration, how are the conditions of market environment, legal environment, infrastructure, culture, economics and politics? This information can be found by desk research. When management has seen the information, which has been gathered on these topics, they will then have to decide whether they can go further based on the aspects. If there is enough trust in the aspects and they will decide to go further, there is a go, if not, there is a no go and can be stopped with this country.

Step 3: International aspects: how can be looked into trust, resources and information? When there is trust in the market and in a partner there is a go, if not, there is a no go and it stops. Of course one could seek more partners and when there is a match in the process it can continue.

Outcome: When all the three steps are positive and passed the “go” the result will be the mode of entry. For Booijink Veevoeders it means direct or indirect export. Where in direct export can be divided by a salesperson of Booijink Veevoeders themselves or an intermediary who works for himself. Indirect export means that Booijink Veevoeders export with a partner.

2.5.4 Focus on the model

Step 3 of the model will be focused on. Booijink has a particular interest how the relationship should be developed or whether they enter a market with their own people, by themselves. A relationship is made over time and is based on mutually oriented interaction between two reciprocally committed parties. (Håkansson and Snehota, 1995). A relationship can be fruitful for two reasons: one is that actors see their interactions as relationships; another is that the interaction between companies over time creates the type of quasi-organization that can be seen as a certain relationship (Blois, 1972). The combination of a process over time and the interdependencies make the relationships produce something unique. It tries to combine the activities and resources of the two companies. Relationships produce something that can be done in isolation alone and it can hardly be duplicated (Håkansson, 1982).

When we look at the mode of entry there are more or less five methods: Exporting, Contractual agreements, Joint ventures, Acquisition, Greenfield Investment. Because Booijink Veevoeders is a small firm they don't have the skills, money (especially in this current crisis) and willingness to go for contractual agreements, joint ventures, acquisition and greenfield Investment. Therefore this entry options are not suitable and will not be used. According to Brouthers et al., (2009) small firms have a leverage limited expertise and limited managerial/financial resources. This confirms the view of Booijink Veevoeders.

The mode of entry can be based on the theory in economics of eclectic paradigm from Dunning (1980) with the factors to the OLI framework (Ownership, Location, Internationalization). See also this OLI-model below. Indirect export, direct export (intermediary) and direct export are the form of market entry. Trust, Information and Resources can be seen as the factors.

| Route of servicing market | advantages | | |
|--------------------------------|------------|-----------------|--------------------|
| | Ownership | Internalization | (Foreign) location |
| Foreign direct investment | Yes | Yes | Yes |
| Trade in goods and services | Yes | Yes | No |
| Contractual resource transfers | Yes | No | No |

(Source: Dunning, 1980)

Indirect export is done by a free trader. Direct export can be divided by a salesperson of Booijink Veevoeders themselves or an intermediary who works and takes risks for himself. This leads to the next method and can be seen as a new mode of entry.

| Route of servicing market | advantages | | |
|------------------------------|------------|-------------|-----------|
| | Trust | Information | Resources |
| Indirect export | Yes | No | No |
| Direct export (intermediary) | Yes | Yes | No |
| Direct export | Yes | Yes | Yes |

2.5.5 Keywords of the model

The keywords that are important to the model will be described in this paragraph. Step 1 the management view and step 2 country exploration will only broadly described. Particularly step 3 will be described and also operationalized, because Booijink Veevoeders asked for it and therefore the focus is on this part of the model.

All keywords, management view, country exploration and international aspects, are adopted from literature and will be used as important factors in the model., in order to come to a successful market entry.

| Factor | Indicator |
|-----------------------|---|
| Management view | Institutional arrangement |
| Country exploration | Market environment Legal environment Infrastructure Culture Economics Politics |
| International aspects | Trust Resources Information |

Management view step 1

What is mentioned below is important for institutional arrangement. To enter a market it is very helpful to have knowledge of this, the aspects of what is important are adopted from Kumar and Subramaniam, 1997.

Institutional arrangement

To go from the current to a desired state a manager needs knowledge. A manager, who should make the decision to go abroad, needs enough knowledge about available strategies. Knowledge can be adopted by training. Depending on the information someone has, the decision for that strategy will vary. The more analytical and intelligent a manager is the more formal structure of a strategy will be used. A manager will decide as quickly as possible between the parameters he has available (Kumar and Subramaniam, 1997).

Because Booijink has chosen for going abroad and has this developed already, this step will not be further researched. Without doubt, if there are mentioned interesting aspects in literature or interviews, these will be adopted in the results.

Country exploration step 2

The factors which are mentioned below are important factors for doing market research. In order to enter a market it is very helpful to have researched these subjects. Most of them have been adopted from the model of Wood and Robertson (2000). Also items from Environmental Scanning of Russia, e.g. 1) the Russian government can create import barriers or close the markets, 2) a large consumer market with an increasing demand of quality products, or 3) when production increases, import demand could decline in the future (Berkum, Dvortsin and Roza, 2010), are telling the same as Wood and Robertson, (2000).

Market potential

As for market potential, one could look how the consumer market, with an increasing demand of quality products, is doing at the moment, so how the market environment is. Subjects in the market environment are: “size, market segmentation, availability of media, stage in product life cycle, market penetration, level of average consumption, level per annum, competition, services, distribution (Lancaster, Massingham and Ashford, 2002)”. According to Wood and Robertson (2000) market has the next subsidiary export dimensions: “General demand, adaptation costs, competition”.

Legal environment

There are threats that the Russian government will impose import barriers or close the market. Also licenses may be needed or the firm will have to pay import tariffs on the products they want to sell. There is no real international law, although attempts to contributions to different legal practices have been made. The Madrid Convention, for example, protects trademarks of signatories in all member countries (Lancaster, Massingham and Ashford, 2002). According to Wood and Robertson (2000) legal has the next subsidiary export dimensions: “tariffs/taxes, non-tariff, other legal dimensions”

Infrastructure

The way of infrastructure gives firms the insight how firms should manage the way of distribution and how firms should communicate. Firms have to look into the distribution, communication and geography in a specific country and organize more or less appropriate way to do this in a cost-efficient way. According to Wood and Robertson (2000)

infrastructure has the next subsidiary export dimensions: “distribution, communications and geography”.

Culture

How do people behave, how do people negotiate, what are important habits for them? Knowledge of how people in a country act in general is also very important. How is the lifestyle of a person and primary interest of a relationship? Subjects that can be mentioned in culture are material culture, for example, the role of women, social structure and family relationships, religion, social relationships, aesthetics, language (Lancaster, Massingham and Ashford, 2002). According to Wood and Robertson (2000) culture has the following subsidiary export dimensions: “cultural unity and cultural differences”.

Economics

How is the economic development of the country? Not only the development of the economy at this moment but also the chances in the future of the economy, with focus on service, consumer and industrial services. Items around economic, are GNP/GDP, population figures, wage levels and distribution, price levels, inflation (Lancaster, Massingham and Ashford, 2002). According to Wood and Robertson (2000) economics have the next subsidiary export dimensions: “development and performance, production strength, consumption”.

Politics

How are the political conditions in a certain country, is the climate in this country stable enough to invest? Has the government enough support from its own people? Does the government support the innovative and entrepreneurial climate in the private sector? Encouragement for joint venture/wholly owned manufacture through, for example, tax exemptions, protection against competitive imports by tariffs and quotas. Risks of arrogation or domestication of foreign owned manufacturing plants (Lancaster, Massingham and Ashford 2002). According to Wood and Robertson (2000) politics have the next subsidiary export dimensions: “stability, diplomatic relations, internal policies”.

Because Booijink has already chosen to go abroad too Russia, this step will not be further researched. Apparently, if there are mentioned interesting aspects in literature or interviews, these will be adopted in the results.

International aspects step 3

Besides the Management view and Country exploration, which are indeed important factors, the last factor is most important to Booijink Veevoeders. The factor international aspect goes about entrance of a market. The international aspect factor has the next indicators: “Trust (Berkum, Dvortsin and Roza, 2010), Resources and Quality of information (Beach and Mitchell, 1978). These indicators will be broadly described with important aspects to these indicators.

Trust

Trust according to Mayer, Davis, Schoorman (1995) trust is “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trust or, irrespective of the ability to monitor or control that other party” pp 712.

According to Doney and Canon (1997) firms which supply, have to make significant investments to develop trust into a customer. According to the process of building customer trust this is time-consuming, complex and expensive. A strong buyer-seller connection and intensive loyalty could be critically important to firms which supply. In the article of Mayer, Davis, Schoorman (1995) many items on trust are mentioned (see also appendix 3). The antecedents that will be used are based on how often they are listed in the Table 1, the items who were mentioned more than once are used. These items are the following aspects benevolence, competence, ability, integrity, openness. Ability can be seen as competence and therefore added as competence.

Resources

A Resource can be classified under a few headings, namely land and equipment, labour (including workers’ capabilities and knowledge) and capital (organizational, tangible and intangible) (Penrose, 1959). Resources used in a certain industry can have different values in another industry. Also in a particular time and age it can have other values (Collis and Montgomery, 1995). Firm resources can consist of organizational processes, assets, capabilities, knowledge, firm attributes, etc. controlled by a firm. Firms need resources for implementing strategies so it can improve its effectiveness and efficiency. According to Kraaijenbrink, Spender and Groen (2010) the definition “resource” is unworkable. Because the definition is unworkable one has looked for a solution for this definition. So the definition

of resource will be worked out as in (de Wit and Meyer, 2004). This is done because it overlaps the term resource in a general way. There are three categories of resources: “physical capital resources, organizational capital resources and human capital resources” (de Wit and Meyer, 2004). Examples of physical capital resources, organizational capital resources and human capital resources could be for organizational capital resources, access to distribution channels, for physical capital resources, for example, firm location and for human capital resources, the unique and valuable culture. Resources are valuable when there is a certain mix of scarcity, appropriability and demand. According to de Wit and Meyer (2004) resources may include those that are property based, knowledge-based and relationship-based. Property based resources consist of patents, control of unique supplies or channels, talent under long-term contract; knowledge-based resources consist of unique information about customers, segments, and technologies; and relationship-based resources consist of partnerships, customer ties and alliances reputation.

Information

The way how someone provides information can be different, in quality and in the way how information is provided, to the person who has to consume the information. Actually the consumer determines what kind of and how the information will be used. So quality of information should be seen as dependent on the consumer who uses particular information (Strong, Lee, and Wang, 1997). According to Katerattanakul and Siau (1999), as used in their framework there are four quality categories, namely: intrinsic information quality, contextual information quality, representational information quality, accessibility information quality. Intrinsic information quality means that information has quality in its own right (Huang, Lee, and Wang, 1999). Sometimes, information consumers complain that the information which is available, does not meet their task. (Strong, Lee, and Wang, 1997). The quality of contextual information emphasizes the requirement that information has to reflect within the context of the task at hand. By adding value to the tasks or targets for which the information is provided, information should be complete and relevant. (Wang and Strong 1996; Huang, Lee, and Wang 1999). Representational information includes aspects related to the understanding and interpretability of a meaning and the consistent and concise representation (Wang and Strong, 1996). Accessibility information underlines that the information system has to be accessible but also secure (Huang, Lee, and Wang, 1999). When accessibility information gives rise to problems it consists often of technical accessibility of the information system. Information

consumers have no access to the information they need, because the information is confidential or private.

What we have already mentioned is that Booijink Veevoeders has a particular interest in the entry mode. Therefore this step will be further researched and the focus will be on this part. The next summary for step 3 can be made.

| Factor | Indicator | Aspect |
|----------------------|-------------|--|
| International aspect | trust | Openness Integrity Competence Benevolence |
| | resources | Physical capital resources Organizational resources Human capital resources |
| | information | Intrinsic information Accessibility information Contextual information Representational information |

2.5.6. Operationalization International aspects step 3

For doing research the indicators, trust, resources and information, have to be operationalized. First the indicator trust with the aspects openness, integrity, competences and benevolence will be dealt with. These four notions of trust are chosen from literature and an overview can be found in appendix 3. The sub notions what are selected which will be described gives the best indication of the four notions in this research. Secondly, Resources with physical resources, organizational resources and human capital resources will be treated. Thirdly, information with intrinsic information, accessibility, contextual information and representational information will be looked after.

Openness

The aspect openness means in the indicator trust that the firms have experimentation with new behavior, especially if there is an open approach to each other. Openness is named in the next articles, Farris, Senner & Butterfield (1973) with antecedents ownership of feelings, experimentation with new behavior, group norms, Gabarro (1978) with previous outcomes, Hart, Capps, Cangemi & Caillout (1986) with congruity, shared values, autonomy/feedback, Mishra (n.d.) with caring reliability, Butler (1991) with availability, competence, consistency,

discreetness, fairness, integrity, loyalty, promise, fulfillment, receptivity. Decided is to look to the antecedent experimentation with new behavior, because there is a search of a new partner. This experimentation with new behavior to each other is very important to get trust and should be done in an open approach.

Integrity

The aspect integrity means in the indicator trust that the firms have goodwill, the intention to do to the best to each other. With integrity is mentioned the following, Butler (1991) with antecedents availability, competence, consistency, discreetness, fairness, loyalty, promise, fulfillment, receptivity, Ring & Van de Ven (1992) with goodwill, Lieberman (1981) with competence. Decided is to look too goodwill because when there is a new partner goodwill should be created to each other. This goodwill should be made by the good charge and will to each other, to make the best of the partnership and this will give trust to each other.

Competences

The aspect competences coupled to ability and means in the indicator trust that the firms have judgment or competence. Competences is named in the next articles, Kee & Knox (1970) with antecedent motive, Lieberman (1981) with integrity, Mishra with antecedents openness, caring, reliability, Rosen & Jerdee (1977) with judgment or competence and group goals. Ability is named in the next articles, Deutsch (1960) with the antecedents intention to produce, Good (1980) with trustees 'claims about ho (they) will behave, Jones, James & Bruni (1975), with behavior is relevant to the individual needs and desires, Sitkin & Roth (1993) value congruence. Decided is to look to judgment or competence, because there is a new partner and the partner should operate more or less on the same level. When a partner have the right knowledge and can tackle problems it will be easier to trust each other.

Benevolence

The aspect benevolence means in the indicator trust that the firms have honesty. Benevolence is named in the next articles Larzelere & Huston (1980) with antecedent honesty, Solomon (1960) and Strickland (1958) with both of them no antecedents. When partners are honest to each other, trust will increase.

Measurement trust

These descriptions of openness, integrity, competences and benevolence give the best restitution for this research and therefore a question to all these aspects, based upon this descriptions will be made. With help of the likert scale will be measured how the openness, integrity, competences and benevolence is under firms. With an open question about openness, integrity, competences and benevolence information will be collected around this subject to get in depth information about knowledge, objects and notions of persons about Russia to trust.

Physical resources

Equipment can be seen as a part of physical resources (Penrose, 1959). Decided is to look too machinery and money. When a small firms has not the money or materials to invest, an intermediary could give a solution to this and invest with own or maybe with money or materials from a foreign firm. So decided is to look at money and materials.

Organizational resources

The aspect organizational resources that the firms need the right tangible and intangible organizational aspects (Penrose, 1959). When a small firm has not the right network or connection to get the right documents to a foreign country, an intermediary could give a solution, to have the right tangible and intangible aspects. So decided is to look at network and documents.

Human capital resources

The aspect human capital resources means that the firms need people. Like in Penrose (1959) including workers capabilities and knowledge. Especially when a small firm have not skilled workers or employees who want to go abroad, an intermediary could give a solution to this problem. Decided is to look if it persons of the firms should be in the foreign country.

Measurement resources

These descriptions of physical resources, organizational resources and human capital resources give the best restitution for this research and therefore a question to all these aspects, based upon this descriptions will be made. With help of the likert scale will be measured how the physical resources, organizational resources and human capital resources is under firms. With an open question about physical resources, organizational resources and

human capital resources information will be collected around this subject to get in depth information about knowledge, objects and notions of persons about Russia to resources.

Intrinsic information

In the model what is been made is intrinsic information quality adopted from Huang, Lee, and Wang (1999) and means that information has quality in its own right. Decided is to find out whether it is the correct information firms get.

Accessibility information

Accessibility information underlines that the information system has to be accessible but also secure (Huang, Lee, and Wang, 1999). Decided is to look in which way firms get entrance to information.

Contextual information

The quality of contextual information emphasizes the requirement that information has to reflect within the context of the task at hand. By adding value to the tasks or targets for which the information is provided, information should be complete and relevant. (Wang and Strong 1996; Huang, Lee, and Wang 1999).

Representational information

Representational information includes aspects related to the understanding and interpretability of a meaning and the consistent and concise representation (Wang and Strong, 1996). Decided is to look too the importance of represented information on paper.

Measurement information

These descriptions of intrinsic information, accessibility information, contextual information and representational information give the best restitution for this research and therefore a question to all these aspects, based upon this descriptions will be made. With help of the likert scale will be measured how the intrinsic information, accessibility information, contextual information and representational information is under firms. With an open question about intrinsic information, accessibility information, contextual information and representational information, information will be collected around this subject to get in depth information about knowledge, objects and notions of persons about Russia to information.

Summarized keywords

| Factor | Indicator | Aspect |
|-----------------------|---------------------------|--|
| Step 1 | | |
| Management view | Institutional arrangement | Knowledge about strategies Intelligence/Analytical manager |
| Step 2 | | |
| Country exploration | Market potential | General demand Adaptation costs Legal Dimensions |
| | Legal environment | Tariffs/taxes Non-tarif Other legal Dimensions |
| | Infrastructure | Distribution Communications Geography |
| | Culture | Cultural unity Cultural differences |
| | Economics | Development performance Production strength Consumption |
| | Politics | Stability Diplomatic relations Internal polices |
| | | |
| Step 3 | | |
| International aspects | Trust | Openness Integrity Competence Benevolence |
| | Resources | Physical capital resources Organizational resources Human capital resources |
| | Information | Intrinsic information Accessibility information Contextual information Representational information |

3 Methodology

In the previous chapter the existing literature has provided how firms can enter markets. In this chapter the method of research will be developed. Because Step 1 and 2 can be taken from literature and additional information from the SWOT analyses of Booijink Veevoeders, this will be seen as desk research, information of the desk research of step 3 will also shortly described here. In the field research, the model will have a focus on step 3 by a qualitative and quantitative research at firms. The qualitative research at an organization, which improves export to Russia, will check the overall model and more the surrounding of step 3 even more so with an interpretative approach. The quantitative research at firms will be used for differences in step 3. Probably, after testing, new information can be added to the model and will lead to interesting results, which then can be used for Booijink Veevoeders.

The ethical aspect in the empirical research will be granted. Firms and organisations are free to answer the questionnaires. Anonymity will be guaranteed. To show data, the real names of the firms and organisations are named, not the persons to guarantee reliability and validity. Everything will be placed as objectively as possible. These questionnaires will mostly consist of closed questions and some open ones. This research is repeatable, so valid because the questionnaire could be used at other firms, also the model could be used again. It should be mentioned that answers and outcomes could be different in another research and therefore not reliable to other firms.

3.1 Firms

A qualitative and quantitative research will be done at companies which export to Russia at the moment. This is done to make a quick scan of the model, to be more precise and avoid cultural indicators of other countries. These companies are selected based upon the judgment of being active in agriculture. Because agricultural firms have contact with farmers. Farmers are operating differently from service firms or retail, at least agricultural firms to farmers is business to business, this cannot be guaranteed from service firms or retail. The firms are also members of the LEC Foundation. LEC stands for Livestock Expertise Center which transfer knowledge about the cattle/dairy and pig sector on the Russian market and was established in 2009. Also firms which are active in the program PLUS for Progress will be asked to fill in the questionnaire. PLUS is a consortium of Dutch companies doing business in the agricultural sector in Russia.

At least 25 Dutch firms (appendix 6), are active in Russia; this will be the research population. This judgement sample is done under agricultural firms to get reliable information and avoid a bias to non-agricultural firms. The firms will be selected on a base that they are not competitors and still active. So the sample is without competitors and firms which went bankrupt. Another restriction on these firms was that four firms were led by on and the same person, this is seen as one firm. This is purposeful sample (Baarda and de Goede, 2001). These firms will be phoned to find out who is identifiable with the export process in Russia and are asked if they want to participate in the study. After a week they will get an e-mail as a reminder. These persons are capable to answer the questionnaire. The questionnaire will be written and will consist of open- and closed questions. These firms are not only small firms, because it is more important that they are exporting to Russia and that they are active in agribusiness in a successful way than being a small firm. The research population consists of six small companies, eight medium sized firms and two large firms (above 500 employees); Booijink Veevoeders is a small company (35-50 employees). In the results it is nevertheless described that there could be a difference between the market entry of a small/medium sized and large firms. When there are big differences between small/medium sized and big firms the results will not be related to each other. When there are small differences in the results, the results will be related to each other. By using a question list with the scale 1 to 5 the validity between the answers of all the lists is more guaranteed than a scale of 1 to 7. The interviews which will be used are added in appendix 5 and are a sample of 16 firms. The outcomes will be interpreted with spss.

3.2 Organizations who improve export to Russia.

A combination of qualitative research and a special added seminar will lead to more quality results, because the seminar gives support to the interviews. The sample used here is the snowball sample. A network of offices which can be active in Russia has been searched for, from this situation it will be determined who is more active and has lots of experience in Russia, then they will be asked if they know more people who are active in Russia as well and they will be asked. This research will improve quality but will give a small population, especially when people are not interested in cooperating. A qualitative research will be done at the NCH (Nederland's Center voor Handelsbevorderingen) "Dutch Centre for trade improvement, KvK (Kamer van Koophandel) "Chamber of Commerce", PVE-VIP (Productschap Vee en Vlees -Veterinair Informatie Punt) "marketing board of animals and meat - veterinary surgeon enquiry point, NRCe (Netherlands and Russian Centre) "centre for

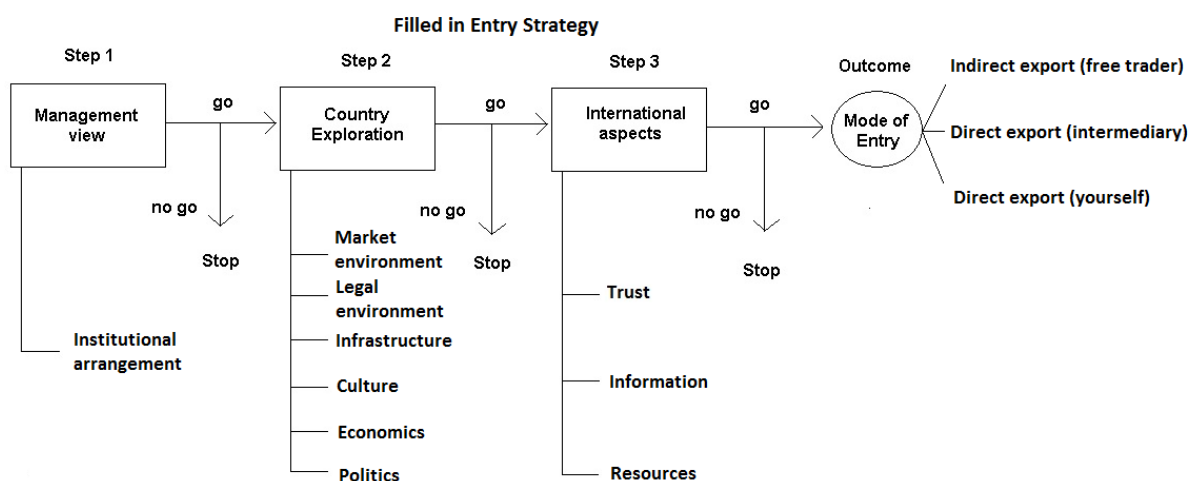
trade improvement” and Rus project a advice organization. NCH, KvK, PVE-VIP, NRCe, Rusproject will be interviewed because they stimulate the trade between Dutch firms and other firms abroad. This will be an individual open interview with a face-to-face approach. Because the qualitative interviews are small in amount there will be information from a seminar from transport, logistic and customs offices of Russia, Belarus and Kazakhstan on 4 November 2011, especially added in these results to improve insights about Russia and the amount of qualitative information. This seminar provides also input to the snowball sample. At NCH, KvK, PVE-VIP, NRCe and Rus project 1 person will be asked to get a good answer to the questions. Each interview will be taped. Then the text will be written down and patterns, if any, will be looked for and if there are important statements have been made. The focus in this interview will be on the international aspects trust, resources and quality of information. NCH, KvK, PVE-VIP, NRCe and Rus project will give particular answers to the quality of the model. Also information is included from the seminar on 4 October 2011 about Transport, Logistic and Customs of Russia, Belarus en Kazakhstan. The answers will be specified to trust, information and resources. Also summarized with their operationalization in the next table.

| | | |
|-----------|----------------------------|---|
| Trust | Openness | Experimentation with new behaviour, so use an open approach. (Farris, Senner & Butterfield, 1973) |
| | Integrity | Goodwill, have a good charge and will to each other. (Lieberman, 1981) |
| | Competence | Have a good judgement or competence leads to the right knowledge and can tackle problems (Rosen & Jerdee, 1977) |
| | Benevolence | Partners have to be honest to each other (Larzelere & Huston, 1980) |
| Resources | Physical capital resources | Money and/or materials to invest can come from intermediary or a foreign firm (Penrose, 1959) |
| | Organization al resources | Tangible and intangible (network) aspects can be made by an intermediary (Penrose, 1959) |

| | | |
|-------------|------------------------------|---|
| | Human capital resources | Not having skilled workers or employees who want to go abroad, an intermediary could replace this (Penrose, 1959) |
| Information | Intrinsic information | Information has quality in its own right, it should be correct (Huang, Lee, and Wang, 1999) |
| | Accessibility information | A firm needs the right access to information (Huang, Lee, and Wang, 1999). |
| | Contextual information | Information should be complete and relevant (Wang and Strong, 1996; Huang, Lee, and Wang, 1999) |
| | Representational information | To be consistent it is good to have the information on paper (Wang and Strong, 1996) |

3.3 Filled in Entry strategy

Now all the aspects are operationalized, the next model can be made and filled in:



4 Results

The outcomes from desk research, which provide step 1 and 2 of the model, will first be described shortly before moving to the most focused step in this study, namely step 3. Step 1 and 2 contains the results in a common part of institutional arrangement, market potential, legal environment, infrastructure, culture, economics and politics. Step 3 will also be shortly described in the desk research. After having been described this step 3 will be more elaborated in the field research.

4.1 Desk research

Results which were found in the desk research are described here and come from literature and the SWOT analysis of Booijink Veevoeders. More information can also be found at operationalization of the model in paragraph 2.5.5.

4.1.1 Management view

According to the literature the aspect founded in, the management view is Institutional arrangement. To enter a market it is very helpful to have knowledge on Institutional arrangement. As for institutional arrangement have to be looked in to the current and desired state. The way which have to be looked into strategy will be followed depends on the manager/team of managers. The more the manager knows, the better the decision will be. When looking into the SWOT analysis of Booijink Veevoeders, the strengths and weaknesses there have to be looked into. Especially in the space in production capacity and descent of the employees. Also the capacity of marketing is small. On the other hand strong points are personal approach, strong individual guidance, structure internal organization and knowledge about animal feed.

4.1.2 Country exploration

Market potential is one of the six parts in country exploration. Size, market segmentation, availability of media, stage in product life cycle, market penetration, level of average consumption, level per annum, competition, services, distribution, general demand, adaptation costs and competition should be judged. Considering the threats and opportunities in the SWOT analysis, market potential can fill in new markets, increase in scale and to the demand of food and feed worldwide. On the other hand competitors are operating in other countries and a new market can increase the amount of users so it can fill in the gap of the

farmers whose numbers are in decline. At Country exploration there can be threats that a government will impose import barriers or close the market. Sometimes licenses are needed or a firm should pay import tariffs on products they want to sell. One should also look into tariffs/taxes, non-tariff, other legal dimensions. As for Infrastructure the distribution, communications and geography are items we should be looked to. The way Infrastructure is, gives firms the insight how firms should manage the way of distribution and how firms should communicate. Firms have to operate in a cost-efficient way. The cultural unity and cultural differences are also important at country exploration. Booijink Veevoeders should consider the role of women, social structure and family relationships, religion, social relationships, aesthetics and how do people negotiate. As for Economics, it should be noticed how the economy is developing, is the population rising or declining and how is the GDP of the country developing. Also price levels and inflation are part of economic. On Politics, it is important that the country is stable enough, how diplomatic relations are between the countries and that the government enough support has and the opposition is free enough to speak out their wishes.

4.1.3 International aspects

International aspects consist of Trust, Information and Resources. To create trust firms have to invest in each other. This investment is time-consuming, complex and expensive. Firms need to be loyal to each other. Trust consists of the following aspects benevolence, competence, integrity, openness. Information is different in quality and depends on who provides the information, you also need access to information. Information can be divided into the following aspects: intrinsic information quality, contextual information quality, representational information quality, accessibility information quality. The definition Resources is unworkable, resources have different values in time, age and industry and depends on a certain mix of scarcity, appropriability and demand. Land and equipment, labour and capital are important for resources but very specific, therefore the resources are divided in physical capital resources, organizational capital resources and human capital resources. International aspects will broadly described at the field research.

4.2 Field research

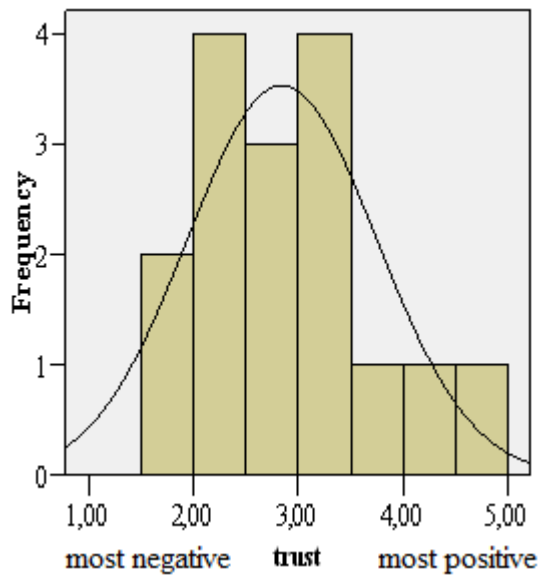
The field research shows the outcomes from the interviews of organizations which stimulate export to Russia and outcomes from the firms which filled in a questionnaire and which are active in agriculture and Russia will be represented here. These results will be divided in the

three aspects trust, information and resource. Because the group of persons who were interviewed was a small group and every person could give an answer to a particular question, the seminar information is used to give extra information at some points. The range of the questionnaire for firms on trust, information and resources is 1 to 5, wherein 1 was most negative and 5 was most positive.

From the firms, sixteen of them have answered the questionnaire, this makes 53% of the firms. Six of them are small firms, eight of them are medium sized enterprises and two of them are large firms. The persons, who answered the questions, were persons who are the firm owners, general managers of the firm or sales managers/international manager/account managers for Russia. On the question how the firms should export, none of them answered 'only joint venture' or 'take over'. Seven of the firms answered export (small firms three), three of them contractual agreement (small firms one), three of them Greenfield (small firms one) and three of them did it in another way wherein secondment by a service firm was mentioned and the other two firms answered "an unspecified" combination of the options which could be chosen. Eight of the 16 firms had no employees in Russia (small firms three, with two direct export and one with contractual agreement), five had Russian employees (small firms two, from whom one exported and one answered a combination of options), there and three had Dutch employees in Russia (small firms one) with the greenfield investment. The person who had a greenfield investment is there the whole year, this person gets 80% of the turnover from Russia.

Trust

Trust is the first aspect for international aspects. Important for these firms for cooperation are: "trust, clear communication, ability and language, belief in the project, local service, making good agreements, knowledge of the market and knowledge of the specialism, certain size and good contacts". The outcomes from the firms are presented below. The standard deviation is 0,903 with a mean of 2,84.



There is no normal distribution and the sample is too small, therefore it is not possible to give any conclusions from these results. There has also been looked to the distribution of the small firms and medium/large firms, these outcomes were even more negative skewed and will not be adopted. Although they cannot be given some conclusions about these results. There can be said that most of the persons have given an answer with a score between 2,5 and 3,5 and that none of them is totally negative about trust. So it looks like that most of the firms have enough trust to operate in Russia. To make the model a better tool, the outcomes of the organizations which stimulate export to Russia can give solutions to the indicator trust, therefore some advice to get trust will be given here.

According to organizations which improve export to Russia it is important to work together to get trust. To find a reliable partner it is good to ask about the track record, so the partner should be screened and that there should be matchmaking. No quick trade missions. There should be searched for one or two Dutch firms up to ten Russian possible partners. According to a respondent, trade missions cost much time and money, it is better to do it individually. Russian people are open minded and say outspoken what they think, this comes from a pure language technical perspective. One of the respondents said that it is important to have a person who speaks Russian in the office and Russian people are also, like Dutch people, rather direct in their way of working.

If there is a problem it can be fixed by aimed interrogation. By explaining why this is necessary, the Russian person will give an explanation of what is going on; this way of working will help to fix the problem. Two of the respondents said that Russian people are unconcerned and will wait for problems to arrive instead of preventing problems. Russian

people are more reactive and less proactive to problems. To form trust, it is very important that the Russian people see the advantages of a certain change or change in a process. If there is a manner to proceed a profit in a process or circumstances, Russian people will pick it up very easily. The way of working is based on old legislation and is very descriptive.

Overall Russian are loyal with a good intention, when they promise things, they try to fulfil them. The primitive nineties are over, but some young people are still opportunistic. To get trust you need personal contact, openness, open-mindedness, direct response, being informal after the business conversation, so that even after a very hard negotiation you can have a comfortable atmosphere. The Russians are hierarchic, this was said by all the respondents, the most important person has to come over to do the business, else they feel fobbed off. One of the respondents said not to send a person below 35 to them, this person is too young. Accordingly do not forget the middle management, they are also important for the deliberation. This hierarchy on the shop floor has rights but also duties for rulers. Russians are good and strategic in their bargaining. Also the way of working is more purposeful than process minded and they work to earn their money, not to have fun at work. Russian people deal with the Long-term planning differently. Their intention is short term, when you come over, phone a couple of days before. One respondent answered that superstition among Russian people is enormous. You need to know what you are doing. For example: “do not shake hands over a threshold or do not come with a certain amount of flowers, because they will think of a funeral, this will not lead to a successful deal.

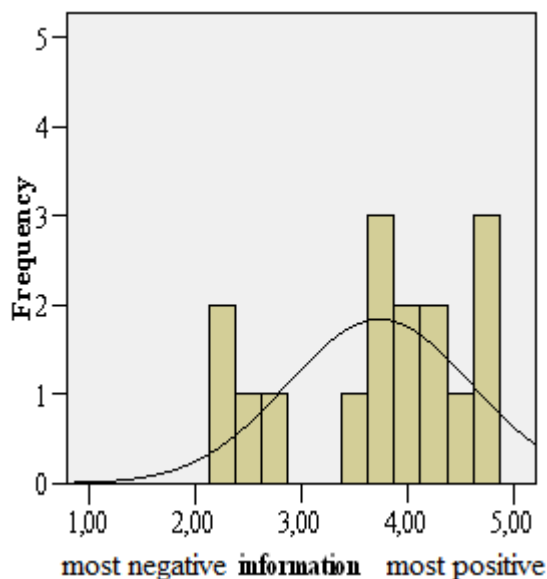
Russians are, in principle, honest people, but they do not want to lose their face, according to two respondents. This phenomenon is typically eastern, they want to do business in harmony and not get into conflicts and therefore the Russian partner will accept some things.

What can be concluded about trust between the firms and organizations who improve export to Russia is that there is trust between the Russian firms and Dutch firms. Firms have given notion that they have trust, what can be seen in the graph. Also organizations who improve export to Russia did not mention negative aspects to trust in Russia, but it will cost time and money. By personal contact, openness and open-mindedness, trust will and can be created. It could be possible that the firms who did not experience low trust that they do not have the time and money or personal contact.

Information

Information is the second aspect of international aspects. To get information, firms mentioned the next possibilities: several fairs like Agrotech Russia, Yugagro Krasnodar and VIV

Moscow, the internet and Dutch organizations like EVD, LEC, KVK, Ambassador, NAK/PD and agricultural advisory body “landbouwraad”. Other options are seminars in the Netherlands, Dutch firms one’s own network and networks of firms which are active in Russia like plusforprogress. Information in Russia from the Russian government, Agents/Dealers in Russia, own Russian employees and going to Russia and speak with Russian customers. The outcomes are presented below. The standard deviation is 0,868 with a mean of 3,73.



There is no normal distribution and the sample is too small, therefore it is not possible to give any conclusions from these results. There has also been looked to the distribution of the small firms and medium/large firms, these outcomes were even more negative skewed and will not be adopted. What can be said about this figure is that most of the firms have given a high score on information and that there is a small group who could get less easily information. So it looks like that most of the firms can get enough information to operate in Russia. To make the model a better tool, the outcomes of the organizations which stimulate export to Russia can give solutions to the indicator information, therefore some advice about information will be given here.

One respondent told that Russian information is to be handled carefully, it should be checked three times over if the information is right, not that they want to cheat, but it is better to check. Russians have a love for secrecy, they do not give lots of information. Information cannot always be generalized or clear. One of the respondents said that Russians use their own specific terms like the “kamelen pest”. This was no official disease. After a lot of research, they found out that it was bubonic plague. Also one person told that you really need

a good interpreter and not a stray Russian person who happens to be able to translate. Sometimes it is hard to see the exact reason why some business is stopped. Russians play trade policy. They get a lot of information from the Dutch firms. Dutch people prepare good logistic processes in an efficient way and restricted time, this is less important in Russia. There are two lines, one formal and one informal. On the formal line with the Russian government, firms have to be acknowledged. On the informal line, you have to look how the importer of Russia has to act, to accelerate the path. These processes abreast each other. It is very difficult to have guiding on this, to create the best effect. The person who import is crucial for this. They have to communicate to the authorities that the Dutch firm gets on the list.

Dutch firms can get entrance via NCH or Fenedex for agricultural counsel. These institutions are very important for market entrance. It should be noticed that, ambassadors are disappearing and will be replaced by economical stations, like an ambassador for more countries. It is often so that you do not get the most recent information. According to one of the respondents, the false rumour circuit gives the best direction of news and after two or three days you know exactly what happened. Two respondents told that the Russian Chamber of Commerce is a good way to make contacts. They know specialists. The Chamber of Commerce is not free but affordable. In the Netherlands, firms have to be member of it, in Russia you are free to choose to be or not to be a member. One of the respondents mentioned that the Russian government approves cooperation between branches of industry and that the best way of entering Russia is to agree with a Russian partner. Possibilities to get contact are trade missions, Moscow and St Petersburg markets, Russians who come over to the Netherlands and congresses. One of the respondents mentioned that you should publish advertisements. Show what you do in a trade journal. As far as is concerned advertising, it is apparent that candidates agree to the conditions when they react to an advertisement.

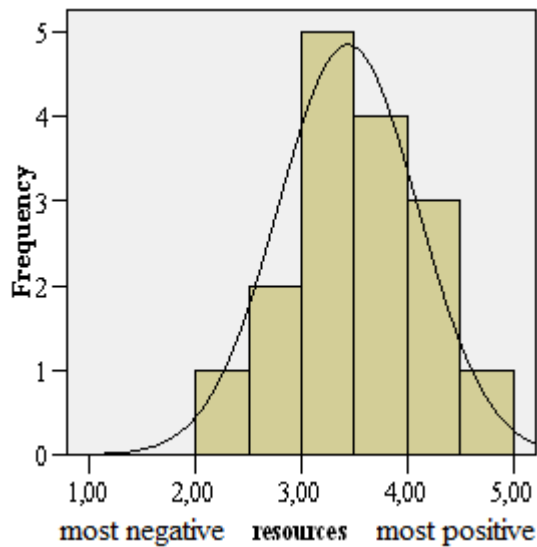
According to organizations which improve export to Russia it is important to work together to acquire information. To get specific information, firms can use trade delegations, ambassadors or the agricultural counsellor. To find Russian employees there are certain bureaus where you can get them. Also trade missions, stock markets at the Netherlands/Germany and Russia can be useful. Other firms which operate in Russia can also give information. It is very important to understand culture like Puschkin: really you need some understanding of the Russian culture. Do not be a culture barbarian.

In the Netherlands trade is the way of doing business, in Russia it is a way of making contact. Also Russians have other time perception, Dutch people expect an e-mail directly, Russians

do not. At international trade, it is good to have things on paper. All the interviewed respondents said that it is very important to write the results on paper. Russians follow the procedures to the letter closely. On the point of how to make business successful, one of the respondents had no idea. The others had tips: taking business gifts with you like luxurious ballpoints, a watch or a miniature van. You have to do business with the right person of the firms. One of the respondents answered that it was important that Russian people after signing a contract talk Russian directly. When they go from rational to emotional they are on the point of buying, this is a good sign. They want to share their feelings with their buddy. What is on paper has to be right and it is on paper, therefore it is right. Russians are very formal and look if papers are filled in correctly. When you have documents you need people who know the way of working and these institutions can be found in the Netherlands, actually all the documents can be filled out in the Netherlands. What can be concluded about information between the firms and organizations who improve export to Russia is that most firms can easily get information, especially by working together according to organizations who improve export to Russia. Some firms experience more difficulties to get the right information and that according to organizations who improve export to Russia they have to check information three double. It could be possible that these firms have more problems with the association between the formal and informal circuit and that they do not have the right acceleration.

Resources

Resources is the third aspect of international aspects. In general the next factors were mentioned in order to work together with Russian firms: “position of the firms, important area of distribution of agricultural products, growth market, entrance at federal network, to locally explore business, mutual investment, dealership, escort in the preservable season, growth and interesting market, mutual worth, customers preference to buy from a Russian dealer, culture, financial possibilities” and these items will also be important to an intermediary. The outcomes of resources are presented below. The standard deviation is 0,658 with a mean of 3,44.



There is no normal distribution and the sample is too small, therefore it is not possible to give any conclusions from these results. There has also been looked to the distribution of the small firms and medium/large firms, these outcomes were even more negative skewed and will not be adopted. What can be said is that most of the firms find enough resources to go to Russia and that none of them is totally negative to find enough resources. So it looks like most of the firms have enough resources to operate in Russia. To make the model a better tool, the outcomes of the organizations which stimulate export to Russia can give solutions to the indicator resources, therefore some advice about resources will be given here.

According to organizations which improve export to Russia it is important to work together on resources. Russians are proud of their own machine park and they will probably invest money when they see the advantages. One of respondents said that Russian persons are increasing in investing in machinery and money; another interviewee doubted this and said that Russian firms have problems with liquidity. It is often the Dutch firms which come with knowhow and equipment. The Russians come with ground, employees, buildings and licensees. If someone starts a Russian firm, it is important to have a legal form. As to have the charisma of a serious firm.

In a network you need to know the key figures, that will make it easier to come into a network. Also the language barrier gives problems to enter a network. If a Dutch firm wants to export, this firm needs formal admission from the Russian Authority. So a good relationship is even more important, because the partner can stop the whole export. A good solution to this problem is to have more settlements. If a firm has more settlements it is handy to have two veterinary approval numbers. By this option you can still export to Russia on the

second number. Every number has to be noticed on www.fsvps.ru. This site shows everyone who is allowed to export to Russia. Some respondents said that the way of operating, for Russian people, is totally different. They operate in another system which dates from the Soviet period. Much of the rules are from this age. The way of working is very descriptive, for example they do not work with process orientated processes like HACCP (Hazard Analysis and Critical Control Points). They closely check to protect something from happening, not that they check the system. So they are excellent in controlling the description on paper. Often this is not done by Dutch firms. Russia uses documents to protect their own industry, because there were used to be four borders, these days there are two borders, of the European Union and the Customs Union. These two passive Unions are very slow in decision-making. Russia does not work like the World Trade Organization (WTO), according one of the interviewees. It should be noticed that, after this interview, Russia entered the WTO in December 2011 (FD, 2011) and that they nowadays work like the WTO. They are not allowed to import barriers anymore, so they sometimes use animal diseases as a barrier to protect their own industry. It is very important that what is noted down on paper exactly matches the content of a product, especially the veterinary surgeon aspects. Documents are very official and followed letter by letter; also the right stamps are needed, as are export registration numbers. One respondent said the Russians look at the conditions and Dutch at the contents.

Two respondents said that when you have an own production capacity you need people there. Three respondents told when you have only export it is not necessary to be there the whole year, it is enough to go there a couple of times a year, to secure you relation. Russian people have a different motivation like earning money and a respectable firm. Dutch people have more inside motivation like having nice work. Show leadership to the Russian employees, you are the boss, personnel listens to you and carries out. Another respondent said, do not use the polder model, you are the boss so it is your headache. One respondent said that it is very essential to be in Russia fulltime, to put pressure on the things that are going on. The process should go on. If in the agenda five items are noted on one day and you want to complete these items and work stops at tree items, go on with the other two items next day and put pressure on this; if not, the other affairs will not be done. To get employees in Russia, a firm has to know that Russian workers do not have an education in English and are experts in agriculture as well. So do you want a marketing person with fluency in English or an expert in agriculture? When the firm needs an employee in Russia you can get an account in the Netherlands so that the firm can get value added tax back. Russian employees have another

mentality, they do not directly take initiative, while we expect them to take initiative right away. According to one respondent, the young generation takes more direct initiative these days. What can be concluded about resources between the firms and organizations who improve export to Russia is that it is for some firms not necessary to have people in Russia and for some firms it is a must. Probably the firms with enough resources, according to the organizations who improve export to Russia, have people there or a better entrance to Russia and can easily adopt the Russian way of working and thinking. On the other hand the firms with less resources have probably more problems to the Russian way of working and thinking, but even then firms can export to Russia, namely by an intermediary.

Overall

Russia is a big country, with a very different climate and culture. It has 9 time zones and is for logistic reasons very complex and cannot be compared with the Dutch or European area. Moscow and St Petersburg are different Regions and western orientated. At the Eastern part they are more Asiatic orientated. Some markets, especially around Moscow and St Petersburg are fulfilled. Before doing business, build up a relation, this is often under-appreciated. The respondents who were interviewed, in order to have a good introduction, it is a good thing to speak the Russian language and to know the history of Russia and the Netherlands. Working up the market costs a lot of time. To sell technology, it is a good idea to have local production in the form of a joint venture with a Russian person. Remember, this creams off a little bit of the profit. An agent has fewer ways to distribute the channels; distributors have more channels but want to favor the customer better, not necessarily the Dutch firm. It is smart to have a business card on which is mentioned that the person, who goes to Russia, is an important person of the Dutch organization. The level of communication occurs on peer level e.g. Russian ministers talk to ministers and directors to directors. To get a partner, it is better not to go to the ambassador and consulate, they do not have a fine-mesh network. Make sure that a Russian person is employed by your office, showing that you have really serious intentions to export into Russia. Do not ask for results in the first half year to this person. Set reasonable demands, this person have to do small market researches and make the visits to the customers together it provides you a translator.

Other important information was to divide the country in pieces or regions by using a dealer or free seller, if one dealer falls away, the others can be kept, so export to this country will still be able to go on. Also from the internal organizational side of a small firm it is good to have contact by more than one person. The small firms have to keep in mind that if an

employee falls away, export could easily decline in that particular country in which this person was active.

5 Discussion and Implication

In this chapter the discussion and implication will be described. In the discussion part an assessment is made on how Booijink Veevoeders should adopt the results with their SWOT analysis. Also a checklist will be made in Implication. By using this checklist it will be easier for Booijink Veevoeders to use the steps of the model.

5.1 Discussion

The research question was: What international strategy should be applied by Booijink Veevoeders to enter Russia, so Booijink Veevoeders can transfer products to the Russian market? This research gives a combination of which steps should be taken to go to a country and in which way a small firm can enter a country. The experience of Booijink Veevoeders is that they will often find themselves in a situation that they will have to act without a plan. For example the way how they entered Russia, by accidental approach from mister X. Looking at other small firms, Booijink is not the only one. According to the desk research the expectation is that it would be better to start with a well-founded plan to enter other markets. After doing field research the same conclusion followed. During research it has not become clear which strict line to follow in step 3 of the model. For Booijink the advice is to make use of a partner in the form of a distributor. Anyway the weakness of the research is that firms themselves, if trust, information and resources are all available, have to decide which entry they choose according to step 3 of the model, if findings are acceptable. Therefore the model of step 3 is general and valid but not the outcome. So not all small firms should use a partner in the form of a distributor.

Another weaknesses is that no strict difference is made in the way of partnering by a distributor or agent. Possible other ways for entering a country for a small firm is to focus on marketing capacity. By making use of the marketing capacity it can be looked into whether there are options to work together with other firms which are already active in a country or on which segment of possible users should be focused.

A weakness of the field research is that the interview was done with five respondents, so there is information added to give clear results. These results are sometimes more generalizable and adopted from the seminar. Also the amount of surveys is small, due to the fact that were sought which firms are active in exporting, with agricultural products or services, to Russia. When there was a large sample it could have been possible that the outcomes of the firms could have been used, know there was no normal distribution and a

large sample. These were thirty firms from which 16 answered all the questions. This makes that 53% answered it and this can be an acceptable amount. Also the respondents who filled in the survey were important persons in the firm like owners, account or international manager, but even by the quality of these persons, fluctuation in scores can easily give other conclusions to the results. By searching specialists and persons who are really active on Russia and adding information of the seminar it has been tried to give trustful results. Only five organizations have taken part in the interview and this harms the validity. No more firms were found. Considering all these restrictions, still this information gives a clear description of the model and could therefore be used.

Further research is necessary to find out if the outcomes from Booijink of the model of step 3 could be generalized for other firms. Another direction for further research could be which marketing strategy should be followed for a country entry, like one which is customer focused or which could be focused on country aspects? Also a direction for further research could be to enter a country with a partner who already operates in that particular country, actually working together, so the firm can use the marketing capacity of another firm.

Research makes clear that it is necessary to make a well-founded plan and not acting impulsively, like starting to export and operating by trial and error like many other small firms. Mistakes, time and money could be saved with a well-founded plan. A suggestion for a well-founded plan based on the model will be made in the next paragraph, Implication.

5.2 Implication

This implication list is for Booijink Veevoeders and possibly for other firms and is adopted from desk- and field research. By using a checklist Booijink Veevoeders can check if the circumstances are acceptable and finally wants to enter this particular country. To use this list, firms should ask at each question if this is acceptable for them.

5.2.1 Step 1 Management view

Institutional arrangement

Is the manager/team of persons capable of exporting?

Are employees ready to go abroad?

Is there enough “production” capacity to go abroad?

Is Booijink Veevoeders ready to go abroad/ to go to the next country?

Which country should we go?..... Check step 2

5.2.2 Step 2 Country exploration

Market potential

How is the general demand? Think of farmers who buy the products, the future growth rate in the foreign country, annual sales.

How are the adaptation costs? Think of credit and finance, promotion costs, change of product specifications, technical support.

How is the competition? Think of competitor's price level, the advantages and weaknesses of competitors, competitor's market share and/or growth rate, type and number of competitive products.

Politic

Is the political climate stable? Think of political strength of leadership, freedom of political opposition and degree of freedom of the people.

How are the diplomatic relations? Think of the relations between both countries, domestic instability and restrictions in free trade.

How are the internal policies? Think of actual size of private sector to government sector, the incentives to encourage private business and the ability of the foreign government to enforce its diplomatic policies with respect to trade.

Economics

How are the developments? Think of Gross National Product, availability of Euro reserves, education and employment, Inflation last five years.

How is the production strength? Think of efficient methods in the creation of products and services, wealth of natural resources, the diversity of the kind of products produced in the foreign country versus those imported.

How is consumption? Think of the capita food consumption, capita energy consumption, industrial goods.

Culture

How is cultural unity? Think of different cultural groupings, such as ethnic, religious, racial, harmony or friction between these groups, differences in lifestyle.

How are cultural differences? Think of percentage of business community who speaks English, preferences and prohibitions with respect to numbers, colours, shapes, sizes and symbols on products and promotions.

Infrastructure

How is the distribution? Think of efficiency of transportation to and within the foreign country (roads, highways, railroads, trucking, airlines, and shipping lines) physically and warehousing in the foreign country.

How is communication? Think of costs and efficiency of communications to and within the foreign country (e-mail, telephone), also on trade fairs and industrial exhibitions.

How is geography? Think of total land area, climate characteristics, natural disasters.

Legal

How are the tariffs/taxes? Think of exact tariffs, import duties, tariff concessions allowed by the foreign country

How is it on non-tariff? Think of product standards, product packaging and labeling requirements, local safety and environmental regulations, required documentation, import procedures, quotas imposed by the foreign government.

How are the other legal activities arranged? Think of visa requirements, foreign government's laws affecting relationships with agent's distributors, laws regulating and restraining advertising and promotion in the foreign country, patent, copyright and trademark protection.

Which mode should we use?..... Check step 3

5.2.3 Step 3 International aspects

Trust

How is openness? Think of open communication, possible problems with a language. Do they say what they think.

How is the integrity? Think of being honest to each other, intention of persons. Take time to get to know each other and think of superstition.

How is the competence? Think of the right skills as firm information, practical knowledge and theoretical knowledge of the possible partner.

How is the benevolence? Think of the feeling you have whether that the possible firm is operating to their best ability?

Check next aspect, if there are options for an intermediary, if not choose a partner.

Information

How is the intrinsic information? Think of quality of information.

How is the accessibility to information? Think of important information available and secure for the firm, do I know the channels? Think of contacts with organizations like EVD, LEC, KvK (chamber of commerce), Ambassador, fairs in the particular country.

How is the contextual information arranged? Think of the competent information you need of the foreign country?

How is the representational information arranged? Think of the need to make contracts?

Check next aspect, if there are options for doing it oneself, if not, choose for an intermediary or a partner.

Resources

How are the physical resources? Think if there is machinery available to transport or to produce? Can the contact person invest money when necessary?

How are the organizational resources? Think of the firm access to the network of the contact person?

How are the human capital resources? Think of the necessity to have someone there part time or full time, and do I have employees for this? Think of which education does the person needs.

If these resources are acceptable, the firm can decide to go itself or choose for intermediary or a partner.

6 Conclusions and Recommendations

The main question of the research was: “What international strategy should be applied by Booijink Veevoeders to enter Russia?”. These conclusions come from the desk research with literature, SWOT analyses, and the field research with quantitative and qualitative interviews. First the situation of Booijink Veevoeders will be described, with the model what gives the solution to the research question. After this solution important factors will be added which gives a fundament and direction to the model. In the paragraph on Recommendation will be given recommendations how Booijink Veevoeders could improve export to foreign countries.

6.1 Conclusions

The question for Booijink Veevoeders is: “What factors determine internationalization for Booijink Veevoeders?” The way how Booijink Veevoeders now enters Russia is that firm x has the exclusivity to the whole country, this exclusivity contact was made accidentally. Under firm x dealers are operating in certain areas selling the products. All based on trust. With good quality products and quick advice on questions this relation works. Why is it interesting to go to Russia and why work together with Russian firms? Options for firms are “position of the firms, important area of distribution of agricultural products, growth market, entrance at federal network and locally explore business, mutual investment, dealership, escort in the preservable season, growth and interesting market, mutual worth, customers preferences, culture, financial possibilities. On the question; “Which method can be applied, for Booijink Veevoeders, to enter Russia successfully?”, Booijink Veevoeders could, going about it in an appropriate way, use the new model to go foreign. This model is based on literature, agribusiness and Russia. First management should be certain to go abroad. An important factor for this aspect is the production capacity. This is a weakness at the SWOT analysis of Booijink Veevoeders, and it could give a reason for it is more difficulties to export. Secondly, search for a suitable country and check if this country fits in with the view of going abroad. An important factor for this aspect is the market and its competition. Until now Booijink had not looked at other competitors and more specifically to their pricelist. Are our prices lower or higher than our competitors is a question which Booijink Veevoeders is not able to answer. Another important aspect is the rising consumption pattern in Russia. This demand for food and feed worldwide connects to the opportunity of Booijink to export their products to Russia. On the other hand they fill in the threat of the declining numbers of farmers in the Netherlands. Thirdly, look at the operational aspects and look at the

possibilities. At the third step is important look at trust and the right quality of information and resources to do it oneself or through an intermediary or a partner. An important factor of the third step is trust and its competence. It is important to know if the possible partner has practical and theoretical knowledge and so ask for a track record. This record should give an explanation on the past work results and which skills the potential partner possesses, this increases trust between both firms. As for benevolence it is very important that Russian people see the advantages of a certain change or change in a process. Overall the advice on trust can be given by talking with people from the same level. So in Russia ministers talk with ministers and directors with directors. So send your best man and especially, do not forget the business card mentioning that you are an important person of the firm. A good understanding and knowledge of the specialism can be an advantage for the selection of a partner. According to organisations who improve export to Russia it is important to work together to get trust. Trust is actually for Booijink Veevoeders that they have the right feeling in the counterpart. An important factor of the third step is information and its accessibility. Information can be found through the following channels: Agrotech Russia, Yugagro Krasnodar and VIV Moscow, the internet and Dutch organizations like LEC, Ambassador, NAK/PD and agricultural advisory body "landbouwraad". Other options are seminars in the Netherlands, Dutch firms, one's own network and a network of firms which are active in Russia like Plus for Progress or Livestock expertise center. Also the organisation EVD, KVK and NRCe which improve export to Russia can be asked. As for representational information, it is very important to write the results on paper. Russians follow the procedures to the letter. Overall the advice at Information can be given as being: divide the country in pieces or regions by using a dealer or free seller, per region to guarantee continuity on. From the internal organizational side of a small firm it is good to have contact with more than one person. The small firm should keep in mind that if an employee were to drop out, export to that particular country could easily be jeopardized. An important factor of the third step is resources. Recourses are the dependent factor for doing it oneself. If Booijink Veevoeders want to do it themselves, Booijink Veevoeders needs competent workers, enough money and materials should available and the organisation should be ready to take this step. At this moment they do not have the recourses themselves to go abroad.

The advantages, trust, information and resources, from the third step are mentioned in a schedule below.

| Route of servicing market | advantages | | |
|------------------------------|------------|-------------|-----------|
| | Trust | Information | Resources |
| Indirect export | Yes | No | No |
| Direct export (intermediary) | Yes | Yes | No |
| Direct export | Yes | Yes | Yes |

These advantages at step three are connected to the market entries and consist of the results what are given by the firms which are active in Russia. Much cannot be said about the outcomes what were founded at firms. What can be noticed is that the mean scores on the aspects trust, information and resources are above average. The conclusion to these outcomes is that there is no one way solution how to operate. There is no normal distribution, the N is too small and there is too much spread in the outcomes. So from the outcomes of the firms it cannot be explicitly told which mode of export should be used when two or all the three aspects are there. So, through this findings it is hard to say which of the aspects are useful to the mode of entry. The findings make it firm depended if a firm has to export directly or indirectly and give not a one way solution. Partner selection and trust building with that partner are done step by step. If you have enough good information and skilled workers all the three options are open, if skilled workers fail but there is good information, it is still possible to do it by an intermediary. If there is no information neither choose for indirect export through an intermediary nor do it yourself. For Booijink the advice must be to make use of a partner, because they have not enough resources and information available. Through a partner, gives the right way of operating in order to transfer products to the Russian market.

6.2 Recommendations

The production capacity of Booijink Veevoeders is almost at its maximum, therefore first a solution should be found before going abroad. This could be done by a new production line or hiring capacity on another location. Until now Booijink have not looked at other competitors and specifically their pricelists. Booijink should find out what the pricelists of

other competitors are to be sure that the partner does not take too much of the profit and to be sure that Booijink have the maximum result. If Booijink Veevoeders go to a country (continent) like Russia, Booijink Veevoeders should make more people internally responsible for that country. These contacts will give Booijink Veevoeders more continuity, because when one single person is responsible and something happens to him, Booijink Veevoeders could easily lose the partner to a competitor. Booijink Veevoeders is now too dependent on this person. Huge countries, Russia is an example, should be divided in particular areas. Booijink Veevoeders should watch out not to give exclusive rights to one partner in a “big” country. It is better to have more partners in a big country, when there fail one contact you lose the whole export to this country. Booijink Veevoeders can think of a separation by state like South Federal District, Central Federal District Privolzhsky Federal District, Urals Federal District etc. Booijink Veevoeders can imagine that this will also be done in the future for the other BRIC countries “Brazil, India and China”. But also big countries like Kazakhstan and Ukraine should be done in this way. Having one partner in one country is probably possible in small countries like Estonia, Latvia or Lithuania. For the first export in a huge country, this person can have an exclusive contract for two years, after Booijink Veevoeders has divided the market, so the person can choose in which part of the country his firm wants to be active, you open this contract and start looking for others partners. If you have one partner in Russia, do not frustrate him, he could boycott all the export to Russia; therefore it could be smart to have more than one registration number on a number of production places, so you can deliver from these firms. Booijink Veevoeders should bear in mind to divide the market in more regions and having more than one partner in this enormous continent, also the connections with these partners should be kept by more than one person. Having a good relation with the partner by delivering good quality products and service of demand is a good way to contact the free sales person so, try to keep this mode of working. If a firm goes to another country, do not act impulsively, by starting to export and learning by trial and error like many other small firms. Mistakes, time and money can be saved to have a well-founded plan, which should be followed step by step.

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Consult of 16 December 2011

Appendix 1

Step 1 What is the ideal type of partnership for our company in this market?

Firms that produce their products in their home market are often exporting through intermediaries, such as agents and distributors. Another option is licensees. A third possibility is through franchise and the fourth option is a joint-venture partner. There are also other options like strategic alliances in a project-based, nonequity collaboration, global sourcing, contract manufacturing, supplier partnership, trading company partnerships in a barter or countertrade transaction (Cavusgil, 1997). The choice is made by the management through the next key issues:

- What value-adding activities are expected to be performed in the foreign market?
- What complementarities are sought?
- What organizational and financial resources (such as equity) are the firm prepared to commit to the venture?
- How much control will the firm retain over its strategic resources?
- What risks will be tolerated, and what is the time horizon?
- How strategically important is the market?
- What is the availability and capability of partners?

Step 2 What qualifications should we seek in the ideal business partner?

A profile of the business partner should be made, in general both strategies should match.

Other options are:

- Established presence in that market, with a reasonable sales and distribution network.
- Financially sound
- Highly motivated work force
- Influence in local governments

Step 3 Where can we obtain information about potential partners? What secondary sources of information and assistance can we tap into identify and qualify candidates?

To obtain information a combination of desk and field research should be done. Industry magazines, country/regional directories and trade journals can give information

Step 4 Do we have a good understanding of our partner's business objectives and expectations from the proposed venture?

What are the advantages of these partners and on the other hand, what is the advantage for these partners. Many partnerships fail, because management is only looking to their own. Often it is not only money or profits. Options could be:

- Enhanced image by association of the company
- Access to global markets
- Access to product innovation

Step 5 What legal relationship should we have with our partner? Should we sign a formal agreement? Should we ask for a trial period during which we will develop a better understanding of our partner?

This depends on the size, resources and power relative to the foreign partner.

- Avoid long-term, legally binding relationships, replace them by case-by-case transactions
- A trial period of one or two years
- A page of "memorandum of understanding"
- Letter of agreement to collaborate

There are big risks to relationships without a legal agreement. If you want to start for yourself and terminate the contract of the distributor, it could be said, that on the basis of an implied agreement (with no legal documents), it is not possible.

Step 6 If management decides to have a legal agreement (distributor contract, joint venture agreement, and so on) with the foreign partner, what aspects of the relationship should be governed by the contract?

Legal agreements will define mutual tasks and responsibilities of the partners; the decision-making autonomy of each partner; exclusivity of territory and product lines; compensation and dispute resolution. Experienced executives will specify clear clauses for termination,

since this may obligate the firm to pay exorbitant separation fees (Cavusgil, 1997). The best is to customize the agreement on the country regulations.

Step 7 In the process of executing the collaborative venture, what can we do to ensure a mutually beneficial and successful relationship?

If the relationship should be successful there should be a constant conformity. Be aware of cross-cultural differences. Establish open lines of communication and provide technical and managerial support. Built on mutual trust.

Step 8 What specific criteria should be employed to measure satisfaction with or performance of the venture?

It is very important to make criteria for the success of the venture. This should be learning, operational and strategically objectives in a certain period. This could be done through sales, market share and profits but also strategic output, growth or new forms of collaboration or knowledge gained could be criteria.

Step 9 How should the firm monitor the collaborative venture?

The best way of monitoring is to do it from the same point. Specific objectives are cash flow, brand equity, cost reduction and shareholder value.

Step 10 What plans should be made for the future of this relationship?

A vision of the future of the collaborative venture should be mad. What steps could be taken to make the future fruitful? One vision should be formed.

The overseas agent serves as an intermediary between export sellers and import buyers (Keitt 1990). The resources are too limited to do other forms of international expansion. Most small firms will expand by partnerships with distributors or agents. Foreign licensing is an alternative to do.

Appendix 2

Adopted from Wood and Robertson and translated to the Dutch agricultural firms

| Primary environmental dimensions | Subsidiary export dimensions | Specific decision variables (written description used in survey) |
|----------------------------------|--|---|
| Politics | Stability | 1 Political strength of leadership in the foreign country |
| | | 2 Degree of freedom of the political opposition in the foreign country The degree of local labour unrest and the foreign government's |
| | | 3 ability to deal with the current and future labor unrest Degree of foreign country's domestic instability (e.g. rebellion, |
| | | 4 political kidnappings, riots, guerrilla wars) |
| | Diplomatic relations | 5 Degree of normal diplomatic relations between USA and the foreign country and vice versa |
| | | 6 Extent of restrictions on free and open trade with the foreign country due to political frictions (e.g. Dutch freeze on Dutch technology exports) |
| | | 7 Extent of foreign government's use of incentives to encourage private business |
| | Internal policies | 8 The ability of the foreign governments to enforce its diplomatic policies with respect to trade (for example, ability of foreign government to enforce policy of limited trade with USA) |
| | | 9 Actual size of the private sector in relation to the government sector in the foreign country |
| Market potential | General demand | 10 Potential foreign buyer's ability to pay for your product |
| | | 11 Average annual sales of your type of product or service in the foreign country |
| | | 12 Future trends and growth rate of the foreign market in which your product or service would be sold |
| | | 13 Opportunities for your to offset cyclical swings in the US market demand for your product by entering a foreign market |
| | Adaptation costs | 14 Parts and technical service support needed and available for your product in the foreign country |
| | | 15 Need to change your product specifications due to differences in foreign buyers tastes and preferences or technical requirements |
| | | 16 Degree of test marketing and promotion required to assure adequate sales of your product in the foreign market |
| | | 17 Credit and financing normally extended to buyers in the foreign country (i.e. industry standards for financing sales to a foreign market) |
| | | 18 Types and number of competitive products on the market in the foreign country |
| Competition | 19 Competitor's market share, coverage, and growth rate in the foreign | |

| | | |
|----------------|----------------------|---|
| | | market |
| | | Advantages and weaknesses of competitors in the foreign market (e.g. the uniqueness of competitor's product and facilities for |
| | | 20 distribution) |
| | | Price levels on competitive products compared to your CIF price |
| | | 21 (costs, insurance, and freight) in the foreign market |
| Economics | Development | 22 Gross National Product and per capita income in the foreign country |
| | | 23 Availability of Euro reserves in the foreign country |
| | | 24 Education and employment levels in the local foreign population |
| | | 25 Inflation rate over the past five years in the foreign country |
| | | Trends in the foreign country's balance of trade (surpluses versus |
| | | 26 deficits) |
| | Production strenght | The degree of use of modern, efficient methods in the creation of products and services in the foreign country (relative skill level of |
| | | 27 labor force) |
| | | Wealth of the foreign country in natural resources and the extent of |
| | | 28 their development |
| | | The diversity and range of all products produced in the foreign |
| | | 29 country versus those imported |
| | Consumption | Per capita ownership of consumer goods in the foreign country (e.g. |
| | | 30 cars, radios, TVs, etc.) |
| | | 31 Per capita food consumption in the foreign country |
| | | Per capita energy consumption in the foreign country (e.g. oil, gas, |
| | | 32 coal) |
| | | Per capita industrial goods consumption (e.g. steel, cement, glass) in |
| | | 33 the foreign country |
| Culture | Cultural unity | 34 Number of different cultural groupings, such as ethnic, religious, |
| | | racial, country and language groups found in the foreign |
| | | 35 Extent of harmony or friction between different cultural groups in |
| | | the foreign country |
| | | Differences in lifestyles and customs of various groups in the |
| | | 36 foreign country |
| | Cultural differences | 37 Extent of adoption of American way of life in the foreign country |
| | | Percent of the business community who speak English, and the |
| | | 38 extent of adaption of European way of life in the foreign country |
| | | Preferences and prohibitions in the foreign country with respect to |
| | | 39 numbers, colours, shapes, sizes, and symbols on products and in |
| | | promotion of products |
| | | Differences between Dutch and foreign views on the use of your |
| | | 40 product |
| Infrastructure | Distribution | Costs and efficiency of transportation to the foreign country from |
| | | 41 the Netherlands (airlines, shipping lines, etc) |
| | | Costs and efficiency of transportation within the foreign country |
| | | 42 (roads, highways, railroads, trucking, etc.) |
| | | Costs and efficiency of physical handling and warehousing in the |
| | | foreign county (in the port of entry and throughout the foreign |
| | | 43 country) |
| | | Extent of development of wholesale/retail system in the foreign |
| | | 44 country |

| | | |
|-------|---------------|---|
| | | Costs and efficiency of communications to the foreign country from the Netherlands (e-mail, telex, telephone, post office/other mail telegraph) |
| | Communication | 45 |
| | | Costs and efficiency of communications within the foreign country (i.e. commercial broadcast media, print media, promotional agencies) |
| | | 46 |
| | | Costs and efficiency of trade fairs and industrial exhibitions in the foreign country |
| | | 47 |
| | Geography | 48 Total land area of the foreign country and description (i.e. mountain range, rivers, natural harbors, landlocked) |
| | | 49 Climatic characteristics in the foreign country |
| | | 50 Natural disaster potential in the foreign country |
| Legal | Tariffs/taxes | 51 Exact tariffs, import duties, and taxes assessed by the foreign country (i.e. floods, windstorms) |
| | | Tariff concessions allowed by the foreign country (I.e. drawbacks, preferential tariffs) |
| | | 52 |
| | | Common markets or regional trading blocs to which the foreign country belongs |
| | | 53 |
| | Non-tariff | 54 Product standards imposed by the foreign country (e.g. local assembly laws; |
| | | product packaging and labeling requirements; local safety and environmental regulations) |
| | | Required documentation, import procedures, and quotas imposed by the foreign government) |
| | | 55 |
| | | Extent and nature of the foreign government's participation in trade (e.g. foreign government procurement policies) |
| | | 56 |
| | Other legal | 57 Visa requirements in the foreign country (restriction on travel imposed by foreign government) |
| | | Foreign government's laws affecting relationships with agent's distributors (e.g. severance pay, compensation) |
| | | 58 |
| | | Laws regulating and restraining advertising and promotion in the foreign country |
| | | 59 |
| | | Patent, copyright, and trademark protection in the foreign country. |
| | | 60 |

Appendix 3

| Authors | Antecedent Factors |
|--|---|
| Boyle & Bonacich (1970) | Past interactions, index of caution based on prisoners' dilemma outcomes |
| Butler (1991) | Availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfillment, receptivity |
| Cook & Wall (1980) | Trustworthy intentions, ability |
| Dasgupta (1988) | Credible threat of punishment, credibility of promises |
| Deutsch (1960) | Ability, intention to produce |
| Farris, Senner, & Butterfield (1973) | Openness, ownership of feelings, experimentation with new behavior, group norms |
| Frost, Stimpson, & Maughan (1978) | Dependence on trustee, altruism |
| Gabarro (1978) | Openness, previous outcomes |
| Giffin (1967) | Expertness, reliability as information source, intentions, dynamism, personal attraction, reputation |
| Good (1988) | Ability, intention, trustees' claims about how (they) will behave |
| Hart, Capps, Cangemi, & Caillouet (1986) | Openness/congruity, shared values, autonomy/feedback |
| Hovland, Janis, & Kelley (1953) | Expertise, motivation to lie |
| Johnson-George & Swap (1982) | Reliability |
| Jones, James, & Bruni (1975) | Ability, behavior is relevant to the individual's needs and desires |
| Kee & Knox (1970) | Competence, motives |
| Larzelere & Huston (1980) | Benevolence, honesty |
| Lieberman (1981) | Competence, integrity |
| Mishra (In press) | Competence, openness, caring, reliability |
| Ring & Van de Ven (1992) | Moral integrity, goodwill |
| Rosen & Jerdee (1977) | Judgment or competence, group goals |
| Sitkin & Roth (1993) | Ability, value congruence |
| Solomon (1960) | Benevolence |
| Strickland (1958) | Benevolence |

Appendix 4

Interview with EVD, KvK, PVE, NRCe and Rusproject

Korte introductie:

Ik heet Wouter Oude Voshaar, studeer momenteel aan de Universiteit Twente met de specialisatie innovatie en ondernemerschap. Om af te studeren, doe ik mijn master opdracht bij Booijink Veevoerders. Het onderwerp in deze is hoe agrarische bedrijven het beste Rusland kunnen betreden. Hopelijk wilt u uw medewerking verlenen aan mijn opdracht door de volgende vragenlijst te beantwoorden. De vragenlijst bevat een aantal inleidende vragen alvorens er wordt begonnen met de enquête vragen. De antwoorden worden volledig anoniem behandeld. De enquête vragen bevatten zowel open- als gesloten vragen, de gesloten vragen dienen beantwoord te worden op een schaal van 1 tot 5, waarin 1 geheel niet is en 5 geheel wel.

- Wat is uw functie en in hoeverre heeft u met Rusland van doen?
- Wat zijn volgens u belangrijke factoren om een samenwerkingsverband aan te gaan met een bedrijf in Rusland?
- Welke marktbenadering, zoals exporteren, contractuele overeenkomst, joint venture, overnames of greenfield investering “bedrijf dat daar opgestart wordt” wordt het meeste bij kleine agrarische bedrijven (tot 50 werknemers) toegepast in Rusland.
- Wat is volgens u de beste marktbenadering voor kleine agrarische bedrijven in Rusland en waarom?
- Heeft u direct of indirect contact met Russische bedrijven?
- Zijn er verschillen in delen van Rusland om zaken te doen, zo ja welke?

Vertrouwen

Openheid

1. In hoeverre hebben Russische bedrijven (medewerkers/contactpersoon) een open benadering in de communicatie naar de Nederlandse bedrijven toe?

Integriteit

2. Waar moet rekening mee worden gehouden door Nederlandse bedrijven om vertrouwen te krijgen van Russische bedrijven?

Bekwaamheid/Vakkundigheid

3. In hoeverre zijn Russische bedrijven vakkundig (te denken valt aan bedrijfsinfo, praktijkkennis, theoretische kennis) ten opzichte van Nederlandse bedrijven?
 - Denkt men in problemen of in oplossingen en handelt hij/zij hierna?

Vrijgevigheid/welwillendheid

4. In hoeverre tonen Russische bedrijven de wil en inzet om naar hun beste vermogen het goede te doen naar Nederlandse bedrijven toe?

Overige vraag

5. In hoeverre zijn Russische bedrijven eerlijk over het aangeven van mogelijke problemen die men in de samenwerking tegenkomt naar de Nederlandse bedrijven toe?

Middelen

Materiele/Kapitale middelen

6. In hoeverre zijn Russische bedrijven bereid tot het inzetten van machines, ten behoeve van een samenwerking met een Nederlandse partner?
7. In hoeverre zijn Russische bedrijven bereid tot het investeren van geld, ten behoeve van een samenwerking met een Nederlandse partner?

Organisatorische middelen

8. In hoeverre kan een Nederlands bedrijf gebruik maken van het Russische netwerk?
9. In hoeverre wordt er door agrarische bedrijven hinder ervaren bij de opzet van export documenten in Rusland?
10. Zijn er typische kenmerken/patronen te vinden in de Russische organisaties, zo ja welke?

Menselijke middelen

11. In hoeverre is het van belang dat er iemand van het bedrijf zelf fulltime aanwezig is in Rusland?
12. In hoeverre kunnen Nederlandse bedrijven Russisch personeel werven en in welke mate worden deze personen ingezet?

Informatie (kwaliteit)

Intrinsieke informatie

13. De informatie die Nederlandse bedrijven krijgen vanuit Rusland is die doorgaans correct en waar blijkt dat uit?

Toegang tot informatie

14. In hoeverre hebben Nederlandse bedrijven toegang tot waardevolle informatie uit Rusland?
 - Waar kunnen agrarische bedrijven het beste terecht voor het krijgen van nuttige informatie?
 - Zijn er belangrijke agrarische markten in Rusland waar aan waardevolle informatie kan worden gekomen?
15. Welke voorzieningen/organisaties zijn in Rusland aanwezig tot het vinden van een geschikte partner?

Contextuele informatie (verband waarin iets zich voordoet)(verzameling van omstandigheden en feiten die een bepaalde toestand definiëren)

- 16. Hoe komen Nederlandse bedrijven het beste in contact met Russen?
- 17. Kunt u voorbeelden geven waarbij er communicatie fouten worden gemaakt, zo ja welke?
- 18. Zijn er bepaalde gebruiken of gewoonten waar een succesvolle zaak aan te herkennen is.

Representatieve informatie

- 19. In hoeverre is het belangrijk dat zaken(afspraken) schriftelijk zijn opgesteld?

Mocht u hieronder nog iets kwijt willen rondom het onderwerp of de enquête dan hebt u de mogelijkheid om dit hier te doen.

.....
.....
.....
.....

Appendix 5

Questionnaire list to the firms

Korte introductie:

Ik heet Wouter Oude Voshaar, studeer momenteel aan de Universiteit Twente met de specialisatie innovatie en ondernemerschap. Om af te studeren, doe ik mijn master opdracht bij Booijink Veevoerders. Het onderwerp in deze is hoe agrarische bedrijven het beste Rusland kunnen betreden. Hopelijk wilt u uw medewerking verlenen aan mijn opdracht door de volgende vragenlijst te beantwoorden. De vragenlijst bevat een aantal inleidende vragen alvorens er wordt begonnen met de enquête vragen. De antwoorden worden volledig anoniem behandeld. De enquête vragen bevatten zowel open- als gesloten vragen, de gesloten vragen dienen beantwoord te worden op een schaal van 1 tot 5, waarin 1 geheel niet is en 5 geheel wel.

Dag heren en dames,

Hartelijk dank voor uw deelname, de resultaten op de belangrijkste vragen, zoals beloofd zou ik u nog toesturen.

- A) Wat is uw naam?
- B) Voor welk bedrijf bent u werkzaam?
- C) Wat is uw functie en in hoeverre hebt u met Rusland van doen?
- D) Hoeveel werknemers heeft het bedrijf in dienst?
(0-50, 50-500, 500 of meer)
- E) Hoeveel werknemers binnen het bedrijf zijn actief in en rondom de markt in Rusland?.....
- F) Zijn er van uw bedrijf Nederlands/Russische werknemers aanwezig in Rusland (ja, Nederlanders/ ja, Russen/nee) (indien nee ga naar vraag F)
- G) Hoeveel dagen zijn deze mensen in Rusland aanwezig per jaar?.....
- H) Wat zijn volgens u belangrijke factoren om een samenwerkingsverband aan te gaan met een bedrijf in Rusland?

.....
.....
- I) Welke exportbenadering past u toe in Rusland?
(exporteren, contractuele overeenkomst, joint venture, overnames of greenfield investering “bedrijf dat daar opgestart wordt”, iets anders namelijk)

- J) Wat is volgens u de beste marktbenadering voor kleine bedrijven in Rusland en waarom?

.....

Vertrouwen

Openheid

1. In hoeverre hebben Russische bedrijven een open benadering in de communicatie naar uw bedrijf toe?

(Niet) 1,2,3,4,5 (Wel)

Integriteit

2. In hoeverre tonen Russische bedrijven de wil en inzet om naar hun beste vermogen het goede te doen naar uw bedrijf toe?

(Niet) 1,2,3,4,5 (Wel)

Bekwaamheid/Vakkundigheid

3. In hoeverre tonen Russische bedrijven hun vakkundigheid (te denken valt aan bedrijfsinfo, praktijkkennis, theoretische kennis) naar uw bedrijf toe?

(Niet) 1,2,3,4,5 (Wel)

Vrijgevigheid/welwillendheid

4. In hoeverre zijn Russische bedrijven eerlijk over het aangeven van mogelijke problemen die men in de samenwerking tegenkomt naar uw bedrijf toe?

(Niet) 1,2,3,4,5 (Wel)

Middelen

Materiele/Kapitale middelen

5. In hoeverre zijn Russische bedrijven bereid tot het inzetten van machines, ten behoeve van een samenwerking met een Nederlandse partner?

(Niet) 1,2,3,4,5 (Wel)

6. In hoeverre zijn Russische bedrijven bereid tot het investeren van geld ten behoeve van een samenwerking met een Nederlandse partner?

(Niet) 1,2,3,4,5 (Wel)

Organisatorische middelen

7. In hoeverre kan uw bedrijf gebruik maken van het Russische netwerk?

(Niet) 1,2,3,4,5 (Wel)

8. Ervaart uw bedrijf hinder bij de opzet van (export) documenten?

(Niet) 1,2,3,4,5 (Wel)

Menselijke middelen

9. In hoeverre zou u het van belang vinden dat er iemand van uw bedrijf zelf (fulltime) aanwezig is in Rusland?

(Niet) 1,2,3,4,5 (Wel)

10. Naar welke vorm van export gaat uw voorkeur uit?
Verkoper binnendienst/ Intermediair(zelfstandige basis)/ agent, vrije verkoper

Informatie (kwaliteit)

Intrinsieke informatie

11. De informatie die u krijgt is die doorgaans correct?
(Niet) 1,2,3,4,5 (Wel)

Toegang tot informatie

12. Heeft u toegang tot waardevolle informatie?
(Niet) 1,2,3,4,5 (Wel)

Contextuele informatie

13. In hoeverre heeft u zelf vakkundige informatie nodig, om toch op de Russische markt actief te willen zijn.
(Niet) 1,2,3,4,5 (Wel)

Representatieve informatie

14. In hoeverre is het belangrijk dat zaken schriftelijk zijn opgesteld?
(Niet) 1,2,3,4,5 (Wel)

15. Waar haalt u uw informatie (te denken valt aan de overheid, kranten, internet, beurzen, overig) vandaan? Dus welke beurs, welke krant, welke internet pagina of waar bij de overheid?

.....
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Mocht u hieronder nog iets kwijt willen rondom het onderwerp of de enquête dan hebt u de mogelijkheid om dit hier te doen.

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Ik wil u hartelijk danken voor uw inzet en tijd voor het maken van deze enquête lijst. Als dank voor u deelname krijgt u een overzicht van de resultaten.

Appendix 6

| Plus for Progress | Livestock expertise center |
|-------------------------------------|---|
| | |
| AGRI 2.0 | Barenbrug Holland |
| AgriFac | Bles Dairies Dairy breeding stock & improvement |
| AgriTech Profi | BLGG Laboratory feedstuff & soil |
| AgriTip | Cowhouse Barn equipment dairy cows |
| Agrovent Systems | CRV Holding Cattle improvement |
| APH Group | Fancom Ventilation systems |
| Basfood | Hotraco Agri Climate control systems |
| CAH University of Applied Sciences | JOZ Manure handling |
| Consilion Technologies B.V. | LDL Trade farm consumables |
| D.T. Dijkstra B.V. | Malino Fryskaya Dairy farm investors |
| Dacom B.V. | Nedap agri farm automation |
| DIFCO INTERNATIONAL BV | PTC+ Practical training |
| DLV Plant | Ronarus Consultancy |
| DVIAS | The Friesian Consultancy |
| Miedema Agricultural Equipment B.V. | Topigs international Pig breeding |
| Mooij-Agro BV | TRIOLIET Livestock Feeding Equipment |
| Nivap | |
| OmniSTAR | |
| Phaff Export Marketing BV | |
| Pool Agri Import & Export | |
| SBG Innovation | |
| Steketee | |
| Struik Holland BV | |